

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

FORM 20-F

(Mark One)

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR SECTION 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2025

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

Commission File Number 001-40408



Global-E Online Ltd.

(Exact Name of Registrant as Specified in Its Charter)

Not Applicable

(Translation of Registrant's Name Into English)

State of Israel

(Jurisdiction of Incorporation or Organization)

9 HaPsagot Street,

Petah Tikva 4951041, Israel

(Address of Principal Executive Offices)

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Chief Executive Officer

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Global-E Online Ltd.

9 HaPsagot Street

Petah Tikva 4951041, Israel

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered, pursuant to Section 12(b) of the Act.

Title of each class

Ordinary shares, no par value

Trading Symbol(s)

GLBE

Name of each exchange on which registered

The Nasdaq Global Select Market

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer’s classes of capital stock or common stock as of the close of the period covered by the annual report. As of December 31, 2025, the issuer had outstanding 169,049,616 ordinary shares.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☒ No ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes ☐ No ☒

Note-Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of “large accelerated filer,” “accelerated filer,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

☒ Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

☒ U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other

If “Other” has been checked in response to the previous question indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

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ABOUT THIS ANNUAL REPORT

As used in this Annual Report, except where the context otherwise requires or where otherwise indicated, references to “Global-e,” the “Company,” “we,” “us,” “our,” “our company” and similar references refer to Global-E Online Ltd., together with its consolidated subsidiaries as a consolidated entity.

All references in this Annual Report to “Israeli currency” and “NIS” refer to New Israeli Shekels, the terms “dollar,” “USD” or “\$” refer to U.S. dollars and the terms “€” or “euro” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the treaty establishing the European Community, as amended.

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.

Our fiscal year ends on December 31 of each year. Our most recent fiscal year ended on December 31, 2025.

Certain monetary amounts, percentages and other figures included elsewhere in this Annual Report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables or charts may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

Key Performance Indicators and Non-GAAP Financial Measures Used in this Annual Report

Throughout this Annual Report, we provide a number of key performance indicators and non-GAAP financial measures used by our management and often by others in our industry. These are discussed in more detail in the section entitled “*Operating and Financial Review and Prospects- Key Performance Indicators and Other Operating Metrics*” which also includes a reconciliation of our non-GAAP financial measures to the most directly comparable U.S. GAAP metric. We define these key performance indicators and non-GAAP financial measures as follows:

- “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;
- “Adjusted EBITDA” is a non-GAAP financial measure and is defined as net profit (loss) adjusted for income tax (benefit) expenses, financial expenses (income) net, stock based compensation expenses, depreciation and amortization, commercial agreements amortization, amortization of acquired intangibles, merger related contingent consideration, and acquisition related expenses. Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by revenues;
- “Non-GAAP Gross Profit” is a non-GAAP financial measure and is defined as gross profit adjusted for amortization of acquired intangibles. “Non-GAAP gross margin” is calculated as Non-GAAP gross profit divided by revenues;
- “Net Dollar Retention Rate” for a given period is calculated by dividing the GMV in that period by the GMV in the comparable period in the prior year, in each case, from merchants that processed transactions on our platforms in the earlier of the two periods;
- “Gross Dollar Retention Rate” or “GDR” is a key performance indicator and in order to calculate it for a particular quarter, we first calculate the total seasonality adjusted annualized GMV for that quarter. We then calculate the value of GMV from any merchants who discontinued their use of our platforms during that quarter, or churned, based on their total GMV from the four quarters preceding such quarter, which we refer to as churned GMV. We then divide (a) the churned GMV by (b) the total seasonality adjusted annualized GMV to calculate the percentage churn for that quarter. Gross Dollar Retention Rate for a particular year is calculated by aggregating the percentage churn of the four quarters within that year and subtracting the result from 100%; and
- “Free Cash Flow”, which Global-e defines as net cash provided by operating activities less purchase of property and equipment.
- “Non-GAAP net profit” is a non-GAAP financial measure and is defined as net profit adjusted for stock-based compensation expenses, commercial agreements amortization, amortization of acquired intangibles, merger related contingent consideration and acquisition related expenses;
- “Non-GAAP net profit per share” is a non-GAAP financial measure and is defined as Non-GAAP net profit divided by GAAP weighted-average shares outstanding, basic and diluted.

The aforementioned key performance indicators and non-GAAP financial measures are used by management and our board of directors to assess our performance, for financial and operational decision-making, and as a means to evaluate period-to-period comparisons. These measures are frequently used by analysts, investors and other interested parties to evaluate companies in our industry. We believe that these non-GAAP financial measures are appropriate measures of operating performance because they remove the impact of certain items that we believe do not directly reflect our core operations, and permit investors to view performance using the same tools that we use to budget, forecast, make operating and strategic decisions, and evaluate historical performance.

Market and Industry Data

Unless otherwise indicated, information in this Annual Report concerning economic conditions, our industry, our markets and our competitive position is based on a variety of sources, including statistical, market and industry data and forecasts, that we obtained from publicly available information and independent industry publications and reports that we believe to be reliable sources. These publicly available industry publications and reports generally state that they obtain their information from sources that they believe to be reliable, but they do not guarantee the accuracy or completeness of the information. Although we believe that these sources are reliable, we have not independently verified the information contained in such publications. Certain estimates and forecasts involve uncertainties and risks and are subject to change based on various factors, including those discussed under the headings “Cautionary Statement Regarding Forward-Looking Statements” and “Item 3.D. Risk Factors” in this Annual Report.

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

Certain estimates of market opportunity and forecasts of market growth included in this Annual Report may prove to be inaccurate. The market for e-commerce solutions is relatively new and will experience changes over time. E-commerce market estimates and growth forecasts, whether obtained from third-party sources or developed internally, are uncertain and based on assumptions and estimates that may prove to be inaccurate. The estimates and forecasts in this Annual Report relating to the size of our target market, market demand and adoption, capacity to address this demand and pricing may prove to be inaccurate. The addressable market we estimate may not materialize for many years, if ever, and even if the markets in which we compete meet the size estimates in this Annual Report, our business could fail to grow at similar rates, if at all.

Trademarks

We or our licensors have proprietary rights to trademarks used in this Annual Report. Solely for convenience, trademarks and trade names referred to in this Annual Report may appear without the “®” or “™” symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent possible under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies’ trademarks, trade names or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies. Each trademark, trade name or service mark of any other company appearing in this Annual Report is the property of its respective holder.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains estimates and forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements as contained in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements contained in this Annual Report other than statements of historical fact, including, without limitation, statements regarding our future results of operations and financial position, competitive position and market opportunity, anticipated capital needs and expected profitability, technology and platform development, strategic partnerships and potential acquisitions, expected impacts of regulatory, tax, trade, and macroeconomic developments, growth strategy and plans and objectives of management for future operations, including, among others, expansion in new and existing markets, and introduction of and potential benefits from our demand generation strategies, are forward-looking statements. as the words “may,” “might,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “target,” “seek,” “believe,” “estimate,” “predict,” “potential,” “continue,” “contemplate,” “possible” or the negative of these terms or other similar expressions are intended to identify forward-looking statements, though not all forward-looking statements use these words or expressions. These forward-looking statements are contained principally in the sections entitled Item 3.D. “Key Information-Risk Factors,” Item 4. “Information on the Company,” and Item 5. “Operating and Financial Review and Prospects.”

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 and uncertainties including, but not limited to, the risks described in Item 3.D “Key Information-Risk Factors” and elsewhere in this Annual Report.

You should not rely on forward-looking statements as predictions of future events. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Annual Report. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described 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 on information available to us as of the date of this Annual Report. While we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements. We may also provide information herein that is not necessarily “material” under the federal securities laws for SEC reporting purposes, even if we use language of “materiality” or similar, including information that is informed by various ESG standards and frameworks (including standards for the measurement of underlying data), and the interests of various stakeholders. Much of this information is subject to assumptions, estimates or third-party information that is still evolving and subject to change. For example, our disclosures based on any standards may change due to revisions in framework requirements, availability of information, changes in our business or applicable government policies, or other factors, some of which may be beyond our control.

The forward-looking statements made in this Annual Report relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Annual Report to reflect events or circumstances after the date of this Annual Report or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments.

SUMMARY OF RISK FACTORS

Our business is subject to numerous risks and uncertainties, including those described in Item 3. “Key Information - D. Risk Factors.” You should carefully consider these risks and uncertainties when investing in our ordinary shares. Principal risks and uncertainties affecting our business include the following:

- our rapid growth and growth rates in recent periods may not be indicative of future growth;
- our ability to retain existing, and attract new, merchants;
- our ability to anticipate merchant needs or develop or integrate new functionality or enhance our existing platforms to meet those needs;
- market acceptance of our Shopify adapted platforms and the termination or renewal on less favorable terms of our agreement with Shopify;
- the impact of imposed tariffs or other trade regulations and policies on our business and financial results;
- our ability to implement and use artificial intelligence and machine learning technologies successfully and the increasing adoption of autonomous or artificial intelligence driven e-commerce solutions;
- our ability to compete in our industry;

- our reliance on third-parties, including our ability to realize the benefits of any strategic alliances, joint ventures, or partnership arrangements and to integrate our platforms with third-party platforms;
- our ability to develop or maintain the functionality of our platforms, including real or perceived errors, failures, vulnerabilities, or bugs in our platforms;
- our history of net losses;
- our ability to manage our growth and manage expansion into additional markets and the introduction of new platforms and offerings;
- our ability to accommodate increased volumes during peak seasons and events;
- our ability to effectively expand our marketing and sales capabilities;
- our expectations regarding our revenue, expenses and operations;
- our ability to operate internationally;
- our reliance on third-party services, including third-party providers of cross-docking services and third-party data centers, in our platforms and services and harm to our reputation by our merchants' or third-party service providers' unethical business practices;
- our operation as a merchant of record for sales conducted using our platform;
- regulatory requirements and additional fees related to payment transactions through our e-commerce platforms could be costly and difficult to comply with;
- compliance and third-party risks related to anti-money laundering, anti-corruption, anti-bribery, regulations, economic sanctions and export control laws and import regulations and restrictions;
- our business's reliance on the personal importation model;
- our ability to securely store personal information of merchants and shoppers;
- increases in shipping rates;
- fluctuations in the exchange rate of foreign currencies have impacted and could continue to impact our results of operations;
- our ability to offer high quality support;
- our ability to expand the number of merchants using our platforms and increase our GMV and to enhance our reputation and awareness of our platforms;
- our ability to adapt to emerging or evolving regulatory developments, changing laws, regulations, standards and technological changes related to privacy, data protection, data security and machine learning technology and generative artificial intelligence;
- our role in the fulfilment chain of the merchants, which may cause third parties to confuse us with the merchants;
- our ability to establish and protect intellectual property rights; and our use of open-source software which may pose particular risks to our proprietary software technologies;
- our dependency on our executive officers and other key employees and our ability to hire and retain skilled key personnel, including our ability to enforce non-compete agreements we enter into with our employees;
- litigation for a variety of claims which we may be subject to;
- the adoption by merchants of a D2C model;
- our anticipated cash needs and our estimates regarding our capital requirements and our needs for additional financing;

- our ability to maintain our corporate culture;
- our ability to maintain an effective system of disclosure controls and internal control over financial reporting;
- our ability to accurately estimate judgments relating to our critical accounting policies;
- changes in tax laws or regulations to which we are subject, including the enactment of legislation implementing changes in taxation of international business activities and the adoption of other corporate tax reform policies;
- requirements to collect sales or other taxes relating to the use of our platforms and services in jurisdictions where we have not historically done so;
- global events or conditions in individual markets such as financial and credit market fluctuations, war, climate change, and macroeconomic events;
- risks relating to our ordinary shares, including our share price, the concentration of our share ownership with insiders, our share repurchase program, our status as a foreign private issuer, provisions of Israeli law and our amended and restated articles of association and actions of activist shareholders;
- risks related to our incorporation and location in Israel; and
- other statements described in this Annual Report under “Risk Factors,” “Operating and Financial Review and Prospects,” and “Business.”

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. [RESERVED]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

You should carefully consider the risks and uncertainties described below and the other information in this Annual Report before making a decision to invest in our ordinary shares. The Company may not be able to accurately predict, control or mitigate these risks. Statements in this section are based on the Company’s beliefs and opinions regarding matters that could materially adversely affect the Company in the future and are not representations as to whether such matters have or have not occurred previously. The risks and uncertainties described below are not exhaustive and should not be considered a complete statement of all potential risks or uncertainties that the Company faces or may face in the future. Our business, financial condition, results of operations, or strategic objectives could be materially and adversely affected by any of these risks and uncertainties. The trading price and value of our ordinary shares could decline due to any of these risks and uncertainties, and you may lose all or part of your investment. This Annual Report also contains forward-looking statements that involve risks and uncertainties. See “Cautionary Statement Regarding Forward-Looking Statements.” Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks and uncertainties faced by us described below and elsewhere in this Annual Report.

Risks Relating to our Business and Industry

We have experienced rapid growth in recent periods and our recent growth rates may not be indicative of our future growth.

We have experienced rapid growth in recent periods. Our revenue was \$569.9 million, \$752.8 million and \$962.2 million for the years ended December 31, 2023, 2024 and 2025, respectively, representing an annual growth of 39.3%, 32.1% and 27.8% for the years ended December 31, 2023, 2024, and 2025, respectively. GMV processed through our platforms during the years ended December 31, 2023, 2024 and 2025 was \$3,557 million, \$4,858 million and \$6,569 million, respectively, representing an annual growth of 45.2%, 36.6% and 35.2% for the years ended December 31, 2023, 2024, and 2025, respectively. In future periods, we may not be able to sustain revenue or GMV growth consistent with recent history, or at all.

We believe our revenue and GMV growth depends on a number of factors, including, but not limited to, our ability to:

- increase the overall sales volume facilitated by our platforms;
- sustain and improve merchant retention rates;
- increase merchants' e-commerce sales conversion rates;
- successfully expand our merchants into new geographies;
- attract new merchants to our platforms in existing and new geographies, segments and verticals;
- expand our platform offerings to address evolving market dynamics and merchants' needs;
- successfully integrating or maintaining the technologies, platforms and business propositions, modalities or offerings of business we have acquired;
- successfully realize all the benefits from our third party partnerships and collaborations;
- provide integration with our merchants' online e-commerce web-stores;
- maintain the security, reliability and integrity of our platforms;
- maintain compliance with existing and comply with new applicable laws and regulations, including new tax rates and tariffs;
- price our platforms effectively so that we are able to attract and retain merchants;
- successfully compete against our current and future competition and competing solutions; and
- maintain service levels and consistent quality of our platforms.

We have also encountered in the past, and expect to encounter in the future, risks and uncertainties frequently experienced by growing companies in rapidly evolving industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our growth rates may slow and our business could suffer. Further, our rapid growth may make it difficult to evaluate our future prospects. In addition, a portion of our growth in recent or past periods may be attributed to trends and there is no assurance these trends will continue.

If we are unable to retain our existing merchants, or the GMV generated by merchants on our platforms declines or does not increase, our business, operating results and financial condition could be adversely affected.

Our revenues are driven by GMV that is processed through our platforms and we expect our future revenue growth to be partially driven by increases to our existing merchants' GMV. We aim to sign contracts with merchants for a minimum term of 12 months and with a minimum committed monthly volume, but our merchants typically have the right to terminate their agreements for convenience by providing prior written notice, and have no obligation to renew their agreements with us after their terms expire. Even if our agreements with the merchants are renewed or not terminated, they may not be renewed on the same or as profitable terms, and may exclude utilization of our shipping services which may reduce our revenues, or may reduce the markets in which we provide them our services (including by way of localizing their fulfilment and distribution model).

Although we typically maintain minimum fee arrangements with the merchants, we cannot guarantee that such minimum fees will commensurate with revenues earned in previous periods. As a result, if existing merchants terminate their agreements with us, renew them on less favorable terms, or otherwise reduce the scope of their activity through our platforms, our operating results and financial condition could suffer.

The growth of our business depends on our ability to attract new merchants and increase the GMV processed on our platforms.

Our growth strategies include attracting new merchants to our platforms and increasing the GMV processed through our platforms. There is no guarantee that we can sustain our historical merchant acquisition rates and if we do, that such new merchants will lead to an increase of the GMV processed through our platforms or to an increase in our revenues. Our ability to attract new merchants depends on the success of our platforms with existing merchants and the success of our sales and marketing efforts, which may not be successful. Merchants who are not currently engaged in cross-border e-commerce may not be familiar with our solutions and those currently engaged in cross-border e-commerce may use other products or services for their cross-border e-commerce needs. In addition, merchants may develop their own solutions to address their cross-border e-commerce needs, purchase competitive product offerings, or engage third-party providers of services and solutions that do not or will not enable the use of our platforms and services. It may be difficult to engage and market to merchants who either do not currently have cross-border e-commerce needs, are unfamiliar with our platforms and services, or utilize competing solutions and services for their e-commerce needs. This requires us to spend substantial time, effort and resources assisting merchants in evaluating our platforms and services, including providing demonstrations, conducting gap analyses and substantiating the value of our platforms and services. Furthermore, engaging and marketing to merchants in segments, verticals or new regions where we do not have a presence or where we do not have a long operating history since we have established our presence may also require effort and resources and may not result in the acquisition of new merchants or in increase of GMV. If merchants do not perceive our offerings to be of sufficiently high value and quality, we may not be able to attract new merchants or increase our GMV and our business, operating results and financial condition could be adversely affected.

Additionally, even if we are successful in attracting new merchants, they may not generate GMV or revenue at the same rate or scale as our current or historical merchants. If new merchants that we acquire fail to use our platforms to the same extent that our existing merchants do, it would reduce the GMV processed on our platforms and therefore our revenue, which could materially adversely affect our operating results and our growth.

We have acquired, and may acquire in the future, other businesses. Acquisitions divert a substantial part of our resources and management attention and could in the future, adversely affect our financial results.

We have acquired and may in the future acquire, complementary solutions, functionalities, technologies or businesses. Seeking and negotiating potential acquisitions diverts our management's attention from other business concerns to a certain extent and is expensive and time-consuming. Acquisitions may expose us and our business to unforeseen liabilities or risks associated with the business or assets acquired or with entering new markets. These risks include, but are not limited to, integrating differing corporate cultures, aligning operational systems and business processes, retaining key employees, and managing geographically dispersed operations or entering markets in which we have limited experience. Paying the purchase price for acquisitions in the form of cash, debt or equity securities may weaken our cash position, increase our leverage or dilute our existing shareholders, as applicable. Additionally, acquired businesses or assets may not perform as expected, may expose us to unforeseen legal or regulatory liabilities, and may require significant capital investments or operational resources to achieve desired outcomes. There is also a risk that we may not achieve the anticipated cost savings, synergies, or other benefits of acquisitions fully, in a timely fashion or at all.

If we fail to develop or integrate new functionalities, or enhance our platforms to meet the needs of our current and future merchants, or if we fail to estimate the impact of developing and introducing new functionalities or enhanced solutions in response to rapid market or technological changes, our revenue could decline and our expenditures could increase significantly.

The e-commerce market is characterized by rapid technological changes, evolving operational and omnichannel modalities, frequent new product and service introductions, evolving industry standards and regulations and changing merchant and shopper preferences. To keep pace with technological, operational and regulatory developments, satisfy increasingly sophisticated merchant and shopper needs, achieve market acceptance and maintain the performance and security of our platforms, we must continue to adapt, enhance, integrate and improve our platforms and existing services and we must also continue to introduce new functionalities to our platforms. Any new solution or functionality we develop or integrate, may not be introduced in a timely manner and may not achieve the broad market acceptance necessary to generate significant revenue. If we are unable to successfully develop or integrate new solutions or enhance our existing solutions, our business, operating results and financial condition could be adversely affected.

We expect to continue to incur significant expenses to develop, integrate and implement additional solutions and functionalities and to integrate any acquired solutions or functionalities into our existing platforms to maintain our competitive position. These efforts may not result in commercially viable solutions. We may experience difficulties with software development, industry standards, threats to the security and integrity of our technological infrastructure, design, manufacturing or marketing that could delay or prevent our development, introduction or implementation of new solutions and enhancements. If we do not receive significant revenue from these investments, or fail to meet merchant and shopper expectations, our business, operating results and financial condition could be adversely affected.

Merchants may require customized integrations, or features and functions that we do not yet offer or do not intend to offer, or which we have yet fully integrated or implemented, any of which may cause them to choose a competing solution. If we fail to develop or integrate and implement solutions that satisfy merchant and shoppers' preferences in a timely and cost-effective manner, our ability to renew our contracts with existing merchants and our ability to create or increase demand for our platforms could be harmed, and our business, operating results and financial condition could be materially adversely affected. The implementation of acquired solutions into the Global-e platform, alongside initiatives such as the development and launch of Borderfree.com, and the execution of Shopify Managed Markets, involves inherent risks. These included, and may include in the future, potential delays, additional feature or functionality developments (to cater for merchants or general product needs), unanticipated costs, and challenges in achieving the anticipated technological advancements or economic benefits.

There is a risk that the technology we invest in may not achieve the expected level of success or widespread market adoption. Market dynamics, competitive forces, regulatory changes, or unforeseen challenges may impede the successful integration and acceptance of our new solutions.

We have invested, and expect to continue investing, significant resources in adapting our platform and services for the Shopify platforms. If these platforms or services do not achieve expected market acceptance, if our agreement and partnership with Shopify are terminated, or if the agreement is not renewed on favorable terms, or if Shopify promotes alternative offerings, our business and growth could be adversely affected.

On April 12, 2021 we entered into a Services and Partnership Agreement with Shopify Inc. and its affiliates ("Shopify") (the "2021 Shopify Agreement"), and concurrently with the merger with Flow Commerce Inc. ("Flow"), we entered into an Amended and Restated Master Services Agreement with Flow (the "2022 Shopify Agreement" and together with the 2021 Shopify Agreement, the "Prior Shopify Agreements"), making our platform and services and the Flow platform and services, respectively, available to certain Shopify merchants through Shopify's e-commerce platform. In September 2023, Shopify launched "Shopify Markets Pro", which was rebranded in 2024 as "Shopify Managed Markets", a white-label cross-border Merchant of Record ("MoR") offering, powered by Global-e and currently available to Shopify US-based merchants. Shopify Managed Markets is based on the Flow platform, leveraging its API-based technology, and enables merchants of diverse scales, encompassing small and emerging businesses, to extend their brand offerings globally with streamlined integration efforts. On May 13, 2025, we entered into an Amended and Restated Services and Partnership Agreement with Shopify (the "2025 Shopify Agreement"), which replaced the Prior Shopify Agreements, and currently governs our provision of MoR services for Shopify Managed Markets.

The success of Shopify Managed Markets is contingent upon widespread acceptance and adoption in the market. In late 2025, we began the launch and rollout of an updated version of the offering ("Managed Markets version 2.0"), which further integrates our MoR services with Shopify's native payment processing and suite of services. The ongoing transition to Managed Markets version 2.0 may involve technical complexities and changes to our revenue recognition or margin profiles within the Shopify channel. Factors such as evolving merchants' preferences, competitive landscape dynamics, Shopify's sales and marketing efforts, and unforeseen market challenges may impact the rate at which customers embrace Shopify Managed Markets. Such variations may lead to financial losses, a weakened competitive position, and possible setbacks in achieving our strategic objectives.

While the 2025 Shopify Agreement maintains our position as the exclusive provider of MoR services for Shopify's first-party (1P) Managed Markets solution, it transitioned our status from an exclusive provider to a preferred partner for third-party (3P) solutions. This structural change allows Shopify to enable integration of additional MoR providers into its ecosystem, introducing direct competition for 3P merchant volume that was not present under the Prior Shopify Agreements. If competing providers offer more favorable terms to merchants, or if Shopify prioritizes alternative offerings, our transaction volume and financial results could be impacted.

Furthermore, entering into such relationship with Shopify has required and may continue to require us to incur certain charges, significantly increasing our near and long-term expenditures. The potential benefits of our relationship with Shopify are hard to estimate or quantify at this time, and we cannot be certain that our arrangement with Shopify will provide the revenue or net income that justifies such transaction.

The 2025 Shopify Agreement is terminable by either party immediately upon notice of certain events, subject to applicable cure periods, or without cause upon prior notice. Termination of the 2025 Shopify Agreement could have a material adverse effect on our business, financial condition or results of operations. These risks could apply to any similar arrangement we may enter into in the future, and any potential future collaborations may be similarly terminable by our partners.

Failure to develop, implement, or evaluate effective demand generation services mainly through Borderfree.com could result in financial losses.

We have made and continue to make significant investments in demand generation services mainly through Borderfree.com, which encompass marketing activities aimed at increasing global awareness, driving traffic, and stimulating interest in our merchants' brands, ultimately converting potential customers into paying customers. However, there is no guarantee that these efforts will achieve the desired results. If we fail to effectively design, implement, or evaluate these strategies, or if we misjudge their impact on our business, we may fall short of generating the anticipated traffic and engagement for our merchants and we may also incur significant financial losses from the resources and capital invested in these initiatives.

If we fail to effectively develop, implement, or integrate our demand generation strategies, we may incur significant losses from the resources and capital invested in these initiatives without achieving the anticipated return on investment. Additionally, if these efforts do not lead to the expected traffic, engagement, or sales growth, it could hinder our ability to attract new merchants and retain existing ones, ultimately impacting our revenue.

The impact of imposed tariffs or other trade regulations and policies could adversely affect our business and financial results.

Governments in various jurisdictions in which we operate may impose new or additional tariffs, duties, trade restrictions, or other regulatory requirements, often unexpectedly and with little or no advance notice. While the global trade environment has seen periods of heightened volatility, particularly during 2025, the impact on our transaction volumes to date has remained relatively limited. However, trade policies in the United States and other key markets have not yet fully stabilized. Any sudden or significant future changes in these requirements could increase the costs of goods sold, disrupt established supply chains, reduce consumer purchasing sentiment, and require us to adjust our pricing models and operational strategies. Also, merchants may consider different or alternative supply chains, reducing the dependency on cross-border e-commerce, for example, by preferring domestic supply chain and local fulfilment.

For example, our business may be adversely impacted by shifts in U.S. trade policy, which remains subject to ongoing adjustments, including changes to de minimis thresholds, modifications to Section 301 tariffs, or new duties on cross-border e-commerce shipments. During 2025, U.S. policymakers continued to scrutinize the application of de minimis exemptions to cross-border e-commerce, and there have been legislative and regulatory proposals that would reduce or eliminate these exemptions for certain categories of goods or shipments from certain countries. Any reduction or elimination of de minimis exemptions applicable to our merchants' shipments could materially increase landed costs for U.S. shoppers and reduce demand for international purchases. Any changes in the global trade environment, including government policies on international trade, such as export controls, new or increased tariffs for imported goods, new legislation or regulations on manufacturing or foreign investment, renegotiation of existing trade agreements with U.S. trading partners, or any retaliatory trade actions due to existing or future trade tension, including escalating trade tensions between the U.S. and other countries, could disrupt global supply chains and could materially increase our merchants' costs, and / or may increase the costs of consumer goods and reduce our merchants' e-commerce transaction volume. Any reduction in our merchants' transaction volume directly impacts the revenue we derive from them and, if such reduction continues for a prolonged period, could have a material adverse effect on our business, financial condition and results of operations. The United States is one of our largest destination markets for cross-border shipments, and any adverse changes to U.S. trade policy could therefore have a disproportionate impact on our business relative to policy changes in smaller destination markets.

Given the inherent uncertainty regarding both the duration and the extent of these policy measures, we cannot assure that any mitigation strategies we or our merchants may adopt will be effective. If we fail to adapt to these policies or regulatory changes, retaliatory actions, and shifting trade policies, and if we do not accurately recalibrate our pricing structures, or if our merchants opt to change their supply chain in a way that reduces the need for our services, our competitive position, customer satisfaction, anticipated margins and overall financial performance could be materially and adversely affected.

Our implementation and use of artificial intelligence and machine learning technologies may not be successful, which may impair our ability to compete effectively, result in reputational harm and have an adverse effect on our business.

We use machine learning, artificial intelligence and automated decision-making technologies throughout our business, and are dedicating resources and efforts to continuously improve our use of such technologies. For example, we use machine learning and artificial intelligence technologies to support our merchant and customer service inquires and to assist in the research and development of our solutions. As with many technological innovations, there are significant risks and challenges involved in developing, maintaining and deploying these technologies and there can be no assurance that the usage of such technologies will always enhance our solutions or be beneficial to our business, including our efficiency or profitability.

Further, changes and ongoing development in how we use artificial intelligence and machine learning technologies and how we train our models, may impact the performance of our platforms and business, as well as our reputation and the reputations of our merchants, suppliers and business partners, and we could incur liability through the violation of laws or contracts to which we are a party or through civil claims. This is especially the case if those artificial intelligence or machine learning models are (i) incorrectly designed or implemented; (ii) trained or reliant on incomplete, inadequate, inaccurate, biased or otherwise poor quality data; and/ or on data to which we do not have sufficient rights or in relation to which we and/or the providers of such data have not implemented sufficient legal compliance measures; or (iii) are adversely impacted by unforeseen defects, technical challenges, cybersecurity threats or material performance issues.

Furthermore, we use artificial intelligence and machine learning technologies licensed from third parties in our technologies and our ability to continue to use such technologies at the scale we need may be dependent on access to specific third-party software and infrastructure. We cannot control the availability or pricing of such third-party technologies, especially in a highly competitive environment, and we may be unable to negotiate favorable economic terms with the applicable providers. If any such third-party technologies become incompatible with our solutions, become unavailable for use, or the providers of such models unfavorably change the terms on which their technologies are offered or terminate their relationship with us, our solutions may become less appealing to our customers and our business will be harmed. In addition, to the extent any third party artificial intelligence or machine learning technologies are used as a hosted service, any disruption, outage, or loss of information through such hosted services could disrupt our operations or solutions, damage our reputation, cause a loss of confidence in our solutions, or result in legal claims or proceedings, for which we may be unable to recover damages from the affected provider.

We face competition from other companies in our industry in relation to the development and deployment of artificial intelligence and machine learning technologies. Those other companies may develop artificial intelligence technologies that are similar or superior to ours and/or are more cost-effective and/or quicker to develop and deploy. If we cannot develop, offer or deploy new artificial intelligence or machine learning technologies as effectively, as quickly and/ or as cost-efficiently as our competitors, we could experience a material adverse effect on our operating results of operation, customer relationships and growth.

The increasing adoption of autonomous or artificial intelligence driven commerce solutions may materially alter e-commerce transaction flows, disintermediate our role, and adversely affect our business, financial condition and results of operations.

Advances in artificial intelligence, including the growing use of autonomous or semi-autonomous software agents capable of searching, selecting, negotiating and executing online purchases on behalf of consumers (agentic commerce), may significantly change how e-commerce transactions are initiated, structured and completed. These developments may reduce the role of traditional merchant storefronts, checkout pages and payment flows, and may enable transactions to occur through alternative technical architecture or interfaces that do not require, or are not compatible with, our platforms and services.

If AI-driven purchasing agents, operating systems, e-commerce platforms, marketplaces or payment providers enable transactions to be executed in a manner that bypass or replace our offering, or we are unable to embed in a timely manner our offering into AI-driven purchasing flows, our services may become less relevant, less valuable or technically unnecessary for certain transaction types or merchant segments. In such scenarios, we may experience reduced GMV processed through our platforms, lower demand for our services, pricing pressure, or erosion of our competitive positioning.

In addition, the legal and regulatory frameworks governing transactions executed by autonomous or AI-driven systems or agents remain unsettled and continue to evolve. It is unclear how existing consumer protection laws, payment regulations, liability regimes, or emerging AI-specific regulatory frameworks will allocate responsibility among consumers, merchants, AI system providers, platform operators and payment processors in transactions executed without direct human interaction. Any regulatory developments that shift responsibility or compliance obligations away from merchant-of-record structures, or that facilitate alternative transaction architectures, could require operational adjustments and may affect how we provide certain services to merchants and consumers, which could involve additional implementation, compliance or operational costs.

If we fail to effectively anticipate, adapt to and integrate emerging forms of AI-driven commerce our business, financial condition and results of operations could suffer.

We may not be able to successfully compete against current and future competition or other competing solutions, and we may need to change our pricing and model to remain competitive.

We face competition in the market of global e-commerce, and such competition and alternative and competing solutions are likely to continue and could increase in the future. Competition could lead to a decrease in the GMV processed through our platforms and could reduce our revenue or margins, any of which could negatively affect our business, financial condition and results of operations. A number of competitive factors could cause merchants to cease using or decline to use our platforms and services, or could reduce the transaction volume that they process through our platforms, including, among others:

- merchants may choose to develop global e-commerce capabilities internally or choose from a variety of alternative or competing solutions;
- merchants may merge with or be acquired by companies using a competing solution or an internally developed solution;
- competing or alternative solutions may be offered as part of a bundle of e-commerce services;
- current or potential global or regional competition and competing solutions, both in geographies where we already operate, and in geographies where we do not operate, may adopt more aggressive pricing policies, offer more attractive sales terms, adapt more quickly to new technologies and changes in merchant requirements or devote greater resources to the promotion and sale of their products and solutions than we can; and
- current and potential competition may merge or establish cooperative relationships among themselves or with third parties to enhance their products, solutions and expand their markets (or in new markets), forming alliances that rapidly acquire significant market share.

We cannot assure that we will be able to compete successfully against current and future competition or competing solutions. If we cannot compete successfully against our current and future competition or such competing solutions, our business, operating results and financial condition could be materially and negatively impacted.

In addition, as new or existing competing solutions may be offered in competitive prices, we may be unable to retain existing merchants or attract new merchants. Merchants have in the past and may demand substantial price discounts as part of the negotiation of contracts. As a result, we could be required to choose either to reduce our prices or otherwise change our pricing model, or both, which could adversely affect our business, operating results, and financial condition.

We cannot be certain that we will realize the benefits of strategic alliances, joint ventures or partnership arrangements, including with third-party e-commerce platforms. Any failure to manage such strategic alliances, partnerships or joint ventures, or to integrate them with our existing or future business, could have a material adverse effect on us.

We have entered into partnership arrangements, and in the future may consider opportunities to enter into additional arrangements or strategic alliances that may be beneficial for our operations and the growth of our platform. Our ability to grow through these types of partnerships is subject to a number of risks, including unanticipated costs associated with strategic alliances, issues conforming to standards, procedures and contractual requirements, and diversion of management's attention from our existing business. Entering into such relationships may require us to incur certain charges and increase our near and long-term expenditures, for example by requiring us to pay revenue shares or profit shares, issue securities or otherwise compensate our partners in connection with those partnerships. Partnership agreements could be terminable by either party immediately or upon notice. Any termination of an agreement could have an adverse effect on our business, financial condition or results of operations.

The success of our business model is reliant on our ability to integrate our platforms with third-party e-commerce platforms, our ability to operate according to such third parties' terms of use and integration requirements, and our ability to maintain any partnership that we have entered into or may enter into with such third parties. Inability or failure to do so would reduce the attractiveness of our solutions for use by current and future merchants.

Merchants typically carry out e-commerce activity through third-party e-commerce platforms, such as Salesforce Commerce Cloud, Shopify, BigCommerce, Adobe Magento, SAP/Hybris, WooCommerce, PrestaShop, Workarea, Wshop, and others. Our ability to attract merchants that utilize such platforms to conduct their e-commerce activity is contingent on our ability to integrate our solutions into the e-commerce platforms they use. Each of the companies that operates these e-commerce platforms dictates the terms of use of its respective platform, including the manner and procedure by which we access and integrate to its platform. To the extent any such operator offers or promotes alternative products or solutions or would limit or prevent merchants from utilizing our platform, our business, financial condition or results of operations could be materially and adversely affected.

Some of these companies also demand that certain certification processes are satisfied prior to implementing an integration into the e-commerce platform they operate. Compliance with such terms may subject us to waiting periods due to certification and onboarding processes and may require us to modify aspects of our platforms' functionality in order to fit applicable technical standards. While we exert substantial efforts to maintain compliance, and although notice of changes and instructions are typically provided in advance, the terms of use and requirements may change unilaterally at the discretion of the e-commerce platform, and none of our efforts as a result would be sufficient. If we fail to maintain certification or compliance, the willingness of merchants to adopt or continue to use our solutions may be reduced.

In addition, in the event that our solutions do not integrate optimally with third-party e-commerce platforms, leading to errors, defects, disruption or other performance problems, shoppers' experience will be adversely affected, our reputation may be harmed and our ability to achieve and maintain growth among merchants on the e-commerce platforms would be adversely affected.

If we are not successful in developing or maintaining the functionality of our platforms or if we experience real or perceived errors, failures, vulnerabilities, or bugs in our platforms, our business, results of operations, and financial condition could be adversely affected.

Any errors, defects, or disruptions in our platforms, or other performance problems with our platforms could harm our reputation and may damage the businesses of our merchants. Our platforms could contain undetected errors, "bugs" or misconfigurations that could adversely affect their performance. Additionally, we regularly update and enhance our platforms and introduce new versions of our platforms and service. These updates may contain undetected errors when introduced or released, which may cause disruptions in our services and may reduce merchants and shoppers satisfaction. Our continued growth depends in part on our ability to maintain the existing functionality of our platforms and services (and implementing the functionality of our acquired platforms), meet our service levels, prevent down time and degradation of services on our platforms for both merchants and shoppers. Failure to do so may result in damage to our reputation which may have an adverse effect on our business and results of operation.

We have experienced in the past and may in the future experience, disruptions, data loss, outages, and other performance problems with our infrastructure due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints, denial-of-service attacks, ransomware attacks, cybersecurity breaches, or other security-related incidents. In some instances, we may not be able to identify the cause or causes of these performance problems immediately or in short order, which could delay remediation and further compound the adverse impact on our business. We may not be able to maintain the level of service uptime and performance required by merchants, especially during peak usage times as traffic and volumes increase. Since our merchants rely on our platforms to carry out global e-commerce on an ongoing basis, any outage on our platforms would have a direct adverse impact on our merchants' business. Our merchants may seek compensation from us for any losses they suffer or cease conducting business with us altogether. Further, a merchant could share information about bad experiences, which could result in damage to our reputation and loss of current and future sales. There can be no assurance that provisions typically included in our contracts with our merchants that attempt to limit our exposure to claims would be enforceable or adequate or would otherwise protect us from liabilities or damages with respect to any particular claim. Even if not successful, a claim brought against us by any of our merchants would likely be time-consuming and costly to defend and could seriously damage our reputation and harm our ability to attract new merchants to our platforms.

We have a history of net losses; we anticipate increasing operating expenses in the future, and we may not be able to maintain profitability.

We incurred net losses of \$133.8 million, \$75.5 million and net profit of \$68.3 million for the years ended December 31, 2023, 2024 and 2025, respectively. Because the market for our platforms and services is rapidly evolving, it is difficult for us to predict our future results of operations or the limits of our market opportunity. We expect our operating expenses to continue to increase over the next several years as we hire additional personnel, expand into new geographies or invest in expanding our operations in existing geographies, expand our partnerships, operations and infrastructure, continue to enhance our platforms, develop and expand their features, integrations and capabilities, expand and improve our service offering and increase our spending on sales and marketing. We intend to continue to build and enhance our platforms through internal research and development and we may also selectively pursue acquisitions. In addition, as a public company, we will continue to incur additional significant legal, accounting, and other expenses. If we are unable to maintain revenues high enough to offset the expected increases in our operating expenses, we will not be profitable in future periods.

If we fail to manage our growth effectively, we may be unable to execute our business plan or maintain high levels of service and merchant satisfaction.

We have experienced, and expect to continue to experience, rapid growth, which has placed, and may continue to place, significant demands on our management and our technological, operational and financial resources. We have established international offices, including offices in Israel, the U.S., the UK, Europe, Asia Pacific (“APAC”) and the United Arab Emirates, and we plan to continue to expand our international operations into other countries in the future. We have also experienced significant growth in both the number of merchants and the number of transactions facilitated by our platforms. For example, during the year ended December 31, 2025, our platforms generated in the aggregate \$6,569 million of GMV, representing an increase of 35.2% relative to the GMV for the year ended December 31, 2024. Additionally, our organizational structure is becoming more complex as we scale our technological, operational, financial and management controls as well as our reporting systems and procedures.

To manage growth in our operations and personnel, we will need to continue to grow and improve our operational, financial, and management controls and our reporting systems and procedures. We will require significant capital expenditures and the allocation of valuable management resources to grow and adapt to our developing needs in these areas without undermining our corporate culture, which has been central to our growth so far. If we fail to manage our anticipated growth and change in a manner that preserves the key aspects of our corporate culture, the quality of our platforms and services may suffer, which could negatively affect merchants and shoppers and as a result our reputation.

The focus and scrutiny of, and evolving expectations regarding, environmental, social, governance and other sustainability practices could increase our costs, harm our reputation or customer acquisition and retention, our access to capital and employee retention or otherwise adversely impact our financial results.

Focus by a variety of stakeholders (including regulators) on companies’ environmental, social and governance, or ESG, and other sustainability matters and expectations regarding voluntary ESG initiatives and disclosures may result in increased costs, including but not limited to increased costs related to compliance, stakeholder engagement, contracting and insurance, changes in demand for certain products, enhanced compliance or disclosure obligations, or other adverse impacts to our business, financial condition, or results of operations. Compliance with such regulations and the associated potential cost is complicated by the fact that various countries and regions are following different approaches to the regulation of climate change and other ESG matters. ESG regulations are not uniform, which may increase the cost and complexity of compliance for multinational corporations, and any associated risks.

Simultaneously, other groups of regulators and stakeholders have sought to constrain companies’ consideration of various ESG matters. Advocates and opponents of such matters have also increasingly turned to various forms of activism to advance their views, including by means of litigation. Such outcomes could negatively impact our business, financial condition, results of operations, and cash flows.

Further, achieving certain ESG initiatives or targets may prove challenging due to factors such as technological limitations, cost constraints, or dependencies on third-party suppliers or business partners. Our suppliers and partners may face similar ESG-related scrutiny or regulatory pressures, creating additional risks or disruptions in our operations. For example, non-compliance by our suppliers with labor or environmental standards could harm our reputation or expose us to liability.

If we are lagging or unsuccessful, or perceived to be lagging or unsuccessful, in each case to meet the ESG standards or the expectations of our various stakeholders, or in successfully navigating divergent expectations, it could negatively impact our reputation, customer acquisition and retention, and lead to increased costs as well as scrutiny that could heighten all of the risks identified in this risk factor.

Focus on long-term ESG performance and meeting our goals and values may adversely affect our short-term performance.

ESG goals and performance could affect the way we operate and require us to take certain actions, long-term initiatives or goals or implement and maintain certain processes. We may therefore action in certain ways that we believe will benefit our company, business and customers in the long-term or over a period of time, even if such actions may not adhere to or maximize shorter-term operational or financial results. We may amend or adapt our policies in ways that we believe will be beneficial to our customers, employees or investors in the long term even though the changes may be perceived unfavorably in the shorter-term. Moreover, we may fail to meet longer-term goals or achieve benefits derived from such goals, or benefits may not materialize as and when we expected or at all.

We are subject to a series of risks regarding climate change.

There are inherent climate-related risks wherever business is conducted. Certain of our facilities, as well as our and third-party infrastructure on which we rely, are or may be located in areas that have experienced, and are projected to or may continue to experience, various meteorological phenomena (such as drought, heatwaves, wildfire, storms, and flooding, among others) or other catastrophic events that may disrupt our or our merchant or vendors' operations, require us to incur additional operating or capital expenditures including costs associated with energy, water and insurance, or otherwise adversely impact our business, financial condition, or results of operations. Climate change may increase the frequency and/or intensity of such events. Climate change may also contribute to various chronic changes in the physical environment, such as sea-level rise or changes in ambient temperature or precipitation patterns, which may also adversely impact our or our suppliers' operations. While we consider and may take various actions to mitigate our business risks associated with climate change, this may require us to incur substantial costs and may not be successful, due to, among other things, the uncertainty associated with the longer-term projections associated with managing climate risk. For example, to the extent catastrophic events become more frequent, it may adversely impact the availability or cost of insurance.

Additionally, we expect to be subject to risks associated with societal efforts to mitigate or otherwise respond to climate change, including but not limited to increased regulations, evolving stakeholder expectations, and changes in market demand. For more information, please see our risk factor titled "The increasing focus and scrutiny of, and evolving expectations regarding, environmental, social, governance and other sustainability practices could increase our costs, harm our reputation or customer acquisition and retention, our access to capital and employee retention or otherwise adversely impact our financial results." Changing market dynamics, global and domestic policy developments, and the increasing frequency and impact of meteorological phenomena have the potential to disrupt our business, the business of our suppliers and/or customers, or otherwise adversely impact our business, financial condition, or results of operations.

Our operations are subject to seasonal fluctuations. If we fail to accommodate increased volumes during peak seasons and events, our results of operations may be adversely affected.

Our business is seasonal in nature and the fourth quarter is a significant period for our operating results. Our revenue is driven by GMV that our merchants generate through our platform, and our merchants typically process additional GMV in the fourth quarter, which includes Black Friday, Cyber Monday and the holiday season and other peak events included in the e-commerce calendar, such as Chinese Singles' Day and Thanksgiving. In the years ended December 31, 2023, 2024 and 2025, fourth quarter GMV represented approximately 33%, 35% and 36%, respectively, of our total GMV. As a result, GMV and accordingly our revenue has previously, and we expect will continue to generally, decline in the first quarter of each year relative to the fourth quarter of the previous year.

Any disruption in our ability to process and ship orders, especially during the fourth quarter, could have a negative effect on our quarterly and annual operating results. Surges in volumes during peak periods may strain our technological infrastructure, logistics channels, shopper and merchant support activities as well as our third-party service providers. Inability of any of these components to process increased volumes may prevent us from efficiently processing and shipping orders, which may reduce our GMV and the attractiveness of our platform.

Any disruption to our operations or the operations of our merchants, our shipping and logistics partners, or other service providers could lead to a material decrease in GMV or revenues relative to our expectations for the fourth quarter which could result in a significant shortfall in revenue and operating cash flows for the full year.

Our ability to forecast our revenue and evaluate our business and future prospects is subject to a number of uncertainties.

Our ability to forecast future results of operations and plan for and model future growth is subject to a number of uncertainties. We have encountered and expect to continue to encounter risks and uncertainties frequently experienced by growing companies in rapidly evolving industries, such as the risks and uncertainties described herein. Accordingly, we may face challenges in accurately preparing internal financial forecasts or replace anticipated revenue that we do not receive as a result of these factors. If we do not address these risks successfully, our results of operations could differ materially from our estimates and forecasts or the expectations of investors, causing our business to suffer and our ordinary share price to decline.

In addition, market-wide events, regulatory changes, changes in interest rates, inflation, political uncertainty or instability, regional and global conflicts and military hostilities, global health crises, any of which are outside of our control, could impact our revenue and operating results and makes it difficult to forecast our revenue and evaluate our business and future prospects.

Failure to effectively expand our marketing and sales capabilities could harm our ability to increase our merchant base and achieve broader market acceptance of our platform.

Our ability to increase our merchant base and achieve broader market acceptance of our platforms will depend on our ability to expand our marketing and sales operations. We plan to continue expanding our sales force and our reliance on strategic partners. Our business and operating results will be harmed if our sales and marketing efforts do not generate a corresponding increase in GMV and revenue. We may not achieve anticipated GMV and revenue growth from expanding our sales force if we are unable to hire, develop, and retain talented sales personnel, if our 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. Furthermore, if the cost of marketing our platforms increases, our business and operating results could be adversely affected.

Lengthy sales cycles with enterprise merchants make it difficult to predict our future revenue and cause variability in our operating results.

Our sales cycle can vary substantially from merchant to merchant, but with enterprise merchants it typically requires 12 to 16 weeks on average. Our ability to accurately forecast revenue is affected by our ability to forecast new merchant acquisition. Lengthy sales cycles make it difficult to predict the quarter in which revenue from a new merchant may first be recognized. If we overestimate new merchant growth, our revenue will not grow as quickly as our estimates, our costs and expenses may continue to exceed our revenue and our ability to become profitable will be harmed. In addition, we plan our operating expenses, including sales and marketing expenses, and our hiring needs in part based on our forecasts of new merchant growth and future revenue. If new merchant growth or revenue for a particular period is lower than expected, we may not be able to proportionately reduce our operating expenses for that period, which could harm our operating results for that period. Delays in our sales cycles could cause significant variability in our revenue and operating results for any particular period.

Our long-term success depends on our ability to operate internationally, making us susceptible to risks associated with global sales and operations.

We currently support global transactions of merchants in multiple countries of origin to shoppers in over 200 destinations markets and territories and settle transactions in more than 100 currencies. Our services and platforms are available to merchants in over 30 countries, and we aim to expand our operations and workforce to support more outbound countries, and reach new markets and geographies. Conducting international operations subjects us to risks and burdens which include:

- the need to localize our solutions, including product customizations and adaptation for local practices and regulatory requirements;
- lack of familiarity and burdens of ongoing compliance with local laws, legal standards, regulatory requirements, tariffs, local tax regimes and customs formalities and other barriers;

- heightened exposure to fraud;
- legal uncertainty in foreign countries with less developed legal systems;
- potentially greater difficulty to execute and enforce contracts, including our terms of service and other agreements despite our efforts to adjust our contracts and service terms to local laws and regulations;
- unexpected changes in regulatory requirements, taxes, trade laws, tariffs, export quotas, custom duties or customs formalities, embargoes, exchange controls, government controls or other trade restrictions;
- differing technology standards;
- difficulties in managing and staffing international operations and differing employer/employee relationships;
- fluctuations in exchange rates that may increase our foreign exchange exposure;
- potentially adverse tax consequences, including the complexities of foreign tax laws (including with respect to value added taxes) and restrictions on the repatriation of earnings;
- potential or actual violations of domestic and international anti-money laundering laws and anticorruption laws, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act;
- uncertain political, national and economic climates in foreign markets;
- geo-political or national conflicts and situations and heightened rates of inflation and recessionary pressures in various countries, that directly (e.g. by virtue of war zones not being serviceable at all) or indirectly affect our operations, consumer sentiment or e-commerce activities in general;
- rapidly rising inflation across the U.S. and global economy, driving up the costs of goods and services;
- managing and staffing operations over a broader geographic area with varying cultural norms and customs;
- varying levels of internet, e-commerce and mobile technology adoption and infrastructure;
- reduced or varied protection for intellectual property rights in some countries;
- new and different sources of competition;
- costs and liabilities related to compliance with the numerous and ever-growing landscape of international data privacy and cybersecurity regimes, many of which involve disparate standards and enforcement approaches; and
- data privacy and data protection laws which may require that merchant and/or shopper data be processed and stored in a designated territory.

These factors may require significant management attention and financial resources. Any negative impact from our international business efforts could adversely affect our business, results of operations and financial condition.

We rely on third-party services, such as shipping and cross-docking partners and payment providers, in our platforms and services.

We rely on third parties, such as our shipping partners and “cross-docking services” partners, to collect, sort, prepare for cross-border shipping and deliver products from the merchants to the shoppers. Shortages of transportation vessels, transportation disruptions or other adverse conditions in the transportation industry due to shortages of pilots and truck drivers, strikes, slowdowns, piracy, terrorism, disruptions in rail service, closures of shipping routes, unavailability of ports and port service for other reasons, increases in fuel prices and adverse weather conditions, or other adverse changes related to such third-party services, could increase our costs and disrupt our operations and our ability to deliver products from the merchants to our shoppers on the timing they expect or at all. The failure of our shipping partners to provide quality customer service when delivering products to shoppers would adversely affect the merchants and our relationships with the merchants which in turn could negatively impact our business and operating results.

In some countries in which we operate, we rely on third-party providers of “cross-docking services” to collect, sort and prepare for cross-border shipping the products sold by merchants through our platforms. We generally employ a single provider of cross-docking services in such outbound markets due to a paucity of providers and minimum volume requirements imposed by such providers. Our ability to ship products in a timely manner is dependent on our ability to secure cross-docking services and in the event that we cannot secure them in specific geographies, or are unable to secure them at competitive prices or with adequate service reliability and availability, our operations may be adversely affected. Moreover, if a cross-docking service provider fails to provide the service, our operations will be adversely affected until such time that we are able to shift to an alternative provider.

Furthermore, we rely on third parties to process payments and we cannot guarantee that such providers will perform adequately. Errors made by, or delays in service from, such third-party providers could adversely affect our ability to process payments and process purchases by shoppers on our platforms in a timely manner or at all, which could adversely affect our business, operating results and financial condition.

Our success will depend on our ability to build and maintain relationships with these and other third-party service providers on commercially reasonable terms. If we are unable to build and maintain such relationships on commercially reasonable terms, we may have to suspend or cease operations. Even if we are able to build and maintain such relationships, if these third parties are unable to deliver their services on a timely basis, shoppers could become dissatisfied and decline to make future purchases from the merchants, which would adversely affect our revenue. If the merchants become dissatisfied with the services provided by these third parties, our reputation and our business could suffer.

Operating as merchant of record for sales conducted using our platforms imposes certain obligations and subjects us to certain risks applicable to actors that make available or place products in the market such as product liability, shipping compliance, and waste and packaging compliance.

Our business model and activities are predicated upon our operating as the MoR of the products sold through our platforms. As a result of us being identified as a seller rather than the merchants, we could bear responsibility for the products and may be liable for product related claims brought by our shoppers or other third parties, and we may be subject to various regulatory compliance requirements, such as waste and packaging compliance. For example, emerging regulations like the EU’s General Product Safety Regulation (GPSR) require actors placing products on the market to ensure product traceability and compliance, which includes the requirement to have a designated “responsible person” located within the EU for safety purposes. Additionally, the EU Deforestation Regulation (EUDR), currently scheduled to take effect for large operators on December 30, 2026, will require extensive due diligence to ensure that products containing certain commodities - such as wood, rubber, or leather - are “deforestation-free”. Failure to adhere to these or similar rules could result in significant penalties, including fines of up to 4% of our annual EU turnover, and reputational harm. Although we have policies in place crafted to ensure compliance and reduce risk of such liabilities, for example by avoiding the sale of products that we determine to be “high risk” or by making proper disclosures in our ‘terms of sale’ and although our commercial arrangements with the merchants typically require the merchants to cover such liabilities, it is possible that we may be subject to product liability or other compliance or similar regulations or litigation and may incur various related costs which may or may not be fully covered by our contractual arrangements or insurance coverage. Furthermore, any actual or alleged non-compliance on our part in a specific geography may not be treated by local authorities as an isolated event. Heightened scrutiny by local authorities in a specific geography could impede our local activities, irrespective of the product vertical or merchant from which the products originated.

As MoR, or whenever we perform customs clearance or declaration functions, we could be adversely affected if the packages provided by the merchants do not contain the correct articles ordered by the shopper, or if articles and the packages provided by the merchants are not shipped in compliance with applicable rules or do not contain all requisite information or documentation for international shipping. Failure to ensure such compliance may result in shipping delays or diminished shopper satisfaction, result in confiscation or destruction of articles and payment of additional costs, fines or assessments from our fulfillment partners and other third parties, which in turn may adversely affect our results of operations.

While merchandise is in our possession, we bear the risk of loss. While the majority of merchants are responsible for transporting the goods to our facilities, certain of our merchant agreements require us to take possession of products for an extended period of time. To the extent that products are damaged, lost or stolen during the period in which we bear the risk of loss, our business may be adversely affected.

Payment transactions through our e-commerce platforms subject us to regulatory requirements, additional fees, and other risks that could be costly and difficult to comply with or that could harm our business.

Our business depends on our ability to process a wide range of payment methods, including credit and debit cards, as well as other alternative payment methods and this ability is facilitated by the payment card and alternative payment networks. We do not directly acquire the payment card networks that enable our acceptance of payment cards and alternative payment methods. As a result, we must rely on banks, acquiring processors and other third-party payment processors to process transactions on our behalf. These third parties perform the card processing, currency exchange, identity verification and fraud analysis services. These third parties may fail or refuse to process transactions adequately, may breach their agreements with us, or may refuse to renegotiate or renew these agreements on terms that are favorable or commercially reasonable. They might also take actions that degrade the functionality of our services, impose additional costs or requirements on us, or give preferential treatment to competitive competing services, including their own services. If we are unsuccessful in establishing, renegotiating or maintaining mutually beneficial relationships with these payment card networks, banks and acquiring processors, our business may be harmed.

We are required by our third-party payment processors to comply with payment card network operating rules, including the Payment Card Industry Data Security Standard (“PCI DSS”), and we have agreed to reimburse our payment processors for any fees or fines that they are assessed by payment card networks as a result of any rule violations by us or our merchants. The payment card schemes have discretion to determine, change and interpret the card rules, and our third-party payment processors are required to assess our compliance with the card scheme rules, and may make assessments or determinations that are unfavorable to our business model. In past assessments of us operating as MoR, we demonstrated our compliance with MoR operating rules and demonstrated that we should not be subject to compliance with other operating rules (e.g. such as those applicable to “payment facilitators”). There is no assurance that the third-party payment processors or their payment card networks will not re-evaluate that conclusion, or make a different determination in the future. If such third-party payment processors or their payment card networks were to determine that we must comply with other operating rules, we may be subject to additional regulations, might incur higher compliance costs, and may be required to modify certain aspects of our platforms and service offering in order to maintain compliance, which may have an adverse impact on our business.

If we fail to comply with the payment card network rules, we would be in breach of our contractual obligations to our third-party payment processors, financial institutions, partners and merchants. Such failure to comply may subject us to fines, penalties, damages, higher transaction fees and civil liability, and could eventually prevent us from processing or accepting payment methods or could lead to a loss of a third-party payment processor. Further, there is no guarantee that, even if we are in compliance with such rules or requirements, such compliance will prevent illegal or improper use of our payment systems or the theft, loss, or misuse of data pertaining to credit and debit cards, credit and debit card holders, and credit and debit card transactions.

In addition, we face the risk that one or more payment card networks or other third-party payment processors may, at any time, assess penalties against us or our merchants, or terminate our ability to accept credit card payments or other forms of online payments from shoppers, which would have an adverse effect on our business, financial condition and operating results.

We are subject to anti-money laundering regulations and related compliance costs and third-party risks.

We are or may be subject to anti-money laundering (“AML”) laws and regulations that prohibit, among other things, involvement in receiving and/or transferring the proceeds of criminal activities, or doing business with, or rendering service to, sanctioned individuals or organizations, and impose obligations on us to identify such persons (or their ultimate beneficiaries) or users and request certain information and documentation that, in certain circumstances, must be shared with third-party payment card networks or other third-party payment processors or by other third parties such as Shopify or other platforms, or with government or regulators institutions. Because laws and regulations differ in each of the jurisdictions where we operate, and because some requirements may be imposed by the card scheme or the payment processors in other countries, additional verification and reporting requirements could apply. These regulations requirements, as well as any future regulation and any additional restrictions imposed by credit card associations, could raise our costs significantly and reduce the attractiveness of our services or platform. Failure to comply with anti-money laundering laws could result in significant criminal and civil lawsuits, penalties, and forfeiture of significant assets.

We may be required by our third-party payment card networks or other third-party payment processors or by other third parties such as Shopify or other platforms to check, confirm and assure the identity of beneficial owners of our merchants, or to determine they are duly and legally organized, or perform other compliancy assessments, generally known and referred to as ‘know your customer’ or ‘KYC’ or ‘know your business’ or ‘KYB’. Certain e-commerce platforms may offer qualifying merchants to operate a D2C e-commerce store on such platforms, for example Shopify Managed Markets. Merchants using such platforms may onboard directly through the platform operator (e.g. Shopify), and we may not collect the information required to perform KYC or KYB directly. While we have effected internal control processes to perform compliancy assessments, if we are unable to collect the information required to properly perform KYC or KYB, or if we are unable to obtain such collected information, or if we collect or obtain such KYC/KYB data and are unable to conduct a proper assessment and validation, or if we have properly conducted an assessment but failed to take action as needed, we face the risk that one or more payment card networks or other third-party payment processors may, at any time, assess penalties against us or our merchants, or terminate our ability to accept credit card payments or other forms of online payments from shoppers, which would have an adverse effect on our business, financial condition and operating results.

We are subject to governmental sanctions and export controls that may subject us to liability if we are not in full compliance with applicable economic sanctions and export control laws.

Our activities are subject to certain economic sanctions and export control laws and regulations that prohibit or restrict transactions or dealings with certain countries, regions, governments and persons targeted by U.S., Israel, E.U. or other applicable jurisdictions' embargoes or sanctions. As a result, we bear the responsibility for ensuring that transactions processed through our platforms are conducted in compliance with such laws and regulations. U.S., Israel and E.U. sanctions may change from time to time, and the countries, regions, governments and persons that are sanctioned by each jurisdiction may be different. Ensuring compliance with applicable export control laws and regulations requires ongoing efforts and resources. Identifying commerce with, or sales made to, sanctioned countries or denied parties and obtaining export licenses or other authorizations for a particular product sale may be time-consuming and may result in the delay or loss of sales opportunities even if the export license ultimately may be granted. We generally apply precautions to prevent sales to sanctioned countries and denied parties, such as screening against listed denied parties and blocking sales at the point of checkout; however, we cannot guarantee that the precautions we take will prevent all violations of applicable export control and sanctions laws. We are aware that certain sales of immaterial value and volume made by certain of our non-Israeli merchants through our platforms, operated by one or more of our non-Israeli subsidiaries, to a specific country (not sanctioned under U.S. or E.U. laws), as to which country we apply the foregoing precautions, are not in compliance with certain Israeli export laws. Violations of U.S., Israeli or E.U. sanctions or export control laws may result in penalties and significant fines and possible incarceration of responsible employees and managers could be imposed for criminal violations of these laws.

If our carriers and brokers fail to file or obtain appropriate import, export or re-export declarations, licenses or permits, we may also be adversely affected, through reputational harm as well as other negative consequences, including government investigations and penalties. We presently incorporate export control compliance requirements into our strategic partner agreements; however, no assurance can be given that our partners will comply with such requirements.

Trade Controls by the U.S. and other governments enacted due to geopolitics or otherwise (for example, the war in Ukraine has prompted the U.S. and other governments to impose new Trade Controls and sanctions on Russia, among other countries), and any counter-sanctions enacted in response, could continue to disrupt international commerce and the global economy, and could restrict our ability to operate, generate or collect revenue in certain other countries, which could adversely affect our business. While, we do not have operations or a material customer base in either Russia or Ukraine, a future escalation of the conflict or expansion of sanctions could further disrupt global supply chains, broaden inflationary costs, and have a material adverse effect on our customers, vendors and financial markets.

We are subject to the import regulations and restrictions of each country to which we ship merchandise and non-compliance with such regulations may subject us to liability and may impede our ability to provide services in specific geographies in the future.

Import and export regulations and restrictions vary by country, product and quantity and require costly resources in order to ensure compliance. While we take precautions in order to avoid non-compliance with these restrictions, including focusing on products that carry lower inherent risk of being subject to import/export restrictions and avoiding highly regulated industries, some of the products offered using our platforms may be subject to such restrictions. For example, the United States Food and Drug Administration regulates the import of sunglasses as medical devices, and the Australian Department of Agriculture regulates the import of timber, wood articles or bamboo related products. Non-compliance with the local import rules and restrictions applicable to such products may cause our products to be detained, confiscated, or destroyed at the port of entry.

Additionally, there are increasing expectations in various jurisdictions that companies monitor the environmental and social performance of their suppliers, including compliance with a variety of labor practices, as well as consider a wider range of potential environmental and social matters, including ecolabelling or the end of life considerations for products. Compliance can be costly, require us to establish or augment programs to diligence or monitor certain third parties. Failure to comply with such regulations can result in fines, reputational damage, import ineligibility for products, or otherwise adversely impact our business or the business of our merchants.

In addition, because we operate as MoR (and, in certain markets, perform or operate importation-related functions), in the event that we are flagged by a specific country due to non-compliance with import restrictions applicable to a specific product or vertical our ability to continue to import such product in the future may be impeded, regardless of the identity of the merchant from which the product originates. If our service offerings are curtailed to exclude the import of whole verticals to specific countries, or if we are barred from importing products of any vertical to specific countries, our GMV attributable to such destination markets may decrease, our reputation will be harmed, and our platforms will become less attractive to our current and future merchants.

The vast majority of our business relies on the personal importation model and its applicability to the products provided to shoppers. Any modification of the rules, requirements or applicability of this model may adversely affect our business.

The products provided by the merchants to shoppers are shipped to and imported by the shopper for personal rather than commercial use. Each country determines its own rules and criteria for an import to qualify as importation for personal use, and determines which, if any, licenses, certifications, registrations, fees, quantity limitations and obligations apply to such an import. In the event that certain countries modify their personal importation rules, or impose additional compliance requirements or limitations related to this form of import, it could have an adverse effect on the cross-border e-commerce market as a whole, and may reduce the demand for cross-border e-commerce purchases. This in turn would reduce the demand for our platforms and services and have an adverse effect on our business and result of operations.

Additionally, we are witnessing an evolving and developing regulatory trend whereby the burden to adhere to certain legislations and regulatory requirements shifts to or is shared by the distributors, platform providers and other parties involved in the fulfilment chain of products (in addition to manufacturers), even if such parties are not established in the country of importation and where the import is carried out by the shopper as a personal-import. For example, in the EU, the EU's General Product Safety Regulation (GPSR) has recently come into force and imposing certain additional requirements on our merchants and on us. In some cases, we may be regarded as the 'responsible person' or offer to act as the 'authorized representative' or otherwise be or assume a role requiring us to ensure compliance with certain product safety or regulatory requirements. Acting in this capacity may impose obligations, including monitoring product compliance, maintaining documentation, and serving as a contact point for regulators and shoppers. Non-compliance by merchants could expose us to fines, penalties, or legal liability, even if we have no direct or indirect control over product manufacturing and safety. Additionally, fulfilling this role may require investments in compliance infrastructure and expertise, which may increase our operational costs. In the event that such regulations would nonetheless apply to the supply chain we are part of, it could have an adverse effect on the e-commerce market as a whole, and may reduce the offering of e-commerce products to such regulated destinations. This in turn would reduce the demand for our platforms and services and have an adverse effect on our business and result of operations.

We store personal information of merchants and shoppers. To the extent our security measures are compromised, our platforms may be perceived as not being secure. This may result in merchants curtailing or ceasing their use of our platforms, our reputation being harmed, our incurring significant regulatory and monetary liabilities, and adverse effects on our results of operations and growth prospects.

Our operations involve the storage and transmission of data, including personal information and other confidential information of our third-party providers, merchants and shoppers, on our systems and the systems of third-party service providers we rely on. Third-party applications that we rely on for provision of certain services, such as acquiring processors also store personal information, payment card information, and other confidential information. We have experienced and expect to continue to experience actual and attempted cyber-attacks in varying degrees of our IT networks, such as through phishing scams and ransomware. For example, in December 2025, we identified unauthorized access to one of our cloud systems, and certain personal data, specifically names and contact information, were impacted ("December 2025 Incident"). However, no payment information, account credentials or other sensitive personal data were accessed. Although none of these actual or attempted cyber-attacks has had a material adverse impact on our operations or financial condition to date, we cannot guarantee that such incidents will not reoccur, or will not have such an impact in the future. We face numerous and evolving cybersecurity risks that threaten the confidentiality, integrity and availability of our systems and information. Cyberattacks and other malicious internet-based activity continue to increase globally in frequency and magnitude, and cloud-based platform providers of services are expected to continue to be targeted. Threats include traditional computer "hackers," malicious code (such as viruses, ransomware and worms), social engineering/phishing, employee malfeasance or misuse, human or technological error, as a result of bugs, misconfigurations or exploited vulnerabilities in software or hardware and denial-of-service attacks. Sophisticated nation-states and nation-state-supported actors now engage in such attacks, including advanced persistent threat intrusions. Although we do not store payment card information, hackers and adverse third parties may mistake us for the merchants, causing them to target us in order to obtain payment card information. Threat actors are becoming increasingly sophisticated in using techniques and tools - including artificial intelligence - that circumvent security controls, evade detection and remove forensic evidence. As a result, we may be unable to detect, investigate, remediate or recover from future attacks or incidents, or to avoid a material adverse impact to our information technology systems, confidential information or business.

We have implemented a variety of security protocols, network protection mechanisms and other security measures into our internal systems, networks and physical facilities designed to protect confidentiality, integrity and availability of our systems and information. However, there is no assurance that such measures, including our policies, controls or procedures, will be fully implemented, complied with or adequate to prevent or detect service interruption, system failure, data loss or theft, or other material adverse consequences, directly or through our vendors or that such measures will be fully implemented, complied with at all times. Despite efforts to create security barriers to such threats, it is virtually impossible for us to entirely mitigate these risks. If our security measures are compromised as a result of third-party action, human error, malfeasance, stolen or fraudulently obtained log-in credentials, technical malfunction or otherwise, our reputation could be damaged, our business may be harmed, and we could incur significant liability (including, but not limited to, fines imposed by data privacy authorities and costs related to litigation).

Additionally, because we rely on third-party and public-cloud infrastructure, we are reliant in part on third-party security measures to protect against unauthorized access, cyberattacks, and the mishandling of shopper and merchant data. Even if such a data breach did not arise out of our action or inaction, or if it were to affect our competition rather than us, the resulting concern could negatively affect merchants, shoppers and our business. Because our products and services are integrated with our merchants' systems and processes, any circumvention or failure of our cybersecurity defenses or measures could compromise the confidentiality, integrity, and availability of our merchants' own systems and/or our merchants' proprietary or other sensitive information.

Further, remote and hybrid working arrangements at certain third-party providers may increase cybersecurity risks due to the challenges associated with managing remote computing assets and the security vulnerabilities that may exist in non-corporate or home networks. In addition, the integration of artificial intelligence in the operations, products or services of third-party providers may pose new or unknown cybersecurity risks and challenges.

Concerns regarding data privacy and security may cause some of our merchants to stop using our platforms and fail to renew their agreements with us. In addition, failures to meet merchants' or shoppers' expectations with respect to security and confidentiality of their data and information could damage our reputation and affect our ability to retain merchants, attract new merchants, and grow our business. Furthermore, failure to comply with legal or contractual requirements around the security of personal information could lead to significant fines and penalties, as well as claims by merchants and shoppers. We cannot guarantee that any costs and liabilities incurred in relation to an attack or incident will be covered by our existing insurance policies or that applicable insurance will be available to us in the future on economically reasonable terms or at all. Regardless of merit, these proceedings or violations could force us to spend money in defense or settlement of these proceedings, result in the imposition of monetary liability or injunctive relief, divert management's time and attention, increase our costs of doing business, and materially adversely affect our reputation and the demand for our platform.

Interruptions or delays in the services provided by third-party data centers or internet service providers could impair our platforms and our business could suffer.

We rely on the internet and, accordingly, depend upon the continuous, reliable, and secure operation of internet servers, related hardware and software, and network infrastructure. Any damage to, failure or delay of our systems would prevent us from operating our business.

We host our platforms using third-party data centers and providers of cloud infrastructure services. We currently use one third-party provider for these data and cloud services. Our operations depend on protecting the virtual cloud infrastructure hosted by this cloud services provider by maintaining its configuration, architecture, and interconnection specifications, as well as the information stored in these virtual data centers and transmitted by third-party internet service providers. Furthermore, we have no physical access to or control over the services provided by our cloud services provider. Although we have disaster recovery plans that utilize multiple locations, the data centers that we use are vulnerable to damage or interruption from human error, intentional bad acts, earthquakes, floods, fires, severe storms, war, terrorist attacks, power losses, hardware failures, systems failures, telecommunications failures, and similar events, many of which are beyond our control, any of which could disrupt our service, destroy our data, or prevent us from being able to continuously back up or record changes in our platforms. Certain of these events may become more frequent or intense as a result of climate change. For more information, see our risk factor titled "We are subject to a series of risks regarding climate change." In the event of significant physical damage to one of these data centers, it may take a significant period of time to achieve full resumption of our services, we may incur data loss during the service resumption process and our disaster recovery planning may not account for all eventualities. Further, a prolonged service disruption to our cloud services provider, affecting our platforms could damage our reputation with current and potential organizations, expose us to liability, cause us to lose merchants and shoppers, or otherwise harm our business. We may also incur significant costs for using alternative equipment or taking other actions in preparation for, or in reaction to, events that damage the systems we use. Damage or interruptions to these data centers could harm our business. Moreover, negative publicity arising from these types of disruptions could damage our reputation and may adversely impact use of our solutions and platform. We may not carry sufficient business interruption insurance to compensate us for losses that may occur as a result of any events that cause interruptions in our service. Further, the contractual commitments that we provide to merchants on our platforms as well as our third-party providers with regard to data privacy and security are limited by the commitments that our third-party cloud infrastructure services provider has provided us and these measures may not fully address the risks associated with the third-party processing, storage and transmission of such information. Any violation of data or security laws by our third party providers could adversely impact our business.

Our cloud services providers enable us to order and reserve server capacity in varying amounts and sizes distributed across multiple regions. In addition, our cloud services providers provide us with computing and storage capacity pursuant to terms of service that continue until terminated by either party. If we do not accurately predict our infrastructure capacity requirements, merchants could experience service shortfalls which could interrupt the performance of our platforms, which could adversely affect the perception of its reliability and our revenue and harm the sales and business of our merchants. We may also be unable to effectively address capacity constraints, upgrade our systems as needed and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology.

Our platforms are utilized by a large number of merchants, and as we continue to expand the number of merchants and shoppers, we may not be able to scale our technology to accommodate the increased capacity requirements, which may result in interruptions or delays in service. Merchants often draw significant numbers of shoppers over short periods of time (typically during events such as new product releases, holiday shopping season and flash sales). In the event that merchants conduct a high volume of sales in a short period of time, we may not be capable of securing the then-necessary capacity for such traffic which may cause a degradation in the quality of our platforms and services. Furthermore, if we are incapable of anticipating high traffic levels and reserving server capacity accordingly, our platforms and services may be adversely affected. In addition, the failure of our cloud services provider's data centers or third-party internet service providers to meet our capacity requirements could impede our ability to scale our operations. In some cases, our cloud services providers may terminate the agreement upon 30 days' notice. Termination of the agreement may harm our ability to access data centers we need to host our platforms or to do so on terms as favorable as those we currently have in place. We currently rely exclusively on one cloud services provider for our cloud infrastructures and therefore a transition to an alternative provider may take time, cause us to incur additional costs and reduce the quality and functionality of our platforms.

Increases in shipping rates could negatively impact our profits generated through shipping services.

Shipping rates and surcharges are volatile and subject to market fluctuations. A portion of our revenues is generated through shipping services provided through our shipping and logistics partners. Therefore, a substantial increase in shipping rates may reduce our margins from shipping services. Although some of such cost would be borne by merchants and shoppers, significant increases of costs may diminish demand for international e-commerce, reduce the attractiveness of our service among merchants and adversely affect our results of operations.

Fluctuations in the exchange rate of foreign currencies have adversely impacted our results of operation in certain periods, and may impact our results of operations in future periods.

A majority of our purchase and sale transactions are carried out in different currencies and we bear the risk of a decrease in value of the shopper's purchasing currency in the interim periods between the transaction stages (e.g. placement/payment and returns/refund). We may incur additional costs and experience losses resulting from fluctuations in exchange rates.

While our financial reporting currency is U.S. Dollars, a significant share of our revenues is denominated in foreign currencies, including Pounds Sterling and Euros, and may in the future have significant sales denominated in the currencies of additional countries, which may negatively impact our reported revenues as a result of fluctuations in currency exchange rates vis-à-vis the U.S. Dollar. In addition, we incur a substantial portion of our operating expenses in New Israeli Shekels, Pounds Sterling and U.S. Dollars, and to a lesser extent, other foreign currencies. We may incur additional costs and experience losses resulting from fluctuations in exchange rates for revenues in foreign currencies or upon translation of New Israeli Shekels expenses incurred in Israel, Euros expenses incurred in Europe or Pounds Sterling expenses incurred in the United Kingdom, to U.S. Dollars which may negatively impact our operating results. For example, New Israeli Shekel appreciation against the USD has occurred at various points during 2025 and may result in higher USD denominated costs with respect to our Israeli operations and increase our overall USD denominated operating expenses.

During the year ended December 31, 2025, we did not hedge all of our foreign currency exchange risk. If we determine to implement hedging strategies in the future, such strategies may not be effective in reducing our foreign currency exchange risk exposure, and we may incur costs in connection with such hedging activities. Fluctuations in currency exchange rates could have a material adverse effect on our results of operations and financial condition.

If we fail to offer high quality support, our business and reputation could suffer.

Merchants rely on our personnel for support related to our platforms and services. High-quality support is important for maintaining, renewing and expanding our agreements with existing merchants and maintaining our reputation among merchants. As we expand our business and pursue engagements with new merchants, the importance of high-quality support will increase, and we expect to incur additional support related costs in order to meet the requirements of our new and future merchants. If we do not help merchants and shoppers quickly to resolve issues and provide effective ongoing support, our ability to retain existing merchants and attract new merchants could suffer and our reputation could be harmed.

If we fail to enhance our reputation and awareness of our platforms, our ability to expand the number of merchants using our platforms and increase our GMV will be impaired, our reputation may be harmed, and our business, results of operations, and financial condition may suffer.

We believe that developing and maintaining awareness and a favorable reputation is critical to achieving widespread acceptance of our platforms and services and is an important element in attracting new merchants to our platforms, and retaining existing merchants. Furthermore, we believe that the importance of brand recognition will increase as competition in our market increases. Our ability to increase awareness will depend largely on the effectiveness of our marketing efforts, our ability to ensure that our platforms and services remain of high quality, reliable, and useful at competitive prices, our ability to maintain our merchants' trust, our ability to continue to develop new functionality and solutions, and our ability to successfully differentiate our platforms.

Efforts to increase awareness may not yield increased revenue, and even if they do, any increased revenue may not offset the expenses we incur. If we fail to successfully promote our platforms, incur substantial expenses in an unsuccessful attempt to promote our platforms, or fail to successfully transition, execute and grow the offerings derived from the acquired platforms into our business (for example, the Shopify Managed Markets offering), we may fail to attract new merchants, retain existing merchants or grow or maintain the volume of sales facilitated by our platforms to the extent necessary to realize a sufficient return on our marketing efforts, and our business, results of operations, and financial condition could suffer.

Our reputation may be harmed by our merchants' or third-party service providers' unethical business practices.

Our emphasis on our values makes our reputation particularly sensitive to allegations of unethical business practices by our merchants or third-party service providers. Our policies promote legal and ethical business practices. However, we do not control our merchants or third-party service providers or their business practices and cannot ensure that they comply with our policies. If our merchants or third-party service providers engage in illegal or unethical business practices or are perceived to do so, we may receive negative publicity and our reputation may be harmed.

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 harm our business.

We receive, collect, store, process, share, transfer, disclose, and use personal data and other data relating to shoppers, customers, candidates, employees, website users, contractors and other persons. We are subject to numerous federal, state, local, and international laws, directives, and regulations regarding privacy, data protection, and data security and the collection, storing, sharing, use, processing, transfer, disclosure, and protection of personal data, the scope of which are changing, subject to differing interpretations, and may be inconsistent among jurisdictions or conflict with other legal and regulatory requirements. For example, the Israeli Privacy Protection Law 5741-1981 and its regulations, or the PPL, the EU and UK General Data Protection Regulation, or the GDPR, U.S. state laws, and the data protection and security laws of other states and countries impose requirements with respect to use, processing, disclosure and/or deletion of personal information of their residents, imposing penalties for violations and, in some cases, private right of action for data breaches and certain violations. In addition, Government authorities, including the U.S. Department of Justice, have issued, and may issue in the future, rules restricting the transfer of certain personal data to certain countries. Such instructions could limit our ability to share such data and subject us to liability in case of noncompliance. These laws, rules, and similar legislation in other states and countries that are developing, have been recently enacted or are in the process of being amended, impose transparency obligations, stringent user consent requirements and permit data subjects to request that we discontinue using certain data, amongst and other obligations with respect to personal data of their respective residents and provide residents with similar rights for certain types of data processing activities, data breaches or violations. We are also subject to certain contractual obligations related to privacy, data protection and data security. We strive to comply with our policies and applicable laws, regulations, contractual obligations, and other legal obligations relating to privacy, data protection, and data security to the extent possible. However, the regulatory framework for privacy, data protection and data security worldwide is, 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, including across the various jurisdictions in which we operate remotely and may conflict with our other legal obligations or our practices. Further, any significant change to applicable laws, regulations or industry practices 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 collect, use, process, store, share, transfer, or disclose shopper data or develop new services and features.

Certain data privacy legislation restricts the cross-border transfer of personal data and some countries introduced data localization into their laws. We expect the existing legal complexity and uncertainty regarding international personal data transfers to continue globally. As the regulatory guidance and enforcement landscape in relation to data transfers continue to develop, we could incur additional costs, face complaints and/or become subject to regulatory investigations or fines; we may have to stop using certain tools and vendors and make other operational changes; and we may have to implement alternative data transfer mechanisms under data protection law and/ or take additional compliance and operational measures and/or it could otherwise affect the manner in which we provide our services, and could adversely affect our business, operations and financial condition.

Laws relating to providers of digital services and new regulations relating to issues such as e-commerce, information requirements for internet, digital services providers or other intermediary providers, such as the EU Digital Services Act, are also quickly evolving and often impose onerous compliance obligations. These laws create uncertainty and could negatively affect our operations and use of our services, require us to change or adjust our platforms and could result in changes to our operations or business model and we may incur significant expenses should we have to change our model or be subject to monetary penalties or other corrective measures for noncompliance.

Any failure or perceived failure by us to comply with our posted privacy policies, our privacy-related obligations to merchants, shoppers or other third parties, or any other legal obligations or regulatory requirements relating to privacy, data protection, data security or digital services, 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 merchants 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 merchants may limit the adoption and use of, and reduce the overall demand for, our platform. In addition, if a breach of data security 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 platforms and services may be perceived as less desirable and our business, prospects, financial condition, and results of operations could be materially and adversely affected. Additionally, if third parties we work with violate applicable laws, regulations or contractual obligations, such violations may put our 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 merchants to lose trust in us, and otherwise materially and adversely affect our reputation and business. Lastly, 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.

As the regulatory framework for machine learning technology and generative artificial intelligence evolves, including with respect to unintentional bias and discrimination, our business, financial condition, and results of operations may be adversely affected.

Our business increasingly relies on artificial intelligence, machine learning and automated decision making. The regulatory framework for this technology is rapidly evolving, and we may not always be able to anticipate how to respond to these laws or regulations. Many federal, state and foreign government bodies and agencies have introduced or are currently considering additional laws and regulations governing the use of such technologies. There is also an increase in litigation in a number of jurisdictions, including the United States, relating to the development, security and use of artificial intelligence.

There are significant risks involved in utilizing artificial intelligence and no assurances can be provided that our use will enhance our solutions or services or produce the intended results. For example, artificial intelligence algorithms may be flawed, insufficient, of poor quality, reflect unwanted forms of bias or contain other errors or inadequacies, any of which may not be easily detectable; artificial intelligence has been known to produce false or “hallucinatory” inferences or outputs. artificial intelligence can also present ethical issues and may subject us to new or heightened legal, regulatory, ethical or other challenges and inappropriate or controversial data practices by developers and end-users, or other factors adversely affecting public opinion of artificial intelligence, could impair the acceptance of artificial intelligence technologies. If the artificial intelligence tools that we create or use, are or are alleged to be deficient, inaccurate, biased or controversial, we could incur operational inefficiencies, competitive harm, legal liability, brand or reputational harm, or other adverse impacts on our business and financial results. If we do not have sufficient rights to use the data or other material or content on which the artificial intelligence tools we use rely, or to use the output of such artificial intelligence tools, we also may incur liability through the violation of applicable laws and regulations, third-party intellectual property, data protection, data privacy or other rights, or contracts to which we are a party.

The technologies underlying artificial intelligence and its uses are subject to a variety of laws and regulations, including those related to intellectual property, data protection, data privacy, cybersecurity, consumer protection, competition and equal opportunity, and are expected to be subject to increased regulation and new laws or new applications of existing laws and regulations. The artificial intelligence legal and regulatory landscape is rapidly evolving, and we are or may become subject to numerous state, federal and foreign laws and regulations governing the use of artificial intelligence. Implementation of standards and enforcement practices are likely to remain uncertain for the foreseeable future, and we cannot yet determine the impact future laws and regulations may have on our business.

In the United States, and internationally, artificial intelligence is the subject of evolving review by various governmental and regulatory agencies, including the SEC and the Federal Trade Commission, and changes in laws and regulations governing the use of artificial intelligence may adversely affect the ability of our business to use or rely on artificial intelligence and our ability to provide and to improve our solutions and services, may require additional compliance measures and changes to our operations and processes, and may result in increased compliance costs and potential increases in civil claims against us. Many federal, state and foreign government bodies and agencies have introduced or are currently considering additional laws and regulations governing the use of such technologies. Any such changes at the federal level could require us to expend significant resources to modify our products, services, or operations to ensure compliance or remain competitive. Additional regulations may impact our ability to develop, use and commercialize artificial intelligence and machine learning technologies in the future.

In Europe, on August 1, 2024, the EU Artificial Intelligence Act (the “EU AI Act”) entered into force, and establishes a comprehensive, risk-based governance framework for artificial intelligence in the EU market. The majority of the substantive requirements will apply from August 2, 2026. Once fully applicable, the EU AI Act’s requirements, particularly those around transparency and risk assessments, may directly impact the development and operation of our e-commerce risk intelligence platform, requiring significant changes to our processes and potentially limiting the functionality of certain artificial intelligence driven features. The European Commission’s Digital Omnibus Proposal, published in November 2025, includes proposed amendments to certain EU laws and regulations, including (among others) the EU AI Act. However, the proposal remains at an early stage of the EU legislative process.

In 2022 and 2023, China implemented a number of regulations to govern generative artificial intelligence, algorithmic recommendation and deep synthesis technologies. Such regulations impose strict obligations on service providers, among other entities, with respect to their provision and use of generative artificial intelligence, algorithmic recommendation and deep synthesis technologies. The regulatory framework in China is expected to have a material impact on the way artificial intelligence is regulated in China, and together with developing guidance and/or decisions in this area, may affect our use of artificial intelligence and our ability to provide and to improve our services, require additional compliance measures and changes to our operations and processes, result in increased compliance costs and potential increases in civil claims against us, and could adversely affect our business, operations and financial condition.

It is possible that the EU AI Act and the US artificial intelligence laws and regulations, along with the adoption of new laws and regulations in other jurisdictions, or the interpretation of existing laws and regulations, may affect the operation of our e-commerce risk intelligence platform and the way in which we use artificial intelligence and machine learning technology, including with respect to how we train our models, unintentional bias and discrimination. Failure to comply with such laws or regulations could subject us to legal or regulatory liability. Further, the cost to comply with such laws or regulations could be significant and would increase our operating expenses, which could adversely affect our business, financial condition and results of operations.

The situation in Ukraine could materially adversely affect our business, financial condition and results of operations.

In late February 2022, Russian military forces launched military action against Ukraine, and sustained conflict and disruption in the region is likely. The impact to Ukraine, as well as actions taken by other countries, including new and stricter sanctions by Canada, the United Kingdom, the European Union, the U.S. and other countries and organizations against officials, individuals, regions, and industries, and each potential response to such sanctions, tensions, and military actions, could lead to disruption, instability and volatility in global markets and industries that could have a material adverse effect on our operations. As a result of this situation, our services into Ukraine and Russia were suspended until further notice.

In addition, some of our Research and Development team members are located in several cities in Ukraine which have been disrupted by the outbreak of war. The conflict has impaired and may continue to impair their ability to work, thereby adversely affecting our research and development and merchant support capacities. Due to this disruption, the human cost to our employees as well as the potential for broader, adverse impacts of this war, including heightened operating risks in Ukraine and Europe, additional sanctions or counter-sanctions, heightened inflation, cyber-attacks, higher energy costs and higher supply chain costs, as well as broader impact on global and regional economies, is difficult to measure. The ultimate impact of such events on our business is difficult to predict. Any disruption in the businesses of our customers or partners could have a significant adverse impact on our results. 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 subject to anti-corruption, anti-bribery, anti-money laundering and similar laws, and non-compliance with such laws can subject us to criminal penalties or significant fines and harm our business and reputation.

We are subject to anti-corruption and anti-bribery and similar laws, such as the U.S. Foreign Corrupt Practices Act of 1977, as amended, or the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, U.S. Travel Act, the USA PATRIOT Act, the U.K. 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 other anti-corruption, anti-bribery and anti-money laundering laws in countries in which we conduct activities. Anti-corruption and anti-bribery laws generally prohibit companies and their employees and agents from promising, authorizing, making, or offering improper payments or other benefits to government officials and others in the private sector. As we increase our international sales and business, our risks under these laws may increase.

In addition, we use, and may continue to use, third parties to sell access to our platforms and conduct business on our behalf abroad, in particular carriers and other freight forwarders who perform customs-clearance and related services and functions as our service providers, and in our own name and instructions. We or such current and future third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities, and we can be held liable for the corrupt or other illegal activities of such third-party intermediaries, and our employees, representatives, contractors, partners, and agents, even if we do not explicitly authorize such activities. We have implemented an anti-corruption compliance program but cannot assure you that all our employees and agents, as well as those companies to which we outsource certain of our business operations, will not take actions in violation of our policies and applicable law, for which we may be ultimately held responsible. Noncompliance with these laws could subject us to investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, adverse media coverage, and other consequences. Any investigations, actions or sanctions could harm our business, results of operations, and financial condition.

We act as a service provider and take certain part of the fulfilment chain of the merchants, and while our legal and functional roles are defined, third parties may confuse us with the merchants resulting in claims and liabilities relating to the merchants' activities.

We operate largely as a “white label” solution which enables the merchants to offer their products through our platform, while maintaining their own brand experience. Due to our nearly transparent integration with such merchants’ shopper experience, claims arising from the actions of the merchants may be unduly addressed to us by virtue of our perceived affiliation with the merchants and our role in the shopper experience. To the extent that we are not successful in demonstrating that we are distinct from such merchants, we may be subject to misdirected claims and associated liabilities. Although we include indemnification provisions in the merchant agreements, such provisions may not be enforced in certain circumstances, certain jurisdictions or may not be sufficient to fully cover potential liabilities arising from such claims.

If we fail to adequately maintain, protect or enforce our intellectual property rights, our competitive position could be impaired and we may lose valuable assets, generate reduced revenue, and incur costly litigation to protect our rights.

Our success is dependent, in part, upon protecting our intellectual property rights, including those in our know-how and proprietary technology. We rely on a combination of copyrights, trade secret and other intellectual property laws and contractual restrictions to establish and protect our intellectual property rights. While it is our policy to protect and defend our rights to our intellectual property, we cannot predict whether steps taken by us will be adequate to prevent infringement, misappropriation or other violation of our intellectual property rights.

Policing unauthorized use of our know-how, technology and intellectual property is difficult and may not be effective. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property. Despite our precautions, it may be possible for unauthorized third parties to copy our platforms or technology and use information that we regard as proprietary to create products or services that compete with our offerings. Some of the provisions of our employee, consultant and service agreements that protect us against unauthorized use, copying, transfer, and disclosure of our platforms, may be unenforceable under the laws of certain jurisdictions and foreign countries. Further, the laws of some countries do not protect intellectual property to the same extent as the laws of the United States, and mechanisms for enforcement of intellectual property rights in some foreign countries may be inadequate. To the extent we expand our international activities, our exposure to unauthorized copying and use of our platforms and proprietary information may increase. Further, our competition, foreign governments, foreign government-backed actors, criminals, or other third parties may gain unauthorized access to our confidential information and technology. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our intellectual property rights. If we are unable to protect our intellectual property rights or prevent unauthorized use, infringement or misappropriation thereof by third parties, the value of our intellectual property and intellectual property rights may be diminished, and our competition may be able to more effectively mimic our offerings and service. In addition, our know-how is derived in part from insights we obtain from the historical individual and aggregate transactions that take place on our platform. If the availability, security or integrity of such data is lost or compromised due to a technology failure, cyberattack or similar event, our know-how could be lost or diminished, and this could materially adversely affect our ability to serve our merchants. For more information, see “Risk Factors-Risks Relating to our Business and Industry- We store personal information of merchants and shoppers. To the extent our security measures are compromised, our platforms may be perceived as not being secure. This may result in merchants curtailing or ceasing their use of our platform, our reputation being harmed, our incurring of significant regulatory and monetary liabilities and adverse effects on our results of operations and growth prospects.”

While software and other of our proprietary works may be protected under copyright law, we have not registered any copyrights in these works, and instead, primarily rely on protecting our software as a trade secret. In order to bring a copyright infringement lawsuit in the United States, the copyright must be registered. Accordingly, the remedies and damages available to us for unauthorized use of our software may be limited.

In addition, we may experience difficulties in enforcing the intellectual property rights in output generated by generative artificial intelligence technologies. The United States Copyright Office has previously denied copyright protection for content generated by artificial intelligence technologies, and the United States Patent and Trademark Office has similarly stated that an artificial intelligence tool cannot be an “inventor” of a patent, rendering it impossible to obtain patent protection for inventions created solely by artificial intelligence. The Supreme Court of the United Kingdom has reached a similar conclusion, stating that artificial intelligence systems cannot be named as an “inventor” for UK patent law purposes.

We may be required to spend significant resources to monitor and protect our intellectual property rights, and we may or may not be able to detect infringement, misappropriation or other violation of our intellectual property rights by third parties. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Such litigation could be costly, time consuming, and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, 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 our management’s attention and resources, could delay further sales or the implementation of our platforms, impair their functionality, delay introductions of new features, integrations, and capabilities, result in our substituting inferior or more costly technologies into our platforms, or injure our reputation. In addition, we may be required to license additional technology from third parties to develop and market new features, integrations, and capabilities, and we cannot assure you that we could license that technology on commercially reasonable terms or at all, and our inability to license this technology could harm our ability to compete. Any one or more of the foregoing could harm our business, results of operations, and financial condition.

We may incur costs to defend against, face liability for or be vulnerable to intellectual property infringement claims brought against us by others.

There is considerable intellectual property development and enforcement activity in our industry. We expect that software developers in our industry will increasingly be subject to infringement claims as the number of competing solutions grows and the functionality of platforms and services in different industries overlap. Our future success depends in part on not infringing upon or misappropriating the intellectual property rights of others. There is a risk that our operations, platforms and services may infringe or otherwise violate, or be alleged to infringe or otherwise violate, the intellectual property rights of third parties. Other companies have claimed in the past, and may claim in the future, that we infringe upon or otherwise violate their intellectual property rights. A claim may also be made relating to technology or intellectual property that we acquire or license from third parties. If we were subject to a claim of infringement, regardless of the merit of the claim or our defenses, the claim could:

- require costly litigation to resolve and the payment of substantial royalty or license fees, lost profits or other damages;
- require and divert significant management time;
- cause us to enter into unfavorable royalty or license agreements;
- require us to discontinue some or all of the features, integrations, and capabilities available on our platforms;
- require us to indemnify our merchants or third-party service providers; and/or
- require us to expend additional development resources to redesign our platforms.

Any one or more of the above could harm our business, results of operations, and financial condition.

We use open source software, which may pose particular risks to our proprietary software, technologies, products and services in a manner that could negatively affect our business.

We use open source software in our platforms and expect to use more open source software in the future. From time to time, there have been claims challenging both the ownership of open source software against companies that incorporate open source software into their products and whether such incorporation is permissible under various open source licenses. There is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our platforms. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be open source software, or breach of open source licenses. Litigation could be costly for us to defend, have a negative effect on our business, results of operations, and financial condition, or require us to devote additional research and development resources to change our platforms. In addition, if we were to combine our proprietary source code or software with open source software in a certain manner, we could, under certain open source licenses, be required to release the source code of our proprietary software to the public. This would allow our competition to create similar products with less development effort and time. If we inappropriately use open source software, or if the license terms for open source software that we use change, we may be required to re-engineer our platforms, or certain aspects of it, incur additional costs, discontinue the availability of certain features, or take other remedial actions.

In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties support, indemnification, assurance of title or controls on origin of the software or other contractual protections regarding infringement claims or the quality of the code. In addition, many of the risks associated with usage of open source software, such as the lack of warranties or assurances of title, cannot be eliminated, and could, if not properly addressed, negatively affect our business. We have established processes to help alleviate these risks, but we cannot be sure that all of our use of open source software is in a manner that is consistent with our current policies and procedures, or will not subject us to liability.

In addition, open source libraries incorporated in our platforms must be constantly updated in order to avoid security vulnerabilities that may be present in an outdated version of the software. Updating the open source libraries we use in a timely manner requires ongoing development efforts, and any delay relating to this process may expose us to risk of security breach. To the extent that our platforms depend upon the successful operation of open source software, any undetected errors or defects in this open source software could prevent the deployment or impair the functionality of our platforms, delay new solutions introductions, result in a failure of our platforms, and injure our reputation. For example, undetected errors or defects in open source software could render it vulnerable to breaches or security attacks, and, in conjunction, make our systems more vulnerable to data breaches. In addition, the public availability of such software may make it easier for others to compromise our platforms.

We depend on our executive officers and other key employees, and the loss of one or more of these employees could harm our business.

Our success depends largely upon the continued services of our executive officers and other key employees. From time to time, there may be changes in our executive management team resulting from the hiring or departure of executives, which could disrupt our business. We do not have employment agreements with our executive officers or other key personnel that require them to continue to work for us for any specified period and, therefore, they could terminate their employment with us at any time subject only to the notice periods prescribed by their respective executive agreements. The loss of one or more of our executive officers, or key employees could harm our business.

Inability to attract and retain other highly skilled employees could harm our business.

In order for us to successfully compete and grow, we must attract, recruit, retain and develop personnel with requisite qualifications to provide expertise across the entire spectrum of our intellectual capital and business needs. Competition in regions where we maintain offices is intense, especially for engineers experienced in designing and developing software and experienced sales professionals. We have from time to time experienced, and we may experience in the future, difficulty in hiring and retaining employees with appropriate qualifications.

In addition, certain domestic immigration laws restrict or limit our ability to recruit internationally. Any changes to Israeli, United Kingdom, European, the U.S. or other immigration policies that restrain the flow of technical and professional talent may inhibit our ability to recruit and retain highly qualified employees. Failure to retain or attract qualified personnel could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of our equity awards declines, it may harm our ability to recruit and retain highly skilled employees. Volatility or lack of appreciation in the price of our ordinary shares may also affect our ability to attract and retain our key employees. Many of our senior personnel and other key employees have become, or will soon become, vested in a substantial number of equity awards such as options or restricted share units. Employees may be more likely to leave us if the equity awards they own or the shares underlying their vested options or restricted share units have significantly appreciated in value relative to the original purchase price of the shares or the exercise price of the options, or conversely, if the exercise price of the options that they hold are significantly above the market price of our ordinary shares.

While we may not be able to enforce non-compete agreements we enter into with our employees, our current and future competition may attempt to enforce similar agreements with individuals we recruit or attempt to recruit.

We generally enter into agreements with our employees which prohibit our employees, if they cease working for us, from competing directly with us or working for our current and future competition for a limited period. However, we may be unable to enforce these agreements under the laws of the jurisdictions in which our employees work, and it may be difficult for us to restrict our current and future competition from benefiting from the expertise our former employees developed while working for us. 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 trade secrets or other intellectual property.

If we hire employees from our current and future competition or other companies, their former employers may attempt to assert that these employees or we have breached their legal obligations, resulting in a diversion of our time and resources. In a similar manner, should our current and future competition succeed in hiring some of our employees and executives, and should some of these employees or executives breach their legal obligations and divulge commercially sensitive information to our current and future competition, our ability to successfully compete with our current and future competition may be hindered.

We may be subject to litigation for a variety of claims, which could harm our reputation and adversely affect our business, results of operations, and financial condition.

In the ordinary course of business, we may be involved in and subject to litigation for a variety of claims or disputes and receive regulatory inquiries. These claims, lawsuits, and proceedings could include labor and employment, wage and hour, commercial, antitrust, alleged securities law violations or other investor claims, and other matters. The number and significance of these potential claims and disputes may increase as our business expands. Further, our general liability insurance may not cover all potential claims made against us or be sufficient to indemnify us for all liability that may be imposed. Any claim against us, regardless of its merit, could be costly, divert management's attention and operational resources, and harm our reputation. As litigation is inherently unpredictable, we cannot assure you that any potential claims or disputes will not have a material adverse effect on our business, results of operations, and financial condition.

Contractual arrangements between merchants and local distributors, as well as merchants' operating preferences, may impede the adoption by merchants of a D2C model and diminish the adoption of our platforms and services as a result.

A significant segment of our merchants are international brands with a strategic focus on transitioning to a D2C model through the use of e-commerce. Despite making this transition, some brands maintain contractual relationships with distributors of their products such as wholesalers, local webstore operators, marketplaces and franchises in various geographies which our platforms make accessible for D2C sales. Contractual arrangements between brands and their local distributors that provide for exclusivity terms, volume restrictions on alternate distribution channels or most favored client pricing may slow or restrict adoption of our platforms and services. Even absent such contractual obligations, local distributors may still petition the brand to cease its operations through our platforms if the brand's D2C sales adversely impact their local distributor sales. Although we believe that our platforms and services provide functionality, tools and advantages that match or outweigh the local distributor model and therefore justify their use on a standalone or supplemental basis, resistance on behalf of such distributors and the resulting friction may slow or restrict adoption of our platforms and services by such brands in certain locations and diminish our growth in this segment.

In addition, while we believe our platforms and services provide flexible and cost-effective means for merchants to transact globally, as our merchants grow their international activity through the use of our services, or as market trends change, they may decide that our platforms are too costly, or that they can utilize other modalities or operational flows, and transition some, or even all of their activity, into one in which they transact directly with shoppers, rather than through us, and therefore do not need to pay our service fees, e.g. by means of setting up and operating dedicated localized web stores for certain geographies. Such transitions, should they occur, will negatively impact our financial condition and results of operations.

Our failure to raise additional capital or generate cash flows necessary to expand our operations and invest in new technologies in the future could reduce our ability to compete successfully and harm our results of operations.

Although we believe that the aggregation of our existing cash and cash equivalents, short-term bank deposits and investments in marketable securities, together with cash flow from operations, will be sufficient to meet our business needs for at least the next 12 months from the filing of this Annual Report, we may require additional financing, and we may not be able to obtain debt or equity financing on favorable terms, if at all. If we raise equity financing to fund operations or on an opportunistic basis, our shareholders may experience significant dilution of their ownership interests. If we need additional capital and cannot raise it on acceptable terms, or at all, we may not be able to, among other things:

- develop new features, integrations, capabilities, and enhancements;
- continue to expand our product development, sales, and marketing organizations;

- respond to competitive pressures or unanticipated working capital requirements; or
- pursue acquisition opportunities.

Furthermore, the Company maintains the majority of its cash and cash equivalents in accounts with major and highly rated multi-national or local financial institutions, and our deposits at certain of these institutions significantly exceed insured limits. Market conditions can impact the viability of these institutions. In the event of failure of any of the financial institutions where we maintain our cash and cash equivalents, there can be no assurance that we would be able to access uninsured funds in a timely manner or at all. Any inability to access or delay in accessing these funds could adversely affect our business and financial position.

Our corporate culture has contributed to our success, and if we cannot maintain this culture as we grow, we could lose the innovative approach, creativity, and teamwork fostered by our culture and our business could be harmed.

We believe that our corporate culture has been an important contributor to our success by creating an environment that drives and perpetuates our strategy to create a better, more productive way to work and focuses on driving success for our customers. As we continue to grow, including geographically, and continue to develop the infrastructure of a public company, we may find it difficult to maintain our corporate culture. If we do not maintain and continue to develop our corporate culture as we grow and evolve, it could harm our ability to foster the innovation, craftsmanship, teamwork, curiosity, and inclusion, we believe that we need to support our growth. Any failure to preserve our culture could also harm our ability to retain and recruit personnel, innovate and operate effectively, and execute our business strategy.

If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired, which may adversely affect our stock price and our business.

The Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”) requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers as appropriate to allow timely decisions regarding required disclosure. Furthermore, we are required to comply with the SEC’s rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which require management to certify financial and other information in our annual reports and provide an annual management report on the effectiveness of control over financial reporting. We are also required to disclose changes in internal control over financial reporting on an annual basis. Additionally, we are required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. If we are unable to continue to maintain effective internal control, we may not have adequate, accurate or timely financial information, and we may be unable to meet our reporting obligations or to comply with the requirements of the SEC or the Sarbanes-Oxley Act. To maintain compliance with Section 404, we continue to engage in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we continue to dedicate internal resources and have engaged outside consultants and adopted a detailed work plan to continue to assess and document the adequacy of our internal control over financial reporting, continue to undertake 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. Despite our efforts, there is a risk that we will not be able to maintain effective internal control over financial reporting as required by Section 404.

If any of these controls and systems do not perform as expected, we may experience material weaknesses in our controls. Ineffective disclosure controls and procedures and internal control over financial reporting could result in a restatement of our financial statements, the imposition of sanctions, or investigation by regulatory authorities and could cause investors to lose confidence in our reported financial and other information, all of which could have a material negative effect on the trading price of our ordinary shares. In addition, failure to meet these requirements could result in delisting from Nasdaq.

As part of our growth strategy, we may decide to make additional acquisitions of privately held businesses. Prior to becoming part of our consolidated company, the acquired businesses would not be required to implement or maintain the disclosure controls and procedures or internal control over financial reporting that are required of public companies. We are required to integrate any acquired businesses into our consolidated company’s system of disclosure controls and procedures and internal control over financial reporting, but we cannot provide assurance as to how long the integration process may take.

In addition to our results determined in accordance with GAAP, we believe certain non-GAAP measures and key metrics may be useful in evaluating our operating performance. We present certain non-GAAP financial measures and key metrics in this Annual Report and intend to continue to present certain non-GAAP financial measures and key metrics in future filings with the SEC and other public statements. Any failure to accurately report and present our non-GAAP financial measures and key metrics could cause investors to lose confidence in our reported financial and other information, which could have a negative effect on the trading price of our ordinary shares.

If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our results of operations could be adversely affected.

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant items subject to such estimates and assumptions include, but are not limited to, the allocation of transaction price among various performance obligations, the estimated customer life on deferred contract acquisition costs, the allowance for credit losses, the fair value of financial assets and liabilities; including accounting and fair value of derivatives, the fair value of acquired intangible assets and goodwill, the useful lives of acquired intangible assets and property and equipment, share-based compensation, until the Company's IPO including the determination of the fair value of the Company's Ordinary Shares, and the valuation of deferred tax assets and uncertain tax positions. The Company bases these estimates on historical and anticipated results, trends and various other assumptions that it believes are reasonable under the circumstances, including assumptions as to future events. Actual results could differ from those estimates.

Changes in tax laws or regulations to which we are subject could have an adverse effect on us, our merchants or their shoppers and could increase the costs and reduce the attractiveness of our platforms and harm our business.

New income, sales, use or other tax laws, regulations, or ordinances could be enacted and new interpretations of existing tax laws, regulations or ordinances could be adopted at any time. Those changes could adversely affect our domestic and international business operations, and our business, results of operations, and financial condition. These events could require us, our merchants or the shoppers to pay additional tax amounts on a prospective or retroactive basis, as well as require us, our merchants or the shoppers to pay fines and/or penalties and interest for past amounts deemed to be due. If we are required to collect such additional tax amounts from either our merchants or the shoppers and are unsuccessful in collecting such taxes due from our merchants or the shoppers, we could be held liable for such costs, thereby adversely affecting our results of operations and harming our business. If we raise our prices to offset the costs of these changes, merchants may elect not to use our platforms and services in the future. Additionally, new, changed, modified, or newly interpreted or applied tax laws could increase our merchants', our shoppers' and our compliance, operating, and other costs. Further, these events could decrease the capital we have available to operate our business. Any or all of these events could harm our business, results of operations, and financial condition. Compliance with these new reporting requirements as well as the newly introduced VAT rules required and will continue to require significant resources and we cannot be certain that we have fully complied with or applied the new requirements, and as a result we may face non-compliance assessments, calculation or remittance gaps and other discrepancies. Further, governments, customs agencies and tax authorities may seek heightened scrutiny and enforcement of the new regulations, which could result in delayed clearance, rejections of our tax submissions, refusal to assess taxes in a timely manner and additional audits.

In addition, we are subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The tax authorities in these jurisdictions could review our tax returns and impose additional tax, interest, and penalties, assert that various withholding requirements apply to us or our subsidiaries or that benefits of tax treaties are not available to us or our subsidiaries, any of which could harm us and our results of operations.

Our results of operations may be harmed if we are required to collect sales or other taxes relating to the use of our platforms and services in jurisdictions where we have not historically done so.

States and local taxing jurisdictions may impose sales and use taxes, including on services provided electronically or goods sold via the internet. The applicability of sales taxes related to the use of our platforms in various jurisdictions is unclear. We collect and remit sales and value-added tax, or VAT or goods and services tax, or GST, in a number of jurisdictions (including in the U.S.). It is possible, however, that we could face sales tax, VAT or GST audits and that our liability for these taxes could exceed our estimates as state tax authorities could still assert that we are obligated to collect additional tax amounts from merchants and remit those taxes to those tax authorities. Further, one or more U.S. state or non-U.S. authorities could seek to impose additional sales, use or other tax collection and record-keeping obligations on us or may determine that such taxes should have, but have not been, paid by us. We could also be subject to audits in U.S. states and non-U.S. jurisdictions for which we have not accrued tax liabilities. A successful assertion that we should be collecting additional sales or other taxes on our services and/or on goods sold in jurisdictions where we have not historically done so and do not accrue for sales taxes could result in substantial tax liabilities for past sales (including substantial interest and penalties), discourage organizations from utilizing our platforms and services, or otherwise harm our business, results of operations, and financial condition.

The enactment of legislation implementing changes in taxation of international business activities, the adoption of other corporate tax reform policies, or changes in tax legislation or policies could impact our future financial position and results of operations.

There can be no assurance that our effective tax rate will not increase over time as a result of changes in corporate income tax rates or other changes in the tax laws in the jurisdictions in which we operate. Any changes in tax laws could have an adverse impact on our financial results. Corporate tax reform, base-erosion efforts and tax transparency continue to be high priorities in many tax jurisdictions where we have business operations. As a result, policies regarding corporate income and other taxes in numerous jurisdictions are under heightened scrutiny, and tax reform legislation is being proposed or enacted in a number of jurisdictions. For example, there is growing pressure in many jurisdictions and from multinational organizations such as the Organization for Economic Cooperation and Development (“OECD”) and the EU to amend existing international taxation rules in order to align the tax regimes with current global business practices. Specifically, in October 2015, the OECD published its final package of measures for reform of the international tax rules as a product of its Base Erosion and Profit Shifting (“BEPS”) initiative, which was endorsed by the G20 finance ministers. Many of the initiatives in the BEPS package required and resulted in specific amendments to the domestic tax legislation of various jurisdictions and to existing tax treaties. We continuously monitor these developments. Although many of the BEPS measures have already been implemented or are currently being implemented globally (including, in certain cases, through adoption of the OECD’s “multilateral convention” (to which Israel is also a party) to effect changes to tax treaties which entered into force on July 1, 2018 and through the European Union’s “Anti Tax Avoidance” Directives), it is still difficult in some cases to assess to what extent these changes will have on our tax liabilities in the jurisdictions in which we conduct our business or to what extent they may impact the way in which we conduct our business or our effective tax rate due to the unpredictability and interdependency of these potential changes. In January 2019, the OECD announced further work in continuation of the BEPS project, focusing on two “pillars.” In October 2021, 137 countries approved a statement known as the OECD BEPS Inclusive Framework, which builds upon the OECD’s continuation of the BEPS project. The first pillar is focused on the allocation of taxing rights between countries for in-scope large multinational enterprises (with revenue in excess of €20 billion and profitability of at least 10%) that sell goods and services into countries with little or no local physical presence. We do not expect to be within the scope of the first Pillar. Pillar Two Global Anti-Base Erosion (GloBE) is focused on developing a global minimum tax rate of at least 15% applicable to in-scope multinational enterprises (with revenue in excess of €750 million). As of 2024, GloBE rules have been enacted (the legislation entered into force on the financial year beginning January 1, 2024) in certain jurisdictions in which we operate through local entities. Israel has enacted domestic legislation, effective January 1, 2026, implementing a Qualified Domestic Minimum Top-Up Tax (QDMTT), designed to ensure a minimum effective tax rate of 15% on Israeli constituent entities of in-scope multinational enterprise groups, generally calculated in accordance with the Global Anti-Base Erosion (GloBE). In response to concerns raised by the United States, the OECD recently finalized a “side-by-side” approach, under which certain U.S.-parented multinational enterprises may be exempt from certain Pillar Two rules. It is not entirely clear how this side-by-side agreement will be implemented by each participating jurisdiction. As a result, Pillar Two remains under negotiation and continues to evolve. While we do not currently anticipate GloBE (which generally applies to multinational enterprise groups with consolidated annual revenue more than Euro 750 million) to cause us to incur a material tax liability in 2025 and 2026, we are monitoring developments from the OECD, governmental bodies, such as the EU, and tax authorities in the jurisdictions in which we operate, to evaluate the future impact of changing global tax laws.

In addition, the U.S. Base Erosion and Anti-Abuse Tax (BEAT), a minimum tax on large multinational corporations was enacted by the 2017 Tax Cuts and Jobs Act and modified by the “One Big Beautiful Bill” in 2025, designed to prevent profit shifting to lower-tax jurisdictions through deductible payments (like royalties, interest) to foreign affiliates. It generally applies to companies with average annual gross receipts of at least \$500 million in the US and a base erosion percentage of at least 3% and functions as a minimum tax, ensuring a baseline U.S. tax payment. The BEAT rate will stand at 10.5% for tax years beginning after December 31, 2025. We are still analyzing the implications of BEAT on us. If BEAT becomes applicable to our U.S. subsidiary, it may adversely affect our effective tax rate or result in higher tax liabilities. The U.S. tax system also remains subject to further change. We are unable to predict which, if any, changes to the U.S. tax system will be enacted into law, and what effects any enacted legislation might have on our tax liabilities. There have been proposals to impose retaliatory measures with respect to jurisdictions that have, or are likely to, put in place tax rules that are extraterritorial or disproportionately affect U.S. companies. Although such proposals have since been withdrawn, the likelihood of these changes being enacted or implemented is unclear. We are currently unable to predict whether further changes will occur and, if so, the ultimate impact on our business. Any significant changes or developments in U.S. laws and policies, such as laws and policies surrounding international trade, foreign affairs, manufacturing and development and investment in the territories and countries where we or our customers operate, can materially adversely affect our business, results of operations, and financial condition.

The adoption and implementation of the second pillar and other tax reform and tax transparency initiatives may increase audit activity and disputes with tax authorities in the jurisdictions in which we operate and could affect our tax liabilities and effective tax rate. We cannot predict the timing, manner or extent of application of these rules to us, or their impact, if any, on our business, results of operations, cash flows, or financial condition. Given these developments, it is generally expected that we will be subject to higher tax reporting requirements, which may adversely affect our effective tax rate or result in higher cash tax liabilities in the future.

General Risks Affecting Our Business and Operations

Unfavorable conditions in our industry, the global economy, e-commerce or particular verticals within e-commerce, 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 merchants or our shoppers. The revenue growth and potential profitability of our business depend on demand for our platforms and services, as well as demand for the products offered by our merchants. Therefore, current or future economic uncertainties or downturns could adversely affect our business and results of operations. Negative conditions in the global economy or individual markets, including changes in gross domestic product growth, financial and credit market fluctuations, political turmoil, new or increased tariffs and changes to trade policies (and retaliatory measures), trade route restrictions or challenges, natural catastrophes, warfare, global pandemics and terrorist attacks, could cause a decrease in business investments, consumer spending, services availability or e-commerce generally and negatively affect our business or result in cross border trading to be less attractive to merchants and shoppers and affect the volume of sales on our platforms.

Some of our merchants are luxury fashion brands, and the adverse impact to our business resulting from any of the foregoing factors could be magnified to the extent that it disproportionately affects merchants in verticals from which our merchants derive a significant amount of their GMV.

During recent periods these and other factors have resulted in heightened inflation rates as well as recessionary pressures in various countries. If economic conditions further deteriorate, shoppers may not have the financial means to make purchases from our merchants and may delay or reduce discretionary purchases, negatively impacting our merchants and our results of operations. Other disruptions, for example, the situation in Ukraine, rapid or uncertain changes to trade policies and retaliatory measures, have caused and may continue to cause other heightened uncertainty in the global economy.

Such uncertainties may also cause prospective or existing merchants to defer investment in e-commerce. Our smaller merchants may be more susceptible to general economic conditions than larger businesses, which may have greater liquidity and access to capital. Uncertain and adverse economic conditions also may lead to increased refunds and chargebacks. Since the impact of such uncertainties is ongoing, the effect on the global economy may not be fully reflected in our results of operations until future periods. Volatility in the capital markets has been heightened during recent periods and such volatility may continue, which may cause declines in the price of our ordinary shares.

To the extent our platforms are perceived by merchants as costly, or too difficult to launch or migrate to, it would negatively affect our growth. Our revenue may be disproportionately affected by delays or reductions in general IT spending and reduction in investments in cross-border expansion by merchants. Our competition may respond to market conditions by lowering prices or otherwise bundling their competing solutions with other of their offerings which are widely used by merchants in a way that may make it difficult to attract merchants to our platforms and services and may offer more competitive prices (including by way of strategic partnerships, collaborations or otherwise), in order to lure away our merchants. 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 worsen from present levels, our business, results of operations and financial condition could be adversely affected.

Moreover, persistent economic downturns may require us to undertake optimization and cost saving initiatives, including streamlining our organization and adjusting the size and structure of our workforce. Any reduction in force may yield unintended consequences and costs, such as attrition beyond the intended reduction in force, the distraction of employees and reduced employee morale, which could, in turn, adversely impact productivity, including through a loss of continuity, loss of accumulated knowledge or inefficiency during transitional periods. Any of these impacts could also adversely affect our reputation as an employer, make it more difficult for us to hire new employees in the future and increase the risk that we may not achieve the anticipated benefits from the restructuring.

Actions of activist shareholders may cause us to incur substantial costs, disrupt our operations, divert management's attention, or have other material adverse effects on us.

From time to time, activist investors may take a position in our shares. These activist investors may disagree with decisions we have made or may believe that alternative strategies or personnel, either at a management level or at a board level, would produce higher returns. Such activists may or may not be aligned with the views of our other shareholders, may be focused on short-term outcomes, or may be focused on building their reputation in the market. These activists may not have a full understanding of our business and markets and the alternative personnel they may propose may also not have the qualifications or experience necessary to lead the company.

Responding to advances or actions by activist investors may be costly and time-consuming, may disrupt our operations, and may divert the attention of our board of directors, management team, and employees from running our business and maximizing performance. Such activist activities could also interfere with our ability to execute our strategic plan, disrupt the functioning of our board of directors, or negatively impact our ability to attract and retain qualified executive leadership or board members, who may be unwilling to serve with activist personnel. Uncertainty as to the impact of activist activities may also affect the market price and volatility of our shares.

Risks Relating to Our Ordinary Shares

Our share price has been and may continue to be volatile.

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

- actual or anticipated fluctuations in our results of operations;
- variance in our financial performance from the expectations of market analysts;
- announcements by us or our direct or indirect competition of significant business developments, changes in service provider relationships, acquisitions or expansion plans;
- changes or proposed changes in laws or regulations or differing interpretations or enforcement of laws or regulations affecting our business;
- changes in our pricing model;
- our involvement in litigation or regulatory actions;
- our sale of ordinary shares or other securities in the future;
- market conditions in our industry;
- changes in key personnel;
- the trading volume of our ordinary shares;
- publication of research reports or news stories about us, our competition or our industry, or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- changes in the estimation of the future size and growth rate of our markets; and
- general economic and market conditions.

In addition, the stock markets have experienced extreme price and volume fluctuations. Broad market and industry factors may materially harm the market price of our ordinary shares, regardless of our operating performance. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted against that company. If we were involved in any similar litigation we could incur substantial costs and our management's attention and resources could be diverted.

We cannot guarantee that we will repurchase all of the ordinary shares pursuant to our announced repurchase program or that our repurchase program will enhance long-term shareholder value.

In September 2025, our board of directors authorized our repurchase program under which an amount of up to \$200 million was made available to purchase our ordinary shares (the "Repurchase Program"). The Repurchase Program, as authorized by our board of directors, provides the Company with the authority to make repurchases of our ordinary shares. The specific timing and amount of repurchases under the Repurchase Program will depend upon several factors, including but not limited to market and business conditions, the trading price of our ordinary shares, regulatory requirements and capital availability. The program does not require the purchase of any minimum dollar amount or number of shares, and the program may be modified, suspended or discontinued at any time.

Repurchases of our ordinary shares pursuant to our Repurchase Program could affect the market price of our ordinary shares or its volatility. Additionally, our Repurchase Program could diminish our cash reserves, which may impact our ability to finance future growth and to pursue possible future strategic opportunities and acquisitions. There is no assurance that we will repurchase all the ordinary shares that could be potentially purchased under the Repurchase Program, that our Repurchase Program will enhance long-term shareholder value, and short-term share price fluctuations could reduce the repurchase program's effectiveness.

The concentration of our share ownership with insiders may limit your ability to influence corporate matters, including the ability to influence the outcome of director elections and other matters requiring shareholder approval.

Our executive officers, directors, beneficial owners of greater than 5% of our ordinary shares and affiliated entities together beneficially owned approximately 38% of our ordinary shares outstanding as of December 31, 2025. Certain of such holders also have rights to acquire additional ordinary shares upon the exercise of options in the future. As a result, these shareholders, acting together, will have control over most matters that require approval by our shareholders, including the appointment and dismissal of directors, the terms of compensation of our directors and chief executive officer, certain other related party transactions, capital increases, and amendments to our amended and restated articles of association. Corporate action might be taken even if other shareholders oppose them. This concentration of ownership might also have the effect of delaying or preventing a change of control of us that other shareholders may view as beneficial.

If we do not meet the expectations of equity research analysts, if they do not publish research or reports about our business or if they issue unfavorable commentary or downgrade our ordinary shares, the price of our ordinary shares could decline.

The trading market for our ordinary shares relies in part on the research and reports that equity research analysts publish about us and our business. The analysts' estimates are based upon their own opinions and are often different from our estimates or expectations. If our results of operations are below the estimates or expectations of public market analysts and investors, the price of our ordinary shares could decline. Moreover, the price of our ordinary shares could decline if one or more securities analysts downgrade our ordinary shares or if those analysts issue other unfavorable commentary or cease publishing reports about us or our business.

We are a foreign private issuer and, as a result, we are not subject to U.S. proxy rules and are subject to Exchange Act reporting obligations that, to some extent, are more lenient and less frequent than those of a U.S. domestic public company.

We report under the Exchange Act as a non-U.S. company with foreign private issuer status. Because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including (1) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act, and (2) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, although we are subject to Israeli laws and regulations with regard to certain of these matters and intend to furnish comparable quarterly information on Form 6-K. The Holding Foreign Insiders Accountable Act was signed into law on December 18, 2025 and requires directors and officers of "foreign private issuers" to make insider reports under Section 16(a) of the Exchange Act, effective March 18, 2026. Directors and officers of "foreign private issuers" remain exempt from the short-swing profit disclosure and recovery provisions of Section 16 of the Exchange Act. In addition, foreign private issuers are not required to file their annual report on Form 20-F until four months after the end of each fiscal year, while U.S. domestic issuers that are accelerated filers are required to file their annual report on Form 10-K within 75 days after the end of each fiscal year and U.S. domestic issuers that are large accelerated filers are required to file their annual report on Form 10-K within 60 days after the end of each fiscal year. Foreign private issuers are also exempt from Regulation FD, which is intended to prevent issuers from making selective disclosures of material information. As a result of all of the above, 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. 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, 2026. 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, 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 rules of Nasdaq. As a U.S. listed public company that is not a foreign private issuer, we will incur significant additional legal, accounting and other expenses that we will not incur as a foreign private issuer.

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

As a foreign private issuer, we have the option to follow certain home country corporate governance practices rather than those of Nasdaq, provided that we disclose the requirements we are not following and describe the home country practices we are following. We rely on this "foreign private issuer exemption" with respect to Nasdaq rules for shareholder meeting quorums. We may in the future elect to follow home country practices with regard to other matters. As a result, our shareholders may not have the same protections afforded to shareholders of companies that are subject to all corporate governance rules of Nasdaq.

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

Sales by us or our shareholders of a substantial number of ordinary shares in the public market, or the perception that these sales might occur, could cause the market price of our ordinary shares to decline or could impair our ability to raise capital through a future sale of, or pay for acquisitions using, our equity securities.

As of December 31, 2025, we had 169,049,616 ordinary shares outstanding, and 8,008,635 ordinary shares are subject to outstanding awards such as options and restricted share units granted to employees under our share incentive plans, of which 5,709,184 are ordinary shares issuable under currently exercisable share options. Upon issuance, such shares may be freely sold in the public market, except for shares held by affiliates who have certain restrictions on their ability to sell. 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.

There can be no assurance that we will not be classified as a passive foreign investment company, which could result in adverse U.S. federal income tax consequences to United States 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 assets (generally determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income. For these purposes, cash and other assets readily convertible into cash or that do or could generate passive income are categorized as passive assets, and the value of goodwill and other unbooked intangible assets is generally taken into account. Passive income generally includes, among other things, rents, dividends, interest, royalties, gains from the disposition of passive assets and gains from commodities and securities transactions. 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, at least 25% (by value) of the stock. Based on our market capitalization and the composition of our income, assets and operations, we believe that we were not a PFIC for the year ended December 31, 2025 and do not expect to be a PFIC for United States federal income tax purposes for the current taxable year or in the foreseeable future. However, this is a factual determination that must be made annually after the close of each taxable year. Moreover, the value of our assets for purposes of the PFIC determination may be determined by reference to the trading value of our ordinary shares, which could fluctuate significantly. In addition, it is possible that the Internal Revenue Service may take a contrary position with respect to our determination in any particular year, and therefore, there can be no assurance that we were not a PFIC for the year ended December 31, 2025 or will not be classified as a PFIC in the current taxable year or in the future. Certain adverse U.S. federal income tax consequences could apply to a United States Holder (as defined in Item 10.E. “Taxation-U.S. Federal Income Tax Consideration”) if we are treated as a PFIC for any taxable year during which such United States Holder holds our ordinary shares. United States Holders should consult their tax advisors about the potential application of the PFIC rules to their investment in our ordinary shares. For further discussion, see “Taxation-U.S. Federal Income Tax Consideration-Passive Foreign Investment Company” in Item 10.E. below.

Provisions of Israeli law and our amended and restated articles of association may delay, prevent or make undesirable an acquisition of all or a significant portion of our shares or assets.

Provisions of Israeli law and our amended and restated articles of association could have the effect of delaying or preventing a change in control and may make it more difficult for a third-party to acquire us or our shareholders to elect different individuals to our board of directors, even if doing so would be considered to be beneficial by some of our shareholders, and may limit the price that investors may be willing to pay in the future for our ordinary shares. Among other things:

- the Israeli Companies Law, 5759-1999 (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 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 amended and restated articles of association divide our directors into three classes, each of which is elected once every three years;
- our amended and restated articles of association generally require a vote of the holders of a majority of our outstanding ordinary shares entitled to vote present and voting on the matter at a general meeting of shareholders (referred to as simple majority), and the amendment of a limited number of provisions, such as the provision dividing our directors into three classes, requires a vote of the holders of at least 70% of our voting power;
- our amended and restated articles of association restrict us, subject to certain exceptions, from engaging in certain business combination transactions, with any shareholder who holds 20% or more of our voting power. The transactions subject to such restrictions include mergers, consolidations and dispositions of our assets with a market value of 10% or more of our assets or outstanding shares. Subject to certain exceptions, such restrictions will apply for a period of three years following each time a shareholder became the holder of 20% or more of our voting power;
- our amended and restated articles of association do not permit a director to be removed except by a vote of the holders of at least 70% of our voting power; and
- our amended and restated articles of association provide that director vacancies may be filled by our board of directors.

Further, Israeli tax considerations may make potential transactions undesirable to us or to some of our shareholders whose country of residence does not have a tax treaty with Israel granting tax relief to such shareholders from Israeli tax. For example, Israeli tax law does not recognize tax-free share exchanges to the same extent as U.S. tax law. With respect to mergers, Israeli tax law allows for tax deferral in certain circumstances but makes the deferral contingent on the fulfillment of numerous conditions, including a holding period of two years from the date of the transaction during which certain sales and dispositions of shares of the participating companies are restricted. 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.

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

We have never declared or paid any dividends on our ordinary shares. We do not anticipate paying any dividends in the foreseeable future. We currently intend to retain future earnings, if any, to finance operations and expand our business. Consequently, investors who purchase our ordinary shares 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 whether to pay dividends. If our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our directors may deem relevant. The Companies Law imposes restrictions on our ability to declare and pay dividends.

Payment of dividends may also be subject to Israeli withholding taxes. See “Taxation” in Item 10.E below for additional information.

Our amended and restated articles of association provide that unless we consent to an alternate forum, the federal district courts of the United States shall be the exclusive forum of resolution of any claims arising under the Securities Act which may impose additional litigation costs on our shareholders.

Our amended and restated articles of association provide that, unless the Company consents in writing to the selection of an alternative forum, the federal district courts of the United States shall be the exclusive forum for the resolution of any claims arising under the Securities Act or the rules and regulations promulgated pursuant to such statutes. Notwithstanding the foregoing, we note that holders of our securities cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder, and Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. As a result, the exclusive jurisdiction provision may not preclude or contract the scope of exclusive federal or concurrent jurisdiction for actions brought under the Securities Act or the Exchange Act, or the respective rules and regulations promulgated thereunder. While the Federal Forum Provision does not restrict the ability of our shareholders to bring claims under the Securities Act, nor does it affect the remedies available thereunder if such claims are successful, we recognize that it may limit shareholders ability to bring a claim in the judicial forum that they find favorable and may increase certain litigation costs which may discourage the filing of claims against the Company, its directors and officers.

If we were deemed to be an investment company under the Investment Company Act of 1940, as amended (the “1940 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, financial condition and results of operations.

Under Sections 3(a)(1)(A) and (C) of the 1940 Act, a company generally will be deemed to be an “investment company” for purposes of the 1940 Act if (1) 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 (2) it engages, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and 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. We do not believe that we are an “investment company,” as such term is defined in either of those sections of the 1940 Act.

Notwithstanding Sections 3(a)(1)(A) and (C) of the 1940 Act, we are a research and development company and comply with the safe harbor requirements of Rule 3a-8 of the 1940 Act. We intend to conduct our operations so that we will not be deemed an investment company. However, if we were to be deemed an investment company, restrictions imposed by the 1940 Act, including limitations on our capital structure and our ability to transact with affiliates, could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business, financial condition and results of operations.

Risks Relating to Our Incorporation and Location in Israel

Conditions in Israel, including Israel's conflicts with parties in the region, as well as political and economic instability, could materially and adversely affect our business.

We are incorporated under the laws of the State of Israel and some of our employees, including our Chief Executive Officer, our Chief Financial Officer and other senior members of our management operate from our offices that are located in Petah Tikva, 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.

Since the establishment of the State of Israel in 1948 and in recent years, armed conflicts between Israel and its neighboring countries and terrorist organizations active in the region have involved missile strikes, hostile infiltrations, abduction of soldiers and citizens, and terrorism against civilian targets in various parts of Israel.

Following the October 7th attacks by Hamas terrorists in Israel's southern border, Israel declared war against Hamas and since then, Israel has been involved in military conflicts with Hamas, Hezbollah, a terrorist organization based in Lebanon, and Iran, both directly and through proxies like the Houthi movement in Yemen and armed groups in Iraq and other terrorist organizations. Additionally, following the fall of the Assad regime in Syria, Israel has conducted limited military operations targeting the Syrian army, Iranian military assets and infrastructure linked to Hezbollah and other Iran-supported groups.

In addition, since February 28, 2026, Israel and the United States have been engaged in a large-scale military campaign against Iran, following a major escalation in regional tensions. On March 2, 2026, Hezbollah formally joined the war against Israel. In response, the Israeli Defense Forces have conducted hundreds of strikes across southern Lebanon and initiated new ground incursions into southern Lebanese territory.

Hostilities continue with various Iran-backed groups throughout the region, including the Islamic Resistance in Iraq and the Houthi movement in Yemen, which have targeted Israeli and U.S. assets.

Also, the fall of the Assad regime in Syria may create geopolitical instability in the region and Israel conducts operations to prevent the entrenchment of Iranian military assets and Hezbollah infrastructure in the border region.

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

In connection with the ongoing war, several hundred thousand Israeli military reservists were drafted to perform immediate military service, and military reservists are expected to perform long reserve duty service in the coming years. Since the commencement of these events, we have not experienced any material effect from the absence of employees that were called to military service. However, the future absence of our employees or employees of our third-party service providers due to their military service, may in the future materially and adversely affect our ability to conduct our operations.

The persistence of high-intensity conflict throughout the region, despite occasional diplomatic efforts or partial ceasefires, offers no assurance of long-term stability. Insurance coverage for our operations in Israel may become limited, more expensive, or unavailable. A change of government or regime in Iran, while potentially reducing long-term regional tensions, could be accompanied by heightened instability during any transitional period, including civil unrest, the fragmentation of Iranian-backed militias, and unpredictable security threats. We cannot predict the duration or outcome of these conflicts, any political transitions in the region, or their ultimate effects on our business, operations, and financial condition.

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

Not all of our directors or officers are residents of the United States and most of their and our assets are located outside the United States. Service of process upon us or our non-U.S. resident directors and officers and enforcement of judgments obtained in the United States against us or our non-U.S. 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 an alleged violation of U.S. securities laws against us or our non-U.S. officers and directors reasoning that Israel is not the most appropriate forum to bring such a claim. In Israeli courts, the content of applicable U.S. law must be proved as a fact by an expert witnesses, which can be a time-consuming and costly process and certain matters of procedure may be governed by Israeli law. There is little binding case law in Israel addressing the matters described above. 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.

Moreover, an Israeli court will not enforce a non-Israeli judgment if it was given in a state whose laws do not provide for the enforcement of judgments of Israeli courts (subject to exceptional cases), if its enforcement is likely to prejudice the sovereignty or security of the State of Israel, if it was obtained by fraud or in the absence of due process, if it is at variance with another valid judgment that was given in the same matter between the same parties, or if a suit in the same matter between the same parties was pending before a court or tribunal in Israel at the time the foreign action was brought.

Your rights and responsibilities as our shareholder will be governed by Israeli law, which may differ in some respects from the rights and responsibilities of shareholders of U.S. corporations.

We are incorporated under Israeli law. The rights and responsibilities of holders of our ordinary shares are governed by our amended and restated articles of association and the Companies Law. These rights and responsibilities differ in some respects from the rights and responsibilities of shareholders in typical U.S. corporations. In particular, pursuant to the Companies Law each shareholder of an Israeli company has to act in good faith and in a customary manner in exercising his, her or its rights and fulfilling his, her or its obligations toward the Company and other shareholders and to refrain from abusing his, her or its 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.

Our amended and restated articles of association provide that unless the Company consents otherwise, the competent courts of Tel Aviv, Israel shall be the sole and exclusive forum for substantially all disputes between the Company and its shareholders under the Companies Law and the Israeli Securities Law, which could limit its shareholders ability to brings claims and proceedings against, as well as obtain favorable judicial forum for disputes with the Company, its directors, officers and other employees.

The competent courts of 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 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 Israeli Securities Law. This exclusive forum provisions 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 federal courts would have exclusive jurisdiction. Such exclusive forum provision in our amended and restated articles of association will not relieve the Company of its duties to comply with federal securities laws and the rules and regulations thereunder, and shareholders of the Company will not be deemed to have waived the Company's compliance with these laws, rules and regulations. This exclusive forum provision may limit a shareholders ability to bring a claim in a judicial forum of its choosing for disputes with the Company or its directors or other employees which may discourage lawsuits against the Company, its directors, officers and employees.

Item 4. Information on the Company

A. History and Development of the Company

Global-E Online Ltd. was incorporated in February 2013 under the Companies Law in the State of Israel and commenced operations at that time. Our commercial name is Global-e. Our principal executive offices are located at 9 HaPsagot Street, Petah Tikva 4951041, Israel. Our website address is www.global-e.com and our telephone number is +972-73-2605078. Information contained on, or that can be accessed through, our website does not constitute a part of this Annual Report and is not incorporated by reference herein. We have included our website address in this Annual Report solely for informational purposes. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers, such as we, that file electronically, with the SEC at www.sec.gov.

Our agent for service of process in the United States is Global-e US Inc., which maintains its principal offices at 200 West 41st Street, New York, NY. Its telephone number is +1 347-990-3857.

For a description of additional important events in the development of the Company's business, see Item 5. "Operating and Financial Review and Prospects."

For a description of our principal capital expenditures and divestitures, see Item 5. "Operating and Financial Review and Prospects."

B. Business Overview

Overview

Our platforms were purpose-built for international shoppers to buy seamlessly online and for merchants to sell from, and to, anywhere in the world - in short, to "go global". At the same time, to "be local" reflects the localization of the shopper's experience and our effort to make international transactions as seamless as domestic transactions. We increase the conversion of international traffic into sales by removing much of the complexity associated with international e-commerce. We provide a mission-critical, integrated solution that creates a localized and frictionless shopper experience and our platforms are simple to manage, flexible to adjust and smart in the local market insights and best practices. The vast capabilities of our end-to-end platforms include interaction with shoppers in their native languages, market-adjusted pricing, payment options tailored to local market preferences, compliance with local consumer regulations and requirements such as customs duties and taxes, shipping services, after-sales support and returns management. These elements are unified under our platforms and services to enhance the shopper experience and enable merchants to capture the global e-commerce opportunity.

We operate at the forefront of global e-commerce, which is being transformed by technology, internet adoption and the rise of social networks connecting the world. Shopper buying habits are rapidly shifting online, as shoppers expect to be able to purchase any product online - from anywhere in the world. Trends and consumer tastes are becoming increasingly global, driving the expansion of global e-commerce, but the preference remains for an intuitive online shopping experience that feels local. In parallel, the rapid growth in e-commerce has created an opportunity for merchants to build and strengthen a direct relationship with the shopper. Solutions that enable D2C sales have become a strategic priority for brands and retailers as they seek to take advantage of these e-commerce trends, gaining ownership and knowledge of their international shoppers.

Our comprehensive platforms create differentiated benefits for both shoppers and merchants. Shoppers seek competitive, localized and transparent pricing, a seamless and secure order and delivery process, and a painless returns and refunding process. We address these needs through a fully localized experience that removes many of the barriers shoppers face when purchasing from merchants internationally. We integrate with and enhance the online stores of merchants and localize the shoppers' experience based on the country from which they shop. We support local messaging in over 30 languages, purchases in more than 100 currencies by over 150 payment methods, and a multitude of shipping options. Shoppers can enjoy a fully guaranteed landed price quote, which includes shipping costs, import duties and tax charges, as well as post-sale services, such as multi-lingual customer service and a managed returns service. The enhanced shopper experience we enable, typically results in improved sales conversion of our merchants' international traffic, thereby increasing their revenues from global shoppers. We have seen merchants experience significant uplift in international traffic conversion after beginning to use our platform.

For merchants, our platforms also remove much of the complexity that is associated with global e-commerce. Sales are reconciled and paid for locally and in the currency of the merchant's domicile. We handle import duties calculation and collection, foreign sales tax remittance as well as tax recovery for returned goods in line with market regulations. We also displace certain fraud and foreign exchange risks that would otherwise be borne by merchants. We allow merchants to expand and scale their global reach rapidly and efficiently, enabling a quick go-to-market with limited investment.

The scale and sophistication of our platforms relies on the data and insights we've accumulated since our founding. We refer to the application of our data as "Smart Insights" - country-, price-point- and vertical-specific lessons learned about shopper behavior. These insights are expanded every time a potential shopper enters a merchant's online store - which occurs hundreds of millions of times each year - allowing us to gather additional data points along the purchasing journey. We believe that by leveraging our Smart Insights, merchants can provide highly optimized experiences for shoppers on a per-market, per-vertical and per-price point basis, driving increased sales conversion and revenues. By providing a seamless shopper experience and empowering merchants to capture the global e-commerce opportunity, we believe that we drive more transactions and thereby accumulate more data, which in turn increases the quality and depth of our Smart Insights. This creates strong flywheel effect that further powers our business and that of our merchants.

The merchants' success is our success, and we aspire to become their trusted partner for international sales. The better the outcomes for the merchants and the more revenue and growth they achieve, the greater our own revenue and growth. We believe this alignment of interests with the merchants is core to our long-term success.

In September 2023, Shopify launched "Shopify Managed Markets", which was previously known as "Shopify Markets Pro" and was rebranded in 2024, a white-label international MoR offering, powered by Global-e, currently available to US-based Shopify merchants. Shopify Managed Markets is leveraging the Flow platform robust API-based technology and enables merchants of diverse scales, encompassing small and emerging businesses, to seamlessly extend their brand offerings globally with streamlined integration efforts. Moreover, Shopify Managed Markets boasts advanced self-service capabilities, further enhancing its appeal and functionality to merchants seeking international market expansion. Since the launch, thousands of Shopify merchants have onboarded and are utilizing Shopify Managed Markets. In 2025, the Shopify Managed Markets offering was revamped, in conjunction with the 2025 Shopify Agreement, aiming to enhance merchant experience, reduce merchant operational friction and harmonize their international and domestic processes, by utilizing Shopify payments, among other enhancements.

At the end of 2024, we launched a demand generation offering, as part of our long-term strategy to enhance international e-commerce by driving high intent traffic to the websites of participating merchants and consequently contribute to increased sales. Our demand generation offering is designed to leverage targeted marketing initiatives, strategic partnerships, and data-driven insights to attract high-intent shoppers from global markets. We believe that through optimized global traffic acquisition, we can help merchants connect with global shoppers who are actively seeking their products and increase their engagement with our merchants' products and websites.

The revamped Borderfree.com brand discovery portal stands at the core of our demand generation offering. The portal, to which hundreds of merchants are already signed up, is designed to promote their products to a growing base of international shoppers. Since the launch, we have seen an increase in international traffic and shopper engagement, driven by this offering, reinforcing our belief that over time, this initiative can become a powerful tool for merchants looking to expand their global presence. By integrating traffic generation capabilities with our existing offering, we believe we will be able to provide an e-commerce solution that not only facilitates international transactions but also has the potential to drive demand and growth for our merchants worldwide.

In recent years we started to offer a duty drawback solution as a value-added service, enabling the reclaim of import duties and/or taxes on goods returned by shoppers. In international e-commerce, a meaningful share of sold goods is returned, and the import duties and taxes embedded in those transactions represent a recurring cost that merchants would otherwise absorb. Leveraging our position as merchant of record and our role in customs and trade processes and systems across multiple jurisdictions, we identify eligible transactions and manage the end-to-end claims process, remitting recovered amounts to merchants. We are gradually expanding the scope of this offering and as global duty burdens rise and de minimis exemptions are curtailed across key markets, we expect merchant demand for this offering to grow, further extending the value of our platform.

Our business has experienced rapid growth over the last years and generally since our inception. Our GMV amounted to \$3,557 million, \$4,858 million and \$6,569 million in 2023, 2024, and 2025, respectively, representing an increase of 36.6% and 35.2% in the years ended December 31, 2024 and 2025, respectively. Our revenues were, \$569.9 million, \$752.8 million and \$962.2 million in the years ended December 31, 2023, 2024, and 2025 respectively, representing an increase of 32.1% and 27.8% in the years ended December 31, 2024, and 2025 respectively. Our gross profit increased by 45.3% and 28.5% in the years ended December 31, 2024 and 2025. Our gross margin has steadily improved from 41.0% in 2023 to 45.1% in 2024, and to 45.3% in 2025. Our Non-GAAP gross profit has increased by 42.7% and 27.6% in the years ended December 31, 2024 and 2025 and our Non-GAAP gross margin has reached 46.4% and 46.3% in the years ended December 31, 2024 and 2025. Our net loss has decreased from \$133.8 million in 2023 to \$75.5 million in the year ended December 31, 2024, and we turned GAAP profitable with a net profit of \$68.3 million in the year ended December 31, 2025. Our non-GAAP net profit has grown from \$94.2 million in 2023 to \$131.0 million in the year ended December 31, 2024 and increased to \$192.8 million in the year ended December 31, 2025. Our Adjusted EBITDA has grown from \$92.7 million in 2023 to \$140.8 million in the year ended December 31, 2024, and increased to \$198.5 million in the year ended December 31, 2025. For a reconciliation of our non-GAAP measures to the most directly comparable GAAP measures, see Item 5. "Operating and Financial Review and Prospects-Operating Results."

Our Opportunity

We strive to make international sales as simple as domestic sales for our merchants, while also ensuring that shoppers enjoy an intuitive and frictionless shopper journey, making both shoppers and merchants “abroad-agnostic”. We believe that our scalable platforms enable our merchants to capture the large and growing global e-commerce market. As of December 31, 2025, we served 1,547 merchants on our enterprise platforms across over 30 countries, including the United States, the United Kingdom, multiple European markets and APAC countries. In addition, we serve thousands of US-based merchants through Shopify Managed Markets; overall, we sell to shoppers in over 200 destination markets worldwide. We estimate the cross-border e-commerce market at more than US\$1 trillion. Our total addressable market has been growing in past periods and continues to grow, driven by overall e-commerce growth and the expansion of our offering beyond cross-border through our multi-local product offerings. We believe that we have become, and that we possess the ability to remain, an industry-defining player that enables merchants to capture the global e-commerce opportunity.

Our Solutions

Global-e is a leader in global e-commerce enablement. We offer full end-to-end platforms built on a highly scalable technology stack. Our comprehensive solutions provide merchants with mission-critical tools that enable them to sell and scale globally.

We believe our offering is a result of a potent combination of key components that will help further fuel the growth of global e-commerce by:

Offering an intuitive and frictionless shopper journey and solving the merchants’ needs through our purpose-built end-to-end platforms

Through a combination of proprietary capabilities and useful third-party integrations, Global-e is able to create a localized and efficient experience for shoppers regardless of the country they are shopping from.

Our platforms include mission-critical tools, from local pricing and payments capabilities to after-sales support. We also simplify the international order flow – regardless of shopper and merchant origin, currency and payment method used, whether duties and taxes were pre-paid and which shipping option was chosen - making it as simple to complete as if it was a domestic order.

Across our platforms, we are able to support:

- **Languages** - localized marketing messaging and checkout in over 30 languages.
- **Pricing** - more than 100 currencies as well as a sophisticated pricing engine customizable according to the shopper’s location, local market retail pricing conventions and the merchant’s pricing strategy.
- **Payments** - over 150 payment methods, with new payment methods being continuously added.
- **Duties and taxes** - the ability to accurately pre-calculate import duties and taxes and remit them in over 170 destination markets, simplifying the customs clearance process and allowing for a guaranteed landed price quote for both the shopper and the merchant. We also ensure we are addressing local market import restrictions.
- **Delivery** - an extensive network of more than 20 shipping carriers, offering multiple shipping modes at attractive rates, including specialized shipping options such as Pick-Up & Drop-Off where applicable. We have found that shopper preferences for shipping modes and pricing vary significantly among markets and are an important driver of conversion rates.

- **After-sale support and returns** - multi-lingual shopper services and multiple returns options, including pre-paid and local returns in relevant markets.
- **Value-added services** - in recent periods we introduced complementary value-added services such as duty drawback programs (enabling merchants to collect back certain duties and/or taxes that were charged in case of shopper-returned products), and demand generation services aimed to enhance international e-commerce by driving high intent traffic to the websites of participating merchants mainly through Borderfree.com.

The combination of these extensive international capabilities embeds a highly-localized shopper journey into the framework of a merchant's e-commerce store. This creates benefits for shoppers, who enjoy an efficient and familiar experience, while gaining direct access to the merchant's full and original e-commerce website. Their positive experience allows us to significantly increase the conversion of our merchants' international traffic and, consequently, their revenue.

- **Increased sales conversion:** we enable merchants to scale globally in a rapid, efficient manner. We ensure that the merchants are able to capitalize on their valuable international shopper traffic and growth potential by eliminating friction to decrease the gap between international markets' share of traffic and monetization. This enables the merchants to generate an uplift in sales from the conversion of their international shopper conversion. We have seen merchants experience significant uplift in international traffic conversion after beginning to use our platform.
- **Enabling expansion flexibility:** Global-e presents merchants with flexibility to expand as they seek to capture the global e-commerce opportunity. We transform what otherwise would have required significant time and financial investments in proprietary development and go-to-market efforts into an efficient expansion solution managed by adjusting mere configurations on the Global-e platforms per market.
- **Reducing merchant complexity:** Global-e assumes the role of merchant of record (MoR) vis-à-vis the shopper. We believe that taking on such responsibility significantly reduces legal complexity for the merchants, as we report and forward relevant import taxes and handle import compliance in the local market to where a sale is made, in line with specific market regulations. Our MoR status allows us to handle tax recovery for returned goods, with no hassle to the merchant. We bear certain fraud and foreign exchange risks that would otherwise be borne by the merchants and offer simple access to dozens of local payment methods, which further reduces potential frictions that could deter both merchants and shoppers from engaging in global transactions. We also adapt our systems and operations on an ongoing basis to address the evolving regulatory landscape and technical backdrop. Vis-à-vis the merchant, we streamline order processing by periodically reconciling all international orders in bulk and in the merchant's native currency. In short, we aim to provide an experience that is akin to a domestic transaction.
- **Emphasizing merchant branding:** maintaining direct shopper relationships is of strategic importance to the merchants, and we are deeply committed to preserving that connection. All throughout the process, the merchants preserve the integrity of the brand experience and enhance their brand equity. We use minimal own branding - and only where required to do so - so shoppers primarily face the merchant's existing storefront and brand experience.
- **Multi-local approach:** Global-e supports multi-local fulfillment and supply chain, catering for the merchants' needs to utilize inventory in multiple locales, serving select local markets, improving stock utilization and delivery speed while enhancing the shopper experience. This approach also exhibits omnichannel capabilities, for example, by allowing merchants to leverage stock in their physical stores as local fulfillment hubs, or offering 'Buy Online, Pickup In-Store (BOPIS)' service in certain markets, increasing convenience for shoppers while optimizing logistics efficiency. The multi-local offering is aimed at serving merchants, which hold inventories in multiple locations, typically large enterprise merchants.

Combining our access to data and know-how to generate Smart Insights

We believe we are well-positioned to provide insights to our merchants thanks to both the breadth and depth of the data we generate, on the basis of the significant international traffic on our merchants' websites and the millions of transactions we facilitate on a yearly basis. For the year ended December 31, 2025, there were approximately 2.1 billion visits across our merchants' e-commerce sites, and we enabled close to 30 million transactions across over 30 origin countries and over 200 destination markets. We gather extensive data along the entire value chain and lifecycle of an order - from the initial visit to the e-commerce store through the actual purchase, delivery and returns.

Our proprietary models use this wealth of information to generate curated and actionable Smart Insights for our merchants, advising them on how certain changes to their online value proposition would potentially affect shopper conversion rates. We also provide detailed business analytics on a market-per-market basis, leveraging our know-how, tools and data. Such Smart Insights enable the merchants to optimize their offering to the shoppers by location, alleviating the need for trial and error in order to assess customer preferences on a standalone basis.

Our holistic approach - coupling our localization capabilities and market know-how with our data driven Smart Insights - enables the merchants to unlock their potential for global D2C sales by means of a localized and optimized offering for each individual market, vertical and price segment.

Our Merchants

We serve a fast-growing and diverse portfolio of merchants around the globe

As of December 31, 2025, we had 1,547 merchants using our enterprise platforms, up 10.2% from 1,404 merchants as of December 31, 2024 and 23.2% from 1,256 merchants as of December 31, 2023. In addition, as of December 31, 2025, we had thousands of merchants using Shopify Managed Markets. During the year ended December 31, 2025, merchants using our platforms made transactions at a total GMV of \$6,569 million, up 35.2% from \$4,858 million in the year ended December 31, 2024. The merchants we serve are highly diverse across:

- **Multiple origin countries** - we serve merchants from multiple locations including the United States, Canada, the United Kingdom, various European markets, various APAC markets and other markets globally.
- **Multiple product verticals** - fashion and apparel, luxury, footwear, cosmetics, accessories, children's fashion, watches and jewelry, sporting equipment, consumer electronics, toys and hobbies, automotive spare parts, digital products and others.
- **Multiple product price points** - ranging from everyday fashion retailers to ultra-high-end brands.
- **Multiple merchant sizes** - from multi-billion-dollar global high-street brands to emerging small and medium businesses.
- **Multiple merchant types** - from traditional bricks-and-mortar retailers who have been transitioning to the digital D2C realm to emerging digital-native brands.

We believe that our large and highly diverse portfolio of merchants presents several key advantages:

- A rich, diverse and fast-growing data asset of international transactions, enabling us to produce Smart Insights.
- Vertical-level as well as geographical expertise, yielding a competitive advantage when approaching prospective merchants as part of our sales process.
- Strong network and word-of-mouth effects within specific verticals and/or geographies.
- High business resilience due to steadily decreasing merchant concentration.
- A certain level of built-in "natural currency hedge" as a result of our business activity being conducted in a large number of different base currencies.

We have a highly efficient sales and go-to-market strategy

We establish partnerships with new merchants through several sales channels:

- **Direct sales** - we have a dedicated team of sales executives that use various data sources and AI-powered tools to screen, qualify, identify and directly approach prospective merchants.
- **Inbound and word-of-mouth** - as our scale and the number of merchants we have in each individual market grows, so does our own brand equity. This leads to more inbound prospects as well as stronger word-of-mouth-based sales, whereby existing Global-e merchants or e-commerce executives recommend our solution to other players in the market.
- **Channel partnerships** - we have established mutually beneficial strategic partnerships with a range of third parties, including leading e-commerce and technology platforms, shipping providers, third-party logistics providers, payment providers, system integrators and others. In the context of such relationships, our partners pass on leads to our sales teams and provide us with access to merchants.
- **Shopify Managed Markets** - in partnership with Shopify, we power Shopify Managed Markets, a cross-border solution that enables Shopify merchants (currently generally available to US-based merchants) to seamlessly expand their international reach. By leveraging Global-e's infrastructure, Shopify Managed Markets simplifies cross-border commerce by handling localized pricing, duties and tax calculations, international shipping, compliance, and multi-currency transactions. This collaboration strengthens our ability to support a broader range of merchants seeking efficient and scalable global expansion directly from their Shopify platform.

Sale cycle length depends on several parameters, such as merchant size, vertical, and type of technical integration but takes between three weeks and six months. Once the sales cycle is completed, implementation periods vary, depending on technical complexity, level of granularity of the merchant's intended international marketing proposition and operational complexity. Implementation projects for large merchants take approximately 12-16 weeks on average while implementation for small businesses take approximately three to six weeks depending on the client internal team engagement.

Our Competitive Advantages

We believe that we have built a leading combination of platforms, services and data-driven insights and know-how all working in harmony to address merchants' global e-commerce needs, creating a competitive advantage for our business. We believe our combination of capabilities and expertise uniquely positions us to cater to shoppers globally, driving significant uplifts in international sales conversion rates and revenue growth for our merchants, while also removing much of the complexity and many of the costs inherent to global e-commerce.

Key elements of our competitive advantage include the following:

Purpose-built, end-to-end platform

We understand the challenges and the strategic objectives of our merchants engaging in global e-commerce. We provide merchants with the capabilities required for effective global D2C trade, using a potent combination of our proprietary technology and third-party providers. Our solutions are easy to integrate, platform-agnostic, scalable and able to support merchants of all sizes from small, emerging brands to the world's largest retailers. We aspire to be inclusive and far-reaching in scope. We thus enable our merchants to expand internationally effectively, and to do so much more efficiently than previously possible.

True global e-commerce enabler at scale

We believe we are uniquely positioned to capture the global e-commerce opportunity as we are the only direct-to-consumer e-commerce enabler with truly global scale. We have an extensive footprint in North America, the United Kingdom, across the EU, Japan, Australia, South Korea, and other APAC countries. We are diversified by vertical and end-market. Our wide-reaching scale enables us to provide a solution to merchants across the globe. This scale, coupled with strong brand recognition gained since inception, has allowed us to acquire some of the largest merchants in the world as customers.

Differentiated and growing data asset driving flywheel effect

The Global-e platforms are based on more than technical solutions and associated capabilities. They are based on data-driven know-how. Data permeates every layer of our platforms. Data drives how we make decisions, how we develop and improve our offering, and how we make the shopper experience efficient and intuitive. We refer to this as "Smart Insights", which enjoy a strong flywheel effect as we continue to grow at pace driven by:

- **"Economies of scale"** - Our platforms facilitate millions of international transactions each year across thousands of merchants, spread across multiple geographies, product verticals, price levels, and shopper demographics. We thus accumulate a vast and rich data set and are able to benefit from *economies of scale*.
- **"Economies of skill"** - Our massive and fast-growing data is a key asset due to the "richness" of its content. Based on this data, and coupled with our operational experience accumulated over years, we are able to generate what we call *economies of skill*, which enable us to ensure that global sales are optimized for the merchants on a market-by-market basis.
- **Flywheel Effect** - Our rich data serves as the basis for a powerful *flywheel effect*: the uplift we generate for our merchants drives more sales and the ability for them to expand into new geographies, which in turn creates more data, which is then fed back into our systems in order to generate even better conversion rates and more uplift. This in turn drives increased sales for our merchants and attracts new merchants to our platforms. Our data engine gets "smarter" with each new site visit, each merchant and each new shopper.

Partner network fueling our differentiated go-to-market strategy

Our go-to-market strategy targets merchants that want to establish or expand their global e-commerce business. The effectiveness, prominence and stickiness of our platforms have enabled us to acquire many of our merchants organically, supplementing the efforts of our professional salesforce. We also acquire new merchants through referrals from existing merchants or e-commerce executives, which serve as brand ambassadors for Global-e. In addition, our commerce enabler, marketing, payments, shipping and logistics, system integration and social media partners, which include global and regional players, act as a meaningful source of referrals and lead generation. Our ability to leverage these relationships is an important source of inbound interest. This is further complemented by our highly efficient sales and marketing efforts. Our salespeople and customer success managers build intimate relationships with our merchant partners and are crucial in further expanding our merchant network.

Robust business model with sticky customers

Global-e is a global e-commerce enabler covering the entire shopper journey. Our platforms are deeply integrated within merchants' existing technology stack providing the core tools to power their day-to-day global operations. As a result, we retain significant "stickiness" within our customer base. Not only do we retain our merchants - our merchants also grow with our platform, and we grow with them. Merchants process large and growing order volumes through our platforms as we become increasingly integral to their daily business operations and as they realize the benefits of using our platforms. An important component of our growth is our existing merchant base, which grows organically each year. Due to our consistently high retention rates, we have visibility into the subsequent year's revenue by looking to our current merchants, in a given period. Attracting new merchants is also critical to the scale of our platforms. We have developed a highly efficient sales model based on a direct sales force, channel partners and strong word of mouth, and we continue to build our capabilities to further strengthen our model.

Founder-led management team

We are a founder-led management team with a strong corporate culture. We are proud to be led by our founders, Amir Schlachet, Nir Debbi, and Shahar Tamari, who set the tone for our people:

- **Customer-Obsessed:** We are firm believers in putting our customers first in everything we do. This is a principal tenet of our business. We view the merchants as long-term partners and hold their satisfaction as our guiding principle. Our customer success teams have invaluable tools and data to support the merchants' ongoing needs, as well as direct access to the senior leadership team, including our founders, to leverage on behalf of our merchant partners.
- **Initiative and innovation driven:** Our goal is to enable merchants to break geographic boundaries and become globally successful businesses. As such, we invest millions in research and development each year, track trends in the e-commerce world across geographies and constantly improve our product offering. Similarly, we encourage our employees to expand the scope of their defined roles, to take initiative, and to elevate Global-e to the next level - every employee can, and does, make a difference.
- **Team-Focused:** We are a team. We believe in collaboration and inclusion, from our founding team that has been working together since our inception to our employees across all our offices worldwide. Our hiring decisions are based on attracting people whose values align with ours: creating real, meaningful and sustainable value for our merchants.

Our Growth Strategy

Grow within our existing portfolio of merchants

The merchants' success is our success. We help merchants grow revenues in their existing markets as well as expand into additional ones. As our merchants' global sales generated through our platforms grow, attributed either to improved conversion or by expanding their offering into additional geographies, our revenues grow in tandem. Thus, we increase the "stickiness" of our solutions and become increasingly integral to our merchants' daily businesses as they realize the benefits of using the Global-e platforms. We also have a strong track record of merchants acting as ambassadors for Global-e, referring us to other portfolio brands, as applicable, and more generally, to other potential merchants. We intend to continue deepening our relationships with existing merchants through service and performance of the highest quality, allowing them to continue to serve as our brand ambassadors within and outside their organizations.

Acquire new merchants within existing geographies and verticals

We have a significant opportunity to continue acquiring new merchants over time. Furthermore, we have proven the ability to rapidly integrate potential merchants with implementation cycles of 12 to 16 weeks on average, and as short as three weeks. We will continue to invest in our marketing and sales teams to enhance awareness of our solutions and to drive lead generation with our strategic partners. We see significant opportunities across multiple existing geographies and brand segments that we believe we are well-positioned to capture.

Expand into additional geographies, verticals and brand segments

We have expanded and will seek to further expand our geographic footprint and boost our presence across merchant verticals, as well as brand segments. We believe that markets in the vicinity of regions where we already have a strong presence, in particular Europe and North America, and newer markets, such as APAC, are highly relevant for our business.

While historically we have held a strong position in the mass market beauty and fashion segments, we have also achieved significant success with merchants in other segments, in particular, within the luxury segment, that we believe we can continue to capitalize on. Additionally, we have extended our reach by engaging with global consumer electronics and digital products brands. In order to provide the necessary level of support for these global brands, we have built and continued to build new multi-local capabilities, allowing us to enable localized D2C sales for such brands while also enabling them to utilize their existing local infrastructure, inventory and fulfillment capabilities in multiple destination markets. We are also making use of such multi-local capabilities to better serve the needs of our large global merchants, enabling them to utilize their domestic presence and inventory in chosen markets in order to serve their shoppers in such markets in local fashion, while at the same time serving adjacent markets through our cross-border capabilities. We continue to add functionality to this offering, and by integrating multi-local fulfillment with omnichannel capabilities, we enable participating merchants to offer a seamless and efficient shopping experience across key markets.

As we continue to grow and expand into new geographies, through both new merchant acquisition and our existing portfolio of merchants expanding their offerings into additional geographies, we have the ability to reach new audiences in terms of sizes and verticals. Our growing brand recognition and know-how across our trading markets, enables us to acquire additional merchants more efficiently within current markets as well as new geographies.

Disaggregation of Revenue

The following table summarizes revenue by category:

	Year Ended December 31,					
	2023		2024		2025	
	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage of Revenue
	(\$ in thousands, except percentages)					
Service fees	262,255	46%	350,311	47%	451,205	47%
Fulfillment services	307,691	54%	402,453	53%	510,990	53%
Total revenue	569,946	100%	752,764	100%	962,195	100%

The Company's revenues from service fees provided on a standalone basis were \$44,461, \$68,168 and \$86,388 for the years ended December 31, 2023, 2024 and 2025 respectively.

The following table summarizes revenue by merchant outbound region:

	Year Ended December 31,					
	2023		2024		2025	
	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage of Revenue
	(\$ in thousands, except percentages)					
United States	285,619	50%	399,596	53%	507,094	53%
United Kingdom	173,584	30%	182,904	24%	193,959	20%
European Union	92,566	16%	125,547	17%	175,568	18%
Israel	1,806	*	2,746	*	3,748	*
Other	16,371	3%	41,971	6%	81,826	9%
Total revenue	569,946	100%	752,764	100%	962,195	100%

* Less than 1%

Offering value-added services

As part of our commitment to enhancing merchants' international success, we offer additional value-added services that go beyond our core e-commerce solutions. These services include managed services, demand generation, and duty drawback, all designed to add value to merchants, support their international growth initiatives and enable efficiencies.

Our managed services offering includes digital marketing solution. We manage and fund digital marketing campaigns, including acquisition and retention marketing, implementing brand and performance marketing models aimed at increasing customer engagement and sales.

Additionally, our demand generation service is designed to drive quality international traffic into participating merchants' websites to support their international growth initiatives. By leveraging targeted marketing strategies and data-driven insights, we offer solutions designed to help merchants attract global shoppers. A key component of this initiative is the revamped Borderfree.com brand discovery portal, which connects merchants with a growing base of international consumers.

Furthermore, for eligible merchants using Global-e's shipping services, we offer duty drawback, which enables the recovery of certain import duties and/or taxes in certain destination markets on goods that are returned to their origin country. This service can provide a direct financial benefit by refunding merchants for customs duties and taxes previously paid, enabling them to improve the efficiency of their international trade.

Through these services, we continuously strive to strengthen our role as an e-commerce enabler, not only working towards facilitating seamless cross-border transactions but also actively driving demand, reducing costs, and maximizing revenue opportunities for our merchants worldwide.

Shopify Managed Markets

Since becoming generally available to US-based Shopify merchants in 2023, Shopify Managed Markets enables merchants of all sizes, including small and emerging merchants, to offer their products internationally via a streamlined integration effort and advanced self-service capabilities. In 2025, the Shopify Managed Markets offering was revamped, in conjunction with the 2025 Shopify Agreement, in aim to enhance merchant experience, reduce merchant operational friction and harmonize their international and domestic processes, by utilizing Shopify payments, among other enhancements. We believe that this offering will appeal to many merchants, due to its streamlined integration process, advanced self-service capabilities and the enhanced merchant experience. This combination not only enhances operational efficiency but also provides merchants with the flexibility and control needed to navigate the complexities of international markets, making Shopify Managed Markets a relevant solution for a diverse range of merchants.

Drive continuous innovation on our platforms

We plan to continue to invest in research and development and operate with an agile approach to address our merchants' and shoppers' constantly evolving needs. We strive to continue developing new capabilities and add-on offerings, as well as look to complement existing platforms and offering through merger and acquisition opportunities, to maintain Global-e's position as a leading holistic platform for global e-commerce.

We have enriched, and we plan to continue enriching, a suite of value-added services we can provide our merchants. For example, through the acquisition of Borderfree in 2022, we have developed and expanded traffic demand generation services, enabling merchants to attract international shoppers to their web store and enhancing the value that our business brings to such global brands. A key pillar of this initiative is the revamped Borderfree.com brand discovery portal, where hundreds of merchants are signed up to showcase their products to a growing base of international shoppers. Results from the demand generation offering so far indicate an increase in international traffic and shopper engagement, reinforcing our belief that over time, this initiative can become a powerful tool for merchants seeking to expand their global presence.

We also believe that our differentiated data capabilities and constantly-improving data models will allow us to stay at the forefront of e-commerce solutions. We believe our unique, big data-driven Smart Insights enable us to help our merchants deliver more precise, targeted, localized shopper experiences driving conversion and revenues and also manage their operations more efficiently through our superior ability to forecast and predict trends. We believe that data will be a key driver of future optimization and shopper monetization.

Continue to develop and expand our strategic partnerships

We have established mutually beneficial strategic partnerships with a range of key players in the broader e-commerce ecosystem, including global technology groups, e-commerce platforms, shipping providers, third-party logistics providers, payment providers and system integrators. Our channel partners have been an important lead generation engine providing our sales team with a pipeline of prospective merchants. We intend to further strengthen our existing relationships, such as our partnership with DHL or our partnership with Shopify, and build new strategic partnerships with other key players across the value chain and in the different markets in which we operate.

Products and Technology

Our end-to-end platforms help merchants remove global e-commerce complexities by empowering merchants with powerful and extensive localization capabilities embedded directly within their websites. Our technology creates a highly-localized shopper experience, which in turn drives increased sales conversion and revenue growth.

Our platforms are built on a scalable tech stack which is powered by a robust layer of application programming interfaces ("APIs") and data models, powering the shopper journey and allowing us to support a fast-growing and rapidly expanding merchant base.

Through a range of integration options, the merchants' websites can leverage the power of our platforms. The integration technology, either through pre-fabricated e-commerce platform plug-ins, through the implementation of our API's or through our generic script-based client-side integration, which we refer to as Global-e Module, is based on a simple lightweight integration effort. Such integration effort ranges from a code snippet that is placed into a merchant's existing online platform enabling us to deploy and integrate with minimal friction, to installation of our plug-ins and/or the implementation of a few of our API's. After integration, shoppers continue to face the merchant's existing storefront, and Global-e remains as a "white label" in the background. In the case of Shopify Managed Markets, a simple "one-click" activation process is all that is needed from the merchant's side to enjoy the benefits of that platform.

Shopping experience features

- **Localized browsing** - We offer localized browsing features, such as a configurable welcome message or a top-line marketing banner that can be customized by market and presented in the local language. Customization breeds familiarity, reducing bounce rates, increasing conversion and improving shopper confidence through a local shopping experience.
- **Localized checkout** - Embedded within the brand's e-commerce store, the checkout experience supports over 30 different languages across our platforms, enabling shoppers to switch the checkout language to their own native tongue for a more customized and local experience. Further, shoppers checkout within the merchant website without being redirected to a third-party site.
- **Guaranteed landed cost** - We provide shoppers with a "no-surprises" and guaranteed fully-landed cost. We offer multiple options, configurable by market, for handling import duties and taxes. For example, shoppers may select the option to prepay duties and/or taxes at checkout. Alternatively, our platforms have the capability to already embed this cost into the product price within the browsing journey (in full or partially), in order to facilitate an intuitive and frictionless smooth and user-friendly shopper journey. We believe this feature and options functionalities are critical in achieving high conversion rates across markets and promoting repeat shoppers.

In addition to achieving shopper confidence, pre-collection of import duties and taxes enables orders to be dispatched to shoppers under a “Delivery Duties Paid” scheme through relevant shipping carriers. This serves to greatly simplify and streamline the process of releasing the goods from customs at the destination market, in turn contributing to a quicker and simpler delivery experience for the shopper.

- **Multiple shipping options** - Our platforms allow merchants to choose from a menu of shipping options, offering shoppers multiple delivery alternatives, depending on the destination market: mail, express courier, Cash-on-Delivery, store delivery, drop point delivery, BOPIS and more. As part of each market-specific value proposition, merchants can decide which shipping methods to offer and how to price them, based on Global-e’s competitive shipping rates or through their own contracted shipping carriers.
- **Localized alternative payment methods** - Preferred payment methods of shoppers differ from market to market. In some markets, such as the United States and United Kingdom, the use of global cards (Visa, MasterCard, etc.) is the most common payment method used. In others, local cards, or universal alternative payment methods, such as PayPal, prevail. There are markets, both in developed and developing countries, where alternative payment methods are used more frequently than cards. In order to remove payment friction and ensure higher conversion rates, Global-e supports over 150 payment methods globally, granting shoppers in each market the ability to pay with their preferred local option.
- **Real-time fraud detection and prevention** - Each order is scanned in real-time for potential payment fraud. Global-e utilizes advanced third-party screening services, coupled with proprietary algorithms and processes - all managed by a team of fraud detection and prevention specialists. These capabilities enable Global-e to achieve high payment acceptance rates and low chargeback rates across international markets. The authorization/rejection decision is made in real time without the delays and costs associated with manual or semi-automatic transaction screening. This further contributes to a streamlined and satisfying shopper experience.
- **International customer services** - Global-e operates a multi-layered approach to customer services comprised of self-service portal, AI-based chatbot and a manned contact-center. Our branded self-service and multi-lingual online customer service portal contains answers to many frequently-asked questions that are typically raised post-sale by international shoppers regarding their orders. To boost our ability to provide highly accurate answers to shoppers’ support queries in real-time, without a need for human intervention, we introduced automated Customer Service Chatbot, based on Open-AI’s ChatGPT technology which has been securely connected to our systems and databases. Since its launch prior to the peak period in 2023, the Chatbot exhibited desired results, handling a large percentage of customer inquiries, with nearly half of cases resolved autonomously to customers’ full satisfaction. In addition, Global-e operates a manned contact center that serves to augment the brand’s own customer services team. Global-e’s contact center can provide either “behind the scenes” support for the merchant’s customer services team, or it can be in touch directly with the brand’s shoppers to handle their queries. Global-e continuously expand the chatbot’s capabilities, allowing it to manage an increasing range of customer service requests. For example, shoppers can now complete the entire return process - from initiating a return to receiving a return label, relevant documentation, and instructions - without leaving the chatbot interface. We believe that the use of tools such as the AI-based Chatbot is a manifestation of the tremendous business value such technologies can unlock over the next few years and contribute to a more efficient customer support and improved customer satisfaction.
- **Returns and post-purchase process and experience** - Global-e offers a comprehensive and efficient solution for product return management, as well as enhanced post-purchase solutions. Through Global-e’s proprietary branded and multi-lingual returns portal, shoppers are presented with multiple return options, according to the various returns services that the merchant enables for a given market. Returns options include self-postage, local return addresses, pre-paid postal labels and courier pick-ups. In addition, merchants set for each option an associated cost. Global-e deducts the return cost from the amount refunded to the shopper once merchants confirm successful receipt of the returned product. We are also expanding our post-purchase capabilities by leveraging the AI-powered returns and exchanges solution built by our recent acquisition, ReturnGo. The integration of ReturnGo’s technology aims to enhance our returns offering by enabling greater automation, data-driven decision-making, and flexible return and exchange workflows, with the objective of improving shopper experience, increasing merchant efficiency, and strengthening customer satisfaction and loyalty in global commerce.

Packaging and pricing

We support merchants of all sizes, and at various lifecycles, from small, emerging brands to the world's top globally-recognized retailers and high-end brands. Our platforms offer a range of differentiated service levels, enabling us to cater to the different - and constantly evolving - needs of the merchants we serve.

Technology, infrastructure and operations

Our platforms were designed with enterprise-grade security, reliability, and scalability as top priorities. Core contributors to our strengths in these areas include:

- **Application architecture** - We operate proprietary and modern technology platforms, organically developed by our in-house R&D teams, leveraging leading third-party software where applicable.
- **Infrastructure** - Our platforms are deployed via market standard cloud computing infrastructure, allowing us to easily scale our platforms globally while maintaining optimal performance.
- **Disaster Recovery** - For our enterprise platform we maintain a secondary cloud-based data center, holding a full stack of updated applications, which is fully tested at least once a year, with the aim of ensuring the highest reliability for our shoppers.
- **Security** - We employ a multi-layer security approach utilizing both cloud infrastructure security and endpoint protection to enforce the highest degree of security. We operate and design our systems in accordance with major security standards, including: PCI/DSS, SOC 2 and ISO 27001. We perform penetration tests continuously throughout the year by external vendors to identify any vulnerabilities. Our hybrid office/remote work environment could also negatively impact the security of our platforms and systems as well as our ability to prevent attacks or respond to them quickly, and as such we have taken steps designed to ensure remote work can be performed both effectively and securely.
- **Uptime** - Our platforms maintain excellent service levels. Across all sites, our platforms achieved over 99.9% average uptime for the year ended December 31, 2025.

Competition

The market for cross-border e-commerce enablement solutions is competitive, rapidly evolving, fragmented, and subject to changing regulation, technology, merchant preferences and shopper demands. Our solution and platforms compete with other online and offline services, and other solutions. While among them exist several direct competing solutions, many of these solutions and services only handle a specific section of the cross-border e-commerce value chain.

As such, we believe that our existing direct competition fails to offer the same holistic solution based on our combination of global reach, end-to-end advanced feature set, number of merchant partners, accumulated data and insights, quality-of-service and local expertise as embedded in our platforms. We are the chosen partner of some globally recognized retailers and brands as well as some rapidly-growing emerging brands.

We consider the following categories of services and solutions to be our primary and direct competition:

- **In-House D2C** - Merchants have built and managed international stores and prefer to maintain these operations in-house supported by proprietary capabilities developed by them, features and capabilities provided by the e-commerce platform they utilize, and/or third-party cross-border components. This DIY approach is expensive and complex to maintain, while also lacking the flexibility and know-how of local preferences that a specialized global provider, such as Global-e, can provide. We believe that with the growing importance to merchants of global D2C, coupled with market awareness of the advantages of using reputable and experienced global third parties, such as Global-e, the trend of shifting towards a third-party global enabler will continue - with Global-e as the distinguished front runner.

- **Alternative, Cross-Border End-to-End Platforms** - There is a limited number of platforms offering solutions similar in nature and breadth to those offered by Global-e. There are also some platforms that offer partial, non-end-to-end solutions, that may serve as an alternative for some merchants. However, we believe that none of these providers have the combination of global reach, track record, variety of merchants, scale, feature set and data, to match Global-e's overall offering. The level of sophistication embedded in our platforms and solutions stemming from executing millions of transactions annually, across merchants in over 200 destination markets, is what makes us a leader in the world of global e-commerce.

Though to a lesser extent, we believe our platforms also indirectly compete with two primary categories of services and providers:

- **Legacy Players and Local Distributors** - Merchants expanding abroad may partner with local distributors, granting them licenses to operate in a given market. Licenses typically include an arrangement to sell goods through bricks-and-mortar locations as well as digital rights to the brand, effectively allowing the local licensee to manage the full client-facing relationship with international shoppers. This may cause frustration among shoppers, as local selection may be limited to best-selling products, and interactions with the merchant are routed through a middle-man. As merchants increasingly understand the value of their digital channels and leverage social media to interact directly with shoppers, we believe wide-ranging agreements with local distributors will continue to become less common, especially for digital D2C e-commerce. Nevertheless, some merchants are constrained by long-term, legacy agreements with distributors, preventing the merchant from directly selling to and interacting with shoppers in select (or all) foreign markets, at least for a certain period of time.
- **Non-D2C Online Channels** - Non-D2C online channels, such as marketplaces, offer brands access to shoppers' traffic and facilitation of digital transactions. Such online channels are varied, ranging from local, multi-local, regional and global platforms. They generate online traffic from shoppers by marketing *under the marketplace's own brand* and command a fee, or "take rate" that may represent a meaningful percentage of the merchant's revenue. To facilitate the transaction between shopper and seller, online channels may provide complimentary services such as payment acquiring, fraud protection, order management, and access to shipping providers. Merchants do not have direct access to shoppers; rather, they must list their products through the intermediary - i.e., the marketplace - to gain exposure. As such, by selling through non-D2C online channels, merchants often expose their brand to direct competition from other brands sold in parallel through such online channels (e.g. a common feature of marketplaces is "people who bought this also bought this" lists which may include different brands).

For geographical and segmental revenue, see Note 2, reporting segments and geographical information included within our consolidated financial statements elsewhere in this Annual Report.

Seasonality

See Item 5. "Operating and Financial Review and Prospects" for a discussion of the seasonality of the Company's main business.

Environmental, Social and Governance (ESG) Practices

We view Environmental, Social, and Governance (ESG) considerations as part of our broader business strategy, both in complying with regulatory requirements as well as in value creation as we aim to address the expectations of our stakeholders, partners, employees and local communities.

Our Board of Directors oversees the building of our ESG strategy, and the Board's Nominating, Governance and Sustainability Committee (NGSC) was appointed to monitor and guide our management. Our ESG executive committee (that was established by the NGSC and comprising senior management) continued to operate under the oversight of the NGSC, to lead the development and execution of our ESG workplan in collaboration with key departments across the company.

Our approach to ESG includes matters mainly related human capital and cybersecurity (with primary cybersecurity oversight handled by the Audit Committee). We continue to assess how to best incorporate such matters into our business, considering the evolving regulatory environment and other stakeholder expectations. However, in some circumstances the scope or success of such programs and initiatives remain outside of our direct influence. We anticipate that our efforts will continue to evolve as our understanding and program continues to mature.

Human Capital and Talent

Our workforce has grown significantly in recent periods, and that has required, and continues to require, us to seek to build and maintain a working environment that fosters employees motivation, talent, wellbeing and safety, while promoting personal and professional development. We continued to recruit relevant talent to strengthen our team capabilities in our offices worldwide.

None of our employees is represented by a labor organization or is a party to a collective bargaining arrangement or expansion orders of such arrangements, with the exception of a small number of employees in France, Spain, Australia, Romania, Korea and Israel who are covered by mandatory industry-wide collective bargaining agreements in accordance with local law.

We seek to provide and constantly develop compensation and equity incentive plans that will remain attractive and rewarding. As such, we offer both stock-based and cash-based compensation awards (in each case subject to eligibility criteria) that are designed to commensurate individual performance and meeting objectives.

We continue to utilize an internal learning management platform, which is available to all employees and provides access to company knowledge resources, structured onboarding journeys, and a broad range of external learning content to support continuous learning and professional development. In addition, we offer various training programs, including company-wide learning initiatives and education tailored to key departments (such as engineering and sales), as well as a managerial training program for managers to further develop their leadership and management effectiveness. We also support employee wellbeing through various initiatives, including access to fitness and wellness programs and periodic company-wide wellbeing days across our locations, which focus on promoting employee health, balance and overall wellbeing.

Governance, Compliance and Business Ethics

We have established a Code of Conduct and Ethics that guides our operations and relationships with stakeholders. Our Board of Directors periodically reviews our Code to assess any potential updates, including for regulatory requirements, industry standards, and other stakeholder expectations. Our employees are required to review and acknowledge the Code. We also provide annual training to employees on other critical topics, including insider trading compliance and anti-harassment.

Our Board of Directors, directly and by empowering the Audit Committee and the management team, also actively oversee the Company's compliance framework, which includes policies and procedures covering critical areas such as anti-corruption, ethical business conduct, data protection and cybersecurity, as well as international trade laws and sanctions compliance.

Board Composition

We are privileged to have experienced industry leaders as our members of the Board of Directors. We maintain a majority independent Board of Directors. Under the supervision of the NGSC, we conduct Board of Directors and Committee evaluations to facilitate an assessment of the performance of the Board of Directors and its Committees, assessing its strengths and weaknesses and laying a foundation for discussion and future improvement.

Intellectual Property

We consider our intellectual property rights, including those in our know-how and the software code of our proprietary technology, to be, in the aggregate, material to our business. We rely on a combination of contractual commitments and statutory and common law rights to protect our intellectual property rights in our technology and know-how. 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, merchants, 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.

Our know-how is an important element of our business. The development and management of our platforms requires sophisticated coordination among many skilled and specialized employees. Despite our efforts to protect our intellectual property rights in our technology and know-how, unauthorized parties may attempt to copy or obtain and use our technology to develop products and services with the same functionality as our platform. Policing unauthorized access to and use of our technology is difficult. Our competition could also independently develop technologies like ours, and our intellectual property rights may not be broad enough for us to prevent our competition from selling products and services incorporating those technologies. For more information, see “Risk Factors-Risks Relating to our Business and Industry-If we fail to adequately maintain, protect or enforce our intellectual property rights, our competitive position could be impaired and we may lose valuable assets, generate reduced revenue, and incur costly litigation to protect our rights.”

We own and use unregistered common law marks and service marks on or in connection with our proprietary technology and related services. While most of the intellectual property we use is owned by us, we have obtained rights to use intellectual property of third parties through licenses and services agreements. Although we believe these licenses are sufficient for the operation of our business, these licenses typically limit our use of the third parties’ intellectual property to specific uses and for specific time periods.

From time to time, we may become involved in legal proceedings relating to intellectual property arising in the ordinary course of our business, including challenges to the validity of our intellectual property rights and claims of intellectual property infringement. For more information, see “Risk Factors-Risks Relating to our Business and Industry-We may incur costs to defend against, face liability for or be vulnerable to intellectual property infringement claims brought against us by others.”. We are not presently and have never been 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.

Government Regulation

As with any company operating on the internet, we grapple with a growing number of local, national and international laws and regulations. These laws are often complex, sometimes contradict other laws, and are frequently evolving. Laws may be interpreted and enforced in different ways in various locations around the world, posing a significant challenge to our global business. This ambiguity includes laws and regulations possibly affecting our business, such as those related to data privacy and security, pricing, taxation, content regulation, digital services and intermediary regulations, intellectual property ownership and infringement, anti-money laundering, anti-corruption, product liability, consumer protection, extended producer responsibility, product safety and export control. Changes to such laws and regulations could cause us or third-party partners on which we rely to incur additional costs and change our or their respective business practices in order to comply.

Data Protection and Privacy

We are subject to laws across several jurisdictions regarding privacy and protection of data, in particular, in Israel, the European Union, the United States and other jurisdictions. Data protection, privacy, cybersecurity, consumer protection, content regulation, and other laws and regulations can be very stringent and vary from jurisdiction to jurisdiction. These laws govern how companies collect, process, and share data, grant rights to data subjects, and require that companies implement specific information security controls to protect certain types of information.

For example, we are subject to the Israeli Privacy Protection Law, 1981 (“PPL”), and its regulations, including but not limited to the Israeli Privacy Protection Regulations (Data Security) 2017 (“Security Regulations”), as well as the guidelines of the Israeli Privacy Protection Authority (“PPA”). These impose obligations regarding how personal data is processed, maintained, transferred, disclosed, accessed, and secured. Therefore, significant changes to the PPL, its regulations or the PPA guidelines necessitate adjustments to our data protection and security practices. In this context, material amendments to the PPL were approved by the Israeli Parliament in August 2024 and came into effect on August 14, 2025 (“Amendment 13”). Amendment 13, among other changes, expands the PPA’s investigative authority and significantly increases its power to impose monetary sanctions for violations of the PPL or its regulations, with amounts considerably higher than those previously available. Additionally, Amendment 13 introduces new obligations for parties processing personal data, which may require us to modify our data practices and policies, appoint mandatory positions, and consequently, to incur substantial costs to align our privacy and data protection practices in Israel.

Moreover, the Privacy Protection Regulations (Provisions Regarding Information Transferred to Israel from the European Economic Area), 2023 (“EU Regulations”) may, in certain cases, provide additional rights to data subjects from the EEA whose personal data is stored in databases located in Israel or whose personal data is stored together with such data.

In addition, the Privacy Protection Regulations (Transfer of Data to Databases Outside the State Borders), 5761-2001 (the “Cross-Border Transfer Regulations”), restrict and impose conditions on the transfer of personal information from databases in Israel to locations outside Israel. These regulations may require us to implement additional contractual, technical, and organizational measures to enable such transfers and maintain compliance, which could increase our costs.

Additionally, our use of artificial intelligence tools in connection with the processing of personal information is subject to the PPL and may present unique privacy and information security challenges. We conduct ongoing compliance assessments and apply legal, technical, and operational controls designed to help ensure that our use of artificial intelligence remains compliant with applicable laws and regulatory expectations.

Failure to comply with the PPL, its regulations, and PPA guidelines (including in connection with our AI-enabled solutions) may expose us to enforcement actions, administrative fines (which, in some cases, may reach millions of NIS), civil claims (including class actions), and, in certain cases, criminal liability. Upon Amendment 13 coming into effect in August 2025, the sanctions for non-compliance with the PPL and its regulations (including the Security Regulations and the EU Regulations) were significantly increased.

In this respect, privacy and data protection laws and 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. In addition, to the extent that any administrative supervision procedure is initiated by the a privacy protection authority that reveals certain irregularities with respect to our compliance with privacy and data protection laws or regulations, 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.

For further information on the laws regarding privacy and data protection which we are subject to, see “Risk Factors-Risks Relating to our Business and Industry.” 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 harm our business.

While it is generally the laws of the jurisdiction in which a business is located that apply, there is a risk that data protection regulators of other countries may seek jurisdiction over our activities in locations in which we process data or serve merchants or shoppers but do not have an operating entity. Where the local data protection and privacy laws of a jurisdiction apply, we may be required to register our operations in that jurisdiction or make changes to our business so that shopper data is only collected and processed in accordance with applicable local law. In addition, because our services are accessible worldwide, certain foreign jurisdictions may claim that we are required to comply with their privacy and data protection laws, including in jurisdictions where we have no local entity, employees or infrastructure. In such cases, we may require additional legal review and resources to ensure compliance with any applicable privacy or data protection laws and regulations. In addition, in many jurisdictions there may in the future be new legislation that may affect our business and require additional legal review.

There is uncertainty in many of the countries where we operate with respect to the liability of internet service providers or providers of digital services, the application of existing regulations to our business as they relate to, or the enactment of new regulations relating to, issues such as e-commerce, electronic or mobile payments, information requirements for internet, digital services providers or other intermediary providers. Such uncertainty could negatively affect our operations and use of our services, require us to change or adjust our platforms and could result in changes to our operations or business model and may incur significant expenses should we have to change our model.

Anti-Corruption and Sanctions

We are subject to laws and regulations of the jurisdictions in which we operate, including the United States, United Kingdom, EU and Israel, that govern or restrict our business and activities in certain countries and with certain persons, including the economic sanctions regulations administered by the U.S. Treasury Department’s Office of Foreign Assets Control, and the export control laws administered by the U.S. Commerce Department’s Bureau of Industry and Security and the U.S. State Department’s Directorate of Defense Trade Controls. See “Risk Factors-Risks Relating to our Business and Industry-We are subject to governmental sanctions and export controls that may subject us to liability if we are not in full compliance with applicable economic sanctions and export control laws.”

We are subject to laws and regulations related to payments which are complex and vary across different jurisdictions. We are also subject to payment card association operating rules, certification requirements, and rules governing electronic funds transfers, including the PCI DSS, which could change or be reinterpreted to make it more difficult for us to comply. Any failure to comply with these rules or requirements may subject us to higher transaction fees, fines, penalties, damages, and civil liability, and may result in the loss of our ability to accept credit and debit card payments. Depending on how our platforms evolve, we may be subject to additional laws in other jurisdictions across the world.

Additionally, we are subject to anti-corruption, anti-bribery, anti-money laundering and similar laws, such as the FCPA, U.S. domestic bribery statute contained in 18 U.S.C. 201, U.S. Travel Act, the USA PATRIOT Act, the U.K. Bribery Act 2010, Chapter 9 (sub-chapter 5) of the Israeli Penal Law, 1977, the Israeli Prohibition on Money Laundering Law-2000 and other applicable laws in the jurisdictions in which we operate. Historically, technology companies have been the target of FCPA and other anti-corruption investigations and penalties. See “Risk Factors-Risks Relating to our Business and Industry-We are subject to anti-corruption, anti-bribery, anti-money laundering and similar laws, and non-compliance with such laws can subject us to criminal penalties or significant fines and harm our business and reputation.”

Further, we are currently subject to a variety of laws and regulations related specifically to payment processing, including those governing cross-border and domestic money transmission, gift cards and other prepaid access instruments, electronic funds transfers, foreign exchange, counter-terrorist financing, banking and import and export restrictions.

Concern about the use of e-commerce platforms for illegal conduct, such as money laundering or to support terrorist activities, may in the future result in legislation or other governmental action that could require changes to our platforms or impose additional compliance burdens and costs on us. See “Risk Factors-Risks Related to our Business and Industry-Changes in laws and regulations related to the internet or changes in the internet infrastructure itself may diminish the demand for our platforms and services, and could harm our business.”

Depending on how our platform evolves, we may become subject to additional laws in the United States, the United Kingdom, the EU, Israel and elsewhere.

Environmental, Health, and Safety (EHS)

We are subject to laws and regulations regarding protection of the environment as well as workers health and safety. Certain environmental laws may impose liability regardless of knowledge, fault, or legality of the action at the time taken. There are also increasing expectations regarding product stewardship, including end-of-life considerations, and we may become subject to such laws due to our role as merchant of record.

Depending on how our platforms evolve, we may become subject to additional laws on these or other matters in the United States, the United Kingdom, the EU, Israel and elsewhere.

Product liability & product safety

Our business and operations will increasingly be subject to laws and regulations regarding product liability and safety associated with placing goods in the market, notably in the EU and United Kingdom. Recent and upcoming developments in such laws and regulations are likely to increase the compliance burden and risks on our business, and to require us to make changes to the way in which we operate.

For example, a new EU Product Safety Regulation, which came into effect as of December 13, 2024, will extend the EU’s product safety regime to additional parties including providers of certain platforms and fulfilment services, in addition to imposing greater compliance obligations including information provision requirements and requirements to designate responsible persons and facilitate or implement corrective measures such as product recalls. Specific product safety and liability laws and regulations also apply or will or are expected to take effect soon, in relation to certain types of products. For example, the pending EU Toy Safety Regulation, is likely to result in more stringent guidelines for the manufacturing, labeling, and distribution of toys including the introduction of digital product passports. In the UK, additional product safety regulatory developments may lead to changes to the current product liability regime.

Depending on how such new laws and regulations are implemented, evolve, and are enforced and interpreted, in particular with regards to their applicability over personal importation scenarios, we or the merchants may become subject to additional requirements or limitations as well as the extent to which we are successful in adapting our business and operations to comply with such laws and regulations, we could be subject to regulatory action such as investigations and penalties, actions from consumers resulting in damages including by way of collective redress mechanisms, and other negative legal, regulatory and reputational consequences.

C. Organizational Structure

The following sets forth our significant subsidiaries as of the date of this Annual Report. All ownership is 100%.

- Globale UK Limited (England)
- Global-e US Inc. (Delaware, USA).
- Flow Commerce Inc. (Delaware, USA)

Certain other subsidiaries of the Company have been omitted because they would not be a “significant subsidiary” as defined in rule 1-02(w) of Regulation S-X as of the date of this Annual Report.

D. Property, Plants and Equipment

We are headquartered in Petah-Tikva, Israel, where we occupy approximately 111,514 square feet of office space pursuant to a lease that expires on September 1, 2027 (with automatically renew for an additional 5 years). We currently lease additional office space in Israel, the UK, the U.S. and Ireland, and we are party to agreements whereby we have access to and the right to use certain office space in the U.S., France, Australia, Japan, Korea, Romania, Germany, Spain, Hong-Kong, Sweden, Switzerland, Canada and the United Arab Emirates. We do not own any real property. We evaluate, based on our growth, the need to procure additional space as we continue to add employees, expand geographically and expand our work spaces. We believe that our facilities are adequate to meet our needs for the immediate future, and that, should it be needed, suitable additional space will be available to accommodate any such expansion of our operations.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

You should read the following discussion together with “Selected Consolidated Financial Data” and the consolidated financial statements and related notes included elsewhere in this Annual Report. This discussion contains forward-looking statements regarding industry outlook and our expectations regarding our future performance, planned investments in our expansion into additional geographies and brands, research and development, sales and marketing and general and administrative functions, liquidity and capital resources, as well as other non-historical statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described in “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements.” Our actual results may differ materially from those contained in or implied by any forward-looking statements.

Certain information called for by this Item 5, including a discussion of the year ended December 31, 2024 compared to the year ended December 31, 2023 has been reported previously in our Annual Report on Form 20-F for the fiscal year ended December 31, 2024 under Item 5. “Operating and Financial Review and Prospects”, filed with the SEC on March 27, 2025.

Overview

Our platforms were purpose-built for international shoppers to buy seamlessly online and for merchants to sell from, and to, anywhere in the world, while reflecting the localization of the shopper’s experience to make international transactions as seamless as domestic transactions.

We increase the conversion of international traffic into sales by removing much of the complexity associated with international e-commerce. Our platforms provide mission-critical, integrated solutions that create a localized and frictionless shopper experience and are simple to manage, flexible to adjust and smart in local market insights and best practices. The vast capabilities of our end-to-end platforms include interaction with shoppers in their native languages, market-adjusted pricing, payment options tailored to local market preferences, compliance with local consumer regulations and requirements such as customs duties and taxes, shipping services, after-sales support and returns management. These elements are unified under our platforms to enhance shopper experience and enable merchants to capture the global e-commerce opportunity.

We aspire to become a trusted partner for merchants’ international sales. The better the outcomes for merchants and the more revenue and growth they achieve, the greater our own revenue and growth. We believe this alignment of interests with merchants is core to our long-term success. This is evidenced by our Gross Dollar Retention Rate, which was 96% in 2025, and our Net Dollar Retention Rate, which was 122% during the same period.

Our Business Model

We have a volume-based revenue model, driven by shopper order activity on our merchants' websites. As a result, our revenues, which are generated from the fees charged for the use of our integrated platforms solution and provision of fulfillment services, are driven by GMV (as defined under "Key Performance Indicators and Other Operating Metrics") that flows through our platform. We offer a fully integrated platform solution to merchants and derive revenues by charging fees that vary depending on the transaction volume processed, outbound countries and destination markets, level of customer service provided and shipping options, among other variables.

Service fees revenue is generated as a percentage of the transaction value that flows through our platform as well as additional fees for value-added services, which are currently not material. Fulfillment services revenue is generated through our offerings of shipping and handling. We mandatorily bundle components of our integrated platform solution that we believe are essential to achieving improved sales conversion of our merchants' international traffic. Our fulfillment services are offered on an optional basis, and thus merchants may choose to utilize or cease utilizing our fulfillment services, either in whole or for select markets, at any time and from time to time. Many merchants use our fulfillment services alongside our integrated platform solution due to convenience and competitive pricing achieved based on our economies of scale, while some merchants choose to use our integrated platform solution on a standalone basis. Service fees revenue generated from the use of our integrated platform solution on a standalone basis has increased over time, equaling \$44.5 million (or 17% of service fees revenues), \$68.2 million (or 19.5% of service fees revenue), and \$86.4 million (or 19.1% of service fees revenue), for the years ended December 31, 2023, 2024, and 2025, respectively. The increase in standalone service fees revenues is largely attributed to our multi-local offering for which we typically do not provide fulfillment services.

Over and above the revenues generated, we view shopper traffic and GMV as critical to our success because they generate valuable data, further fueling our Smart Insights. These data-driven insights are an integral part of the integrated solutions we provide to our merchants and a key driver in the growth of their global revenues. During the year ended December 31, 2025, shoppers that visited e-commerce websites powered by our platforms generated close to 30 million transactions which translated to \$962.2 million of revenue.

An important component of our revenue growth is the retention and expansion of our existing merchant base. Our revenue model is driven by the ability to retain and grow our business with existing merchants and attract new merchants from new geographies, segments and verticals. Revenue from our existing merchant base has grown significantly over time as our merchants' global revenues have grown, the volume of transactions that our merchants process through our platforms has increased and we have expanded to additional geographic corridors. The revenue growth from our existing merchants that continue to process transactions on the Global-e platforms has historically exceeded any lost revenue from merchants that discontinued their use of our platform. We measure the growth from our existing merchant base using Net Dollar Retention Rate, and we measure the lost business from merchants that discontinue their use using Gross Dollar Retention Rate.

Our existing merchant base is critical to our success, generating approximately 87% and 87% of our GMV in the year ended December 31, 2024, and 2025, respectively. Our Net Dollar Retention Rate for the years ended December 31, 2024, and 2025 was 119% and 122%, respectively. Our high Net Dollar Retention Rate is driven both by strong retention and by the growth of our merchants' transaction volumes processed on our platforms. We believe this highlights the mission-critical nature of our platforms for merchants that continue to grow with us over time.

As of December 31, 2025, we had a diversified base of 1,547 merchants using our enterprise platforms, which translates to an annual increase of 10.2% from 1,404 merchants and of 23.2% from 1,256 merchants as of December 31, 2024 and December 31, 2023, respectively. These merchants range from globally recognized retailers to small, emerging brands located across more than 30 countries. No single merchant represents more than 6% and 8.5% of total GMV for the years ended December 31, 2024 and 2025, respectively. In addition, thousands of merchants are using Shopify Managed Markets as of December 31, 2025.

Our significant scale and growth mean we also enjoy geographic diversification in terms of both "outbound" sales, which term refers to sales from the merchant's country of origin, and "destination market" sales, which term refers to sales made to shoppers in various markets. For the year ended December 31, 2025, the United States represented 52.7% of our revenues, with the United Kingdom, the EU, Israel, and other geographies (APAC and Middle East) representing 20.2%, 18.2%, 0.4%, and 8.5%, respectively. We expect to continue attracting new merchants in diverse geographies, including countries in which we have existing operations as well as new markets. For example, we continued to develop our presence in APAC, which we believe represents a significant opportunity and continued to grow our APAC outbound GMV significantly in 2025. Of the 1,547 merchants served on our enterprise platforms as of December 31, 2025, 39% were located in North America, while 26% and 22% were located in the United Kingdom and Europe, respectively, and 12% were located in other geographies. With regards to the destination markets from which shoppers make purchases, Canada, the US and the UK represented 16%, 13% and 12% of our total revenue for the year ended December 31, 2025, respectively, no other destination market represented more than 10% of our total revenue for the year ended December 31, 2025.

In addition to retaining and growing our existing merchant base, we are able to efficiently acquire new merchants. We have developed an effective go-to-market strategy leveraging a dedicated team of sales executives. We also plan to continue leveraging our mutually beneficial channel partnerships, which broaden our merchant base and generate significant leads for our sales team. As our scale grows, so does our own brand equity, which leads to more inbound prospects as well as stronger word-of-mouth-based sales whereby an existing Global-e merchant recommends our solution to other players in the market. We view our ability to efficiently acquire merchants at scale as a differentiated competitive advantage.

Key Performance Indicators and Other Operating Metrics

Key Performance Indicators

We review the following metrics to measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions. Increases or decreases in our key performance indicators may not correspond with increases or decreases in our revenue.

The following table summarizes the key performance indicators that we used to evaluate our business for the years ended December 31, 2023, 2024, and 2025.

(\$ in millions)	Year Ended December 31,		
	2023	2024	2025
Gross Merchandise Value	3,557	4,858	6,569
Net Dollar Retention Rate	127%	119%	122%
Revenue	569.9	752.8	962.2
Non-GAAP Gross Profit	244.8	349.4	445.8
Non-GAAP Gross Margin	42.9%	46.4%	46.3%
Adjusted EBITDA	92.7	140.8	198.5
Adjusted EBITDA Margin	16.3%	18.7%	20.6%
Free Cash Flow	106.5	167.1	280.7

Key Profit GAAP Figures

(\$ in millions)	Year Ended December 31,		
	2023	2024	2025
Gross profit	233.6	339.4	436.2
Operating profit (loss)	(137.1)	(67.9)	71.7
Net profit (loss)	(133.8)	(75.5)	68.3
Net cash provided by operating activities	108.2	169.4	283.8

Gross Merchandise Value. We derive our revenue from fees we charge for the use of our integrated platforms solutions and fulfillment services. These fees are driven by the total value of transactions processed through our platforms. We assess the growth in transaction volume using a metric we refer to as Gross Merchandise Value (“GMV”) which 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. GMV does not represent revenue earned by us; however, the GMV processed through our platforms is an indicator of the volume of transactions processed through our platforms by our merchants.



(GMV, USD in millions)

Net Dollar Retention Rate. We assess our performance in retaining and expanding relationships with our existing merchant base using a metric we refer to as Net Dollar Retention Rate, which compares our GMV from the same set of merchants across comparable periods. Net Dollar Retention Rate for a given period is calculated by dividing the GMV in that period by the GMV in the comparable period in the prior year, in each case, from merchants that processed transactions on our platforms in the earlier of the two periods. Our Net Dollar Retention Rate therefore includes the effect on GMV of any merchant renewals, expansion, contraction and churn but excludes the effect of revenue from merchants that contributed to our GMV in the current period but not in the earlier period. A Net Dollar Retention Rate greater than 100% for a given period implies overall growth in GMV from merchants that were already processing transactions on our platforms prior to that period. Our Net Dollar Retention in 2023 excludes Borderfree and affiliated companies that were acquired in 2022, as it is based on annual GMV figures, and Borderfree's financials were consolidated into the Company's financials in July 2022; therefore, GMV was not recorded for the full year in 2022.

Our Net Dollar Retention Rate for the years ended December 31, 2023, 2024, and 2025 was 127%, 119% and 122% respectively. Our Net Dollar Retention Rate may fluctuate in future periods due to a number of factors, including the expansion of our GMV base, the level of penetration within our merchant base, enhancements made to our existing platforms and our ability to retain our existing merchant base.

Revenue. We generate revenues by charging merchants fees for the use of our end-to-end global e-commerce solution and fulfillment services. Our revenues are driven by the level of GMV that flows through our platforms. We have experienced rapid revenue growth in recent years, growing 39.3%, 32.1% and 27.8% in the years ended December 31, 2023, 2024, and 2025, respectively.

Non-GAAP Gross Profit and Non-GAAP Gross Margin. Our cost of revenue consists primarily of costs associated with payment acquiring fees, shipping and logistic costs, hosting, amortization of acquired intangibles, operational merchant support expenses, such as customer service and allocated overhead. Our Non-GAAP gross profit is defined as gross profit adjusted for amortization of acquired intangibles. For the years ended December 31, 2023, 2024, and 2025, our Non-GAAP gross margin, which is calculated as Non-GAAP gross profit divided by revenues, was 42.9%, 46.4% and 46.3% respectively. Our GAAP gross margin for the respective periods was 41.0%, 45.1% and 45.3%.

Adjusted EBITDA. is a non-GAAP financial measure and is defined as net profit (loss) adjusted for income tax (benefit) expenses, financial expenses (income) net, stock based compensation expenses, depreciation and amortization, commercial agreements amortization, amortization of acquired intangibles, merger related contingent consideration, and acquisition related expenses. Our Adjusted EBITDA grew from \$92.7 million for the year ended December 31, 2023 to \$140.8 million for the year ended December 31, 2024, and to \$198.5 million, for the year ended December 31, 2025. This increase was primarily driven by growth in revenues and operational leverage.

Free Cash Flow is a non-GAAP financial measure and is defined as net cash provided by operating activities less purchase of property and equipment. Our free cash flow grew from \$106.5 million for the year ended December 31, 2023 to \$167.1 million for the year ended December 31, 2024, and to \$280.7 million for the year ended December 31, 2025. This increase was driven by the increase in Adjusted EBITDA and working capital dynamics, which were higher than usual in 2025 due to higher accrued expenses and other liabilities balances.

Other Operating Metrics

Gross Dollar Retention Rate. In addition to tracking our key performance indicators and Non-GAAP financial measures above, we also periodically measure our Gross Dollar Retention Rate to further assess our performance in retaining our existing customer base. Gross Dollar Retention Rate measures revenue lost from merchants that discontinue their use of our platform, but does not reflect the benefit of customer expansion, contraction or additions. Gross Dollar Retention Rate may therefore never exceed 100%. We believe our high gross retention rates demonstrate that we serve a vital role for our merchants, as the vast majority of our merchants continue to use our platform.

To calculate the Gross Dollar Retention Rate for a particular quarter, we first calculate the total seasonality adjusted annualized GMV for that quarter. We then calculate the value of GMV from any merchants who discontinued their use of our platform during that quarter, or churned, based on their total GMV from the four quarters preceding such quarter, which we refer to as churned GMV. We then divide (a) the churned GMV by (b) the total seasonality adjusted annualized GMV to calculate the percentage churn for that quarter. Gross Dollar Retention Rate for a particular year is calculated by aggregating the percentage churn of the four quarters within that year and subtracting the result from 100%.

Our Gross Dollar Retention Rate was 96% in 2025.

Non-GAAP Net Profit is a non-GAAP financial measures and is defined as net profit (loss) adjusted for stock-based compensation expenses, commercial agreements amortization, amortization of acquired intangibles, merger related contingent consideration and acquisition related expenses. Our Non-GAAP Net Profit grew from \$94.2 million for the year ended December 31, 2023, to \$131.0 million for the year ended December 31, 2024, and to \$192.8 million for the year ended December 31, 2025. The increase was primarily driven by growth in revenues and operational leverage. GAAP net loss for the period ended December 31, 2023, was \$133.8, for the period ended December 31, 2024, was \$75.5 million and the GAAP net profit for the period ended December 31, 2025 was \$68.3 million.

Non-GAAP Net Profit Per Share is a non-GAAP financial measure and is defined as Non-GAAP Net Profit divided by GAAP weighted-average shares outstanding, basic and diluted. Our Non-GAAP Net Profit Per Share grew from \$0.54 per share on a fully diluted basis for the year ended December 31, 2023 to \$0.75 per share on a fully diluted basis for the year ended December 31, 2024, and to \$1.10 per share on a fully diluted basis for the year ended December 31, 2025. The increase was driven by the increase in Non-GAAP Net Profit. GAAP net loss per share for the period ended December 31, 2023, was \$0.81, for the period ended December 31, 2024 was \$0.45 and GAAP net profit per share for the period ended December 31, 2025 was \$0.39.

Key Factors Affecting Our Performance

We believe our future performance will continue to depend on many factors, including the following:

- **Continued Growth in Global E-commerce:** We expect to benefit from the continuation of several long-term secular market trends, including growth in global e-commerce over time, the continued rise in the influence of social media on shopper spending habits worldwide, the increasing relevance of D2C, as well as increased international e-commerce. The rise in complexity of global trade, stemming from constantly changing regulations and technology, serves as an additional tailwind by driving merchant demand for third-party solutions with the relevant expertise and infrastructure, such as Global-e.
- **Existing Merchant Retention and Expansion:** We care deeply about the merchants we serve. Our commitment to their success, we believe, increases retention and likelihood of expanding their activity on our platforms. Supporting our merchants begins with enhancing both the shopper and the merchant experience; as such, we focus our efforts on developing products and functionality to ease the complexity they face when engaging in global e-commerce. We provide customer support services to their shoppers, take full responsibility for processing duties and taxes, employ dedicated teams to optimize their offering and increase their sales conversion and continue to take steps to boost retention. Our effectiveness in retaining and expanding our existing merchants' sales is a critical component of our revenue growth and operating results.

- **New Merchant Acquisition:** Our growth depends in part on our ability to attract new merchants and add their GMV to our platforms. Over the past years, we have experienced substantial expansion in the number of merchants served by our enterprise platforms, which totaled 1,547, 1,404, and 1,256 as of December 31, 2025, December 31, 2024 and December 31, 2023, respectively. While the number of merchants served on our enterprise platforms has grown at a slower pace compared to our transactions volume, over time, we have been able to attract larger merchants to our platform, based on the enhancement of our platforms' capabilities and our growing recognition in the market. In addition, thousands of merchants are using Shopify Managed Markets as of December 31, 2025. New merchant acquisition is a key to scaling our platforms. We have historically achieved efficient payback periods driven by a combination of direct sales, inbound inquiries, word-of-mouth referrals, and channel partnerships. Continuing to add merchants to our platforms in an efficient manner is a key component of our ability to grow our revenues.
- **Successful Expansion to Additional Geographies:** We believe our platforms can compete successfully around the world, as they enable merchants, regardless of geography, to expand their market footprint to more shoppers by selling globally. In order to successfully acquire merchants across geographies, Global-e has local sales teams in the United States, the United Kingdom, the EU, and APAC. We plan to add local sales and additional required support in further select international markets over time to support our growth.
- **Investing to Scale Our Platforms and Merchant Base:** We have made, and will continue to make, significant investments in our platforms to retain and scale our merchant base and enhance their experiences. In the years ended December 31, 2023, 2024, and 2025, excluding stock-based compensation, we spent \$71.3 million (or 12.5% of revenue), \$88.2 million (or 11.7% of revenue), and \$105.4 (or 11.0% of revenue) respectively, on research and development. These amounts represent year over year increases of 23.7% and 19.5% in the years ended December 31, 2024 and 2025, respectively. The decrease of research and development spend as a percentage of revenue in 2025 is attributed to scale leverage and Artificial Intelligence utilization. Overall research and development expenses were \$97.6 million, \$105.5 million, and \$122.8 million, in the years ended December 31, 2023, 2024, and 2025, respectively. In the years ended December 31, 2023, 2024, and 2025 excluding the amortization of the Shopify warrants related asset, amortization of acquired intangibles and stock-based compensation, we spent \$53.1 million (or 9.3% of revenue), \$87.4 million (or 11.6% of revenue), and \$108.6 million (or 11.3% of revenue), respectively, on sales and marketing. These amounts represent year over year increases of 64.6% and 24.3% in the years ended December 31, 2024, and 2025, respectively. Overall sales and marketing expenses were \$217.0 million, \$250.7 million, and \$190.1 million in the years ended December 31, 2023, 2024, and 2025, respectively, the decrease in 2025 is driven mainly by a lower Shopify warrants related asset amortization expense. We plan to continue to invest in go-to-market and innovation to address the needs of merchants. We plan to increase our headcount, the resources we commit to, and the investments we make in our platforms, in aim to retain and expand the sales of our merchants, expand into new geographies and acquire new merchants, fuel our "Smart Insights" data set, develop value-added services and improve our operating results in the long term.
- **Revenue Seasonality:** Our revenue is driven by GMV that our merchants generate through our platforms. Our merchants typically process higher volumes of GMV each year in the fourth quarter, which includes Black Friday, Cyber Monday and the holiday season, driven by an uptick in e-commerce sales. As a result, we historically have generated higher revenues in the fourth quarter than in other quarters. In the years ended December 31, 2023, 2024, and 2025, fourth quarter GMV represented approximately 33%, 35%, and 36% respectively, of our total GMV. We believe that similar seasonality trends will affect our future quarterly performance.
- **Increased Efficiency from Economies of Scale and utilization of Artificial Intelligence (AI):** As our GMV scales, we can potentially achieve margin expansion due to scale leverage. In addition, our larger size enables us to negotiate better terms with our suppliers, allowing us to further optimize our cost base. As the number of merchants on our platforms grows, we also generate increasing amounts of data which in turn enable smarter decisions and optimizations that further increase efficiency. We are also increasingly leveraging artificial intelligence (AI) across our operations, from R&D and product development to customer service, site localization, and product classification, driving efficiencies as we scale. These efforts are already impacting our financial performance, as evidenced by the reduction in R&D spend as a percentage of revenues while maintaining and in some cases even accelerating our pace of product development and innovation.
- **Global Macroeconomics:** We operate alongside continued recessionary concerns and a volatile macroeconomic and geo-political situation in many of the world's largest economies. Inflationary pressures and changing interest rates in key markets may influence consumer sentiment and may have an impact on consumer spend. Currency exchange rate fluctuations may impact our revenues and expenses and hence, our operating results. Global events, including the ongoing military conflict with Iran, have created extreme volatility in the global capital markets and are expected to have further global economic consequences, including disruptions to the global supply chain and energy markets, which may adversely affect us or the third parties on whom we rely to conduct our business and may also have a negative effect on consumer spending. The U.S.-Iran conflict has contributed (and may continue to contribute) to significant volatility in global energy prices and disruption to key shipping routes in the Middle East, including the Red Sea and Persian Gulf, which may increase logistics costs and delivery times for cross-border e-commerce transactions. Although for now we have seen limited impact on consumer spend in the impacted countries, the persistence of the conflict could further affect consumer spend in the region which represents approximately 5% of our GMV. Additionally, changes in trade policies, including the imposition of new or additional tariffs, taxes, sanctions, or import restrictions in key markets, may increase our costs, disrupt supply chains, and affect the affordability of products for consumers as merchants may increase the price of their products. Expanded sanctions or export controls related to the Iran conflict could further limit our ability to operate in certain markets or transact with certain parties. The global trade environment experienced significant volatility during 2025, and while prolonged uncertainty or escalating tariff actions could dampen cross-border e-commerce demand or cause merchants to shift toward domestic fulfillment, increased trade complexity also drives demand for sophisticated cross-border solutions and tends to favor established players with the scale, expertise, and regulatory infrastructure to help merchants navigate it. In particular, our business relies on the personal importation model under which low-value shipments may qualify for duty-free entry, and any reduction or elimination of de minimis exemptions could increase landed costs and reduce transaction volumes; however, such regulatory changes also raise the barriers to international expansion and reinforce the value of partnering with a comprehensive, compliance-ready platform rather than managing cross-border complexity independently.

Components of Our Results of Operations

Revenue. Our revenue is comprised of service fees and fulfillment services fees.

Service fees revenue is generated as a percentage of the transaction value that flows through our platforms as well as additional fees from value added services. Fulfillment services revenue is generated through the Company's offerings of shipping and handling services. Revenue is recognized at the time the related performance obligation is satisfied by transferring the promised product or delivery of service. The amount of revenue recognized reflects the consideration that the Company expects to receive in exchange for these products or services.

Cost of revenue. Cost of revenue primarily consists of payment acquiring fees, fulfillment costs, including shipping and logistic costs, hosting, operational merchant support expenses, such as customer service, payroll, amortization of acquired intangibles and allocated overhead. Overhead is allocated to cost of revenue based on applicable headcount. We expect cost of revenue to increase in absolute dollars in future periods due to our expected expansion. The level and timing of all these items could fluctuate and affect our cost of revenue in the future.

Gross profit and gross margin. Our gross profit and gross margin may fluctuate from period to period. Such fluctuations may be influenced by our revenue, including the seasonality of our revenues, revenues mix, changes in cost of goods sold, our expected expansion into additional geographies and the growth of our merchant base.

Research and development expenses. Research and development expenses include personnel-related expenses, including merger related contingent consideration, associated with development personnel responsible for the design, development and testing of Company products, other development-related expenses, including cost of development environments and tools, and allocated overhead. Research and development costs are expensed as incurred. We expect these costs to increase as we continue to invest in order to support the growing scale and feature set of our platforms. We believe continued investments in research and development are important to attain our strategic objectives and maintain our market leadership position. As such, we expect research and development costs to increase in absolute dollars, but this expense may potentially decrease as a percentage of total revenue over time.

Sales and marketing expenses. Sales and marketing expenses primarily consist of the amortization of the Shopify related commercial assets, costs of our sales, marketing and merchant success personnel, sales commissions, marketing activities, merchant acquisition costs, amortization of acquisition related intangible assets, channel partners fees and allocated overhead. Overhead is allocated to sales and marketing based on applicable headcount. We intend to continue to invest in our sales and marketing capabilities in the future to further increase our brand awareness and to grow our merchant base. We expect these costs (excluding the impact of the amortization of the Shopify related commercial assets) to increase as we grow our business. Sales and marketing expenses in absolute dollars and as a percentage of total revenue may fluctuate from period-to-period based on total revenue levels and the timing of our investments in our sales and marketing functions as these investments may vary in scope and scale over future periods. As a result of our entry into the Shopify Agreements and the related issuance of warrants to purchase ordinary shares to Shopify, we recognized a commercial agreement asset upon the vesting of the warrants, and we amortized such asset over time. The commercial agreement asset was fully amortized in January 2026.

General and administrative expenses. General and administrative expenses primarily consist of costs of personnel-related expenses including merger related contingent consideration, associated primarily with our finance, legal, human resources and other operational and administrative functions, external professional services and allocated overhead. Our general and administrative expenses may increase in absolute dollars for the foreseeable future as we increase the size of our general and administrative function to support the growth of our business.

Financial expenses, net. Financial expenses, net primarily include interest income (expense), currency conversion and other bank-related fees and income and gains (losses) from foreign exchange fluctuations.

Income taxes. Income taxes consist primarily of deferred taxes and income taxes related to the jurisdictions in which we conduct business. Our effective tax rate is affected by tax rates in jurisdictions and the relative amounts of income we earn in those jurisdictions, changes in the valuation of our deferred tax assets and liabilities, applicability of any valuation allowances, and changes in tax laws in jurisdictions in which we operate. Our net operating loss carry forwards for tax purposes amounted to approximately \$327 million as of December 31, 2025.

A. Operating Results

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

	Year Ended December 31,		
	2023	2024	2025
(\$ in thousands)			
Revenue	569,946	752,764	962,195
Cost of revenue	336,343	413,331	525,946
Gross profit	233,603	339,433	436,249
Operating expenses:			
Research and development	97,568	105,487	122,755
Sales and marketing	217,035	250,661	190,136
General and administrative	56,059	51,213	51,688
Total operating expenses	370,662	407,361	364,579
Operating profit (loss)	(137,059)	(67,928)	71,670
Financial expenses (income), net	(5,262)	11,465	1,171
Profit (loss) before income taxes	(131,797)	(79,393)	70,499
Income taxes (benefit) expenses	2,008	(3,845)	2,229
Net profit (loss)	(133,805)	(75,548)	68,270
	2023	2024	2025
(\$ in thousands)			
Revenue	100	100	100
Cost of revenue	59.0	54.9	54.7
Gross profit	41.0	45.1	45.3
Operating expenses:			
Research and development	17.1	14.0	12.8
Sales and marketing	38.1	33.3	19.8
General and administrative	9.8	6.8	5.4
Total operating expenses	65.0	54.1	37.9
Operating profit (loss)	(24.0)	(9.0)	7.4
Financial expenses (income), net	(0.9)	1.5	0.1
Profit (loss) before income taxes	(23.1)	(10.5)	7.3
Income taxes (benefit) expenses	0.4	(0.5)	0.2
Net profit (loss)	(23.5)	(10.0)	7.1

Reconciliation to Non-GAAP Gross Profit

(\$ in thousands)	Year Ended December 31,		
	2023	2024	2025
Gross Profit	233,603	339,433	436,249
Amortization of acquired intangibles included in cost of revenue	11,183	9,994	9,511
Non-GAAP Gross Profit	244,786	349,427	445,760
Revenues	569,946	752,764	962,195
Gross Margin	41.0%	45.1%	45.3%
Non-GAAP Gross Margin	42.9%	46.4%	46.3%

Reconciliation to Adjusted EBITDA

(\$ in thousands)	Year Ended December 31,		
	2023	2024	2025
Net profit (loss)	(133,805)	(75,548)	68,270
Income tax (benefit) expenses	2,008	(3,845)	2,229
Financial expenses (income), net	(5,262)	11,465	1,171
Stock-based compensation:			
Cost of revenue	639	929	1,044
Research and development	26,266	17,291	17,325
Selling and marketing	4,259	5,836	6,386
General and administrative	13,796	15,102	14,590
Total stock-based compensation	44,960	39,158	39,345
Depreciation and amortization	1,788	2,131	2,323
Commercial agreement asset amortization	150,451	148,594	65,996
Amortization of acquired intangibles	20,434	18,812	18,660
Merger related contingent consideration	12,161	-	210
Acquisition related expenses	-	-	325
Adjusted EBITDA	92,735	140,767	198,529
Revenues	569,946	752,764	962,195
Net profit (loss) Margin	(23.5)%	(10.0)%	7.1%
Adjusted EBITDA Margin	16.3%	18.7%	20.6%

Reconciliation to Non-GAAP Net Profit and Non-GAAP Net Profit Per Share

(\$ in thousands)	Year Ended December 31,		
	2023	2024	2025
Net profit (loss)	(133,805)	(75,548)	68,270
Stock-based compensation	44,960	39,158	39,345
Commercial agreement asset amortization	150,451	148,594	65,996
Amortization of acquired intangibles	20,434	18,812	18,660
Merger related contingent consideration	12,161	-	210
Acquisition related expenses	-	-	325
Non-GAAP Net Profit	94,201	131,016	192,806
GAAP net profit (loss) per share, basic	(0.81)	(0.45)	0.40
Total adjustments to Non-GAAP net profit per share, basic	1.38	1.23	0.73
Non-GAAP net profit per share, basic	0.57	0.78	1.13
Weighted-average shares used in computing GAAP and Non-GAAP net profit (loss) per share attributable to ordinary shareholders, basic	164,353,909	167,323,350	169,893,221
GAAP net profit (loss) per share, diluted	(0.81)	(0.45)	0.39
Total adjustments to Non-GAAP net profit per share, diluted	1.35	1.20	0.71
Non-GAAP net profit per share, diluted	0.54	0.75	1.10
Weighted-average shares used in computing GAAP net profit (loss) per share attributable to ordinary shareholders, diluted	164,353,909	167,323,350	175,987,463
Total adjustments to weighted-average shares used in computing Non-GAAP net profit per share, diluted	8,694,752	7,177,492	-
Weighted-average shares used in computing Non-GAAP net profit per share attributable to ordinary shareholders, diluted	173,048,661	174,500,842	175,987,463

Reconciliation to Free Cash Flow

(\$ in thousands)	Year Ended December 31,		
	2023	2024	2025
Net cash provided by operating activities	108,222	169,393	283,782
Purchase of property and equipment	(1,741)	(2,335)	(3,099)
Free Cash Flow	106,481	167,058	280,683

Year ended December 31, 2025 compared to year ended December 31, 2024

Revenue. Revenue increased by \$209.4 million, or 27.8%, to \$962.2 million for the year ended December 31, 2025 from \$752.8 million for the year ended December 31, 2024, consisting of increases in service fees revenue of \$100.9 million, or 28.8%, to \$451.2 million from \$350.3 million, and fulfillment revenue of \$108.5 million, or 27.0%, to \$511.0 million from \$402.5 million.

The increase in service fees revenue resulted primarily from growth of GMV from \$4,858 million in the year ended December 31, 2024 to \$6,569 million in the year ended December 31, 2025. GMV generated from existing merchants increased by \$1,088 million, primarily attributable to growth in global sales and an increase in the use of our platform to support additional inbound markets. In the year ended December 31, 2025, new merchants, generated GMV of \$623 million compared to \$639 million in the year ended December 31, 2024, driven by a decrease of contribution of new Shopify Managed Markets merchants, almost fully offset by an increase of contribution from new merchants on the Global-e enterprise platform. The increase in fulfillment revenue resulted primarily from an increase of transactions processed through our platforms from approximately 24 million in 2024, to close to 30 million in 2025, and was partially offset by the transactions volume generated by merchants using our platform services on a standalone basis.

Cost of Revenue and Gross Profit Margin. Cost of revenue increased by \$112.6 million, or 27.2%, to \$525.9 million for the year ended December 31, 2025 from \$413.3 million for the year ended December 31, 2024, mainly consisting of increases in service fees costs of \$13.7 million, or 12.2%, to \$125.3 million from \$111.6 million and fulfillment costs of \$99.0 million, or 32.8%, to \$400.7 million from \$301.7 million. The increase in service fees costs was primarily driven by the increased cost of serving the higher value of transactions processed through our platform. The increase in fulfillment costs was primarily driven by the growth in the volume of transactions processed through our platforms.

Research and Development Expenses. Research and development expenses increased by \$17.3 million, or 16.4%, to \$122.8 million for the year ended December 31, 2025 from \$105.5 million for the year ended December 31, 2024. This increase was primarily attributable to an increase of \$15.2 million in payroll, share-based compensation and sub-contractors fees. Total headcount within research and development increased by 80 to support the further development of our platform capabilities from December 31, 2024 to December 31, 2025.

Sales and Marketing Expenses. Sales and marketing expenses decreased by \$60.5, or 24.1%, to \$190.1 million for the year ended December 31, 2025 from \$250.7 million for the year ended December 31, 2024. This decrease was primarily driven by a decrease of the commercial agreement assets amortization expense of \$82.6 million partially offset by an increase of fees paid to our partners of \$9.9 million and an increase in payroll and share based compensation of \$7.7 million. Total headcount within sales and marketing increased by 30 from December 31, 2024 to December 31, 2025.

General and Administrative Expenses. General and administrative expenses increased by \$0.5 million, or 0.9%, to \$51.7 million for the year ended December 31, 2025 from \$51.2 million for the year ended December 31, 2024. This increase was primarily due to an increase in payroll and share based compensation of \$0.8 million. Total headcount within general and administrative increased by 22 from December 31, 2024 to December 31, 2025.

Financial Expenses (Income), Net. Financial expenses, net decreased by \$10.3 million, to financial expenses of \$1.2 million for the year ended December 31, 2025 from \$11.5 million of financial expenses for the year ended December 31, 2024, primarily driven by an increase in interest income from our deposits, money market funds and marketable securities.

Income Taxes. Income taxes increased by \$6.1 million to \$2.2 million of tax expenses for the year ended December 31, 2025 from \$3.8 million of tax benefit for the year ended December 31, 2024, primarily driven by an increase in taxable income.

B. Liquidity and Capital Resources

Overview

Our cash and cash equivalents, including short-term deposits and marketable securities, were \$622.8 million as of December 31, 2025. In recent periods we have generated net cash provided by operating activities.

On January 3, 2022, we acquired Flow through the statutory merger of Flow with Global-e NewCo Inc., for an aggregate purchase price of approximately \$387 million (in a combination of cash and equity). The Flow Merger was consummated in order to strengthen our offering and capabilities, to allow us access to additional addressable market of emerging brands not currently eligible to use our services. In September 2023, Shopify launched “Shopify Markets Pro”, a white-label international MoR offering, currently available to Shopify US-based merchants. Shopify Markets Pro is based on the Flow platform and was rebranded in 2024 to “Shopify Managed Markets”.

On July 1, 2022, we completed the acquisition of Borderfree from Pitney Bowes and its subsidiaries. The Borderfree Acquisition was consummated in order to strengthen our offerings and solutions for merchants, by providing them with enhanced traffic demand generation offerings, and the ability to attract international shoppers to their web store. In addition, we utilized the strategic partnership and commercial relationship with Pitney Bowes that commenced in 2022 as part of the Borderfree Acquisition, whereby Pitney Bowes is providing us and our clients with certain cross-border e-commerce logistics services and, in turn, Pitney Bowes' clients receive access to the cross-border solutions available on our platform.

On July 31, 2025 we completed the acquisition of ReturnGo Ltd. ("ReturnGo"), pursuant to which we acquired for cash, all of the outstanding share capital of ReturnGo. The acquisition of ReturnGo was consummated in order to elevate our post purchase solutions for our merchants by enabling them to provide flexible return experiences to their customers worldwide.

Our primary requirement for liquidity and capital resources is to finance working capital and capital expenditures, and for general corporate purposes. We believe that our existing cash and cash equivalents, short-term bank deposits and investments in marketable securities, together with cash flow from operations, will be sufficient to meet our business needs for at least the next 12 months from the filing of this Annual Report. We maintain the majority of our cash and cash equivalents in accounts with major highly rated multi-national and local financial institutions, and our deposits at these institutions exceed insured limits. Market conditions can impact the viability of these institutions, and any inability to access or delay in accessing these funds could adversely affect our business and financial position. Our future financing requirements will depend on many factors including our growth rate, levels of revenue, the expansion of sales and marketing activities, market acceptance of our platform, and the timing and extent of spending to support expansion of our platform. 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. 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.

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

(\$ in thousands)	Year ended December 31,		
	2023	2024	2025
Net cash provided by operating activities*	108,222	169,393	283,782
Net cash used in investing activities	(55,039)	(105,116)	(180,706)
Net cash provided by (used in) financing activities	1,991	3,276	(70,825)

* See Note 2 to our audited consolidated financial statements included elsewhere in this Annual Report for additional information.

Net cash provided by operating activities

Net cash provided by operating activities was \$108.2 million for the year ended December 31, 2023, and was primarily comprised of net loss of \$133.8 million, commercial agreement asset amortization of \$150.5 million, share-based compensation expenses of \$45.0 million, amortization of intangible assets of \$20.4 million, accrued expenses and other liabilities of \$30.6 million.

Net cash provided by operating activities was \$169.4 million for the year ended December 31, 2024, and was primarily comprised of net loss of \$75.5 million, commercial agreement asset amortization of \$148.6 million, share-based compensation expenses of \$39.2 million, amortization of intangible assets of \$18.8 million, accounts payable of \$28.6 million, accrued expenses and other liabilities of \$34.3 million.

Net cash provided by operating activities was \$283.8 million for the year ended December 31, 2025, and was primarily comprised of net profit of \$68.3 million, commercial agreement asset amortization of \$66.0 million, share-based compensation expenses of \$39.3 million, amortization of intangible assets of \$18.7 million, accrued expenses and other liabilities of \$88.7 million.

Net cash used in investing activities

Net cash used in investing activities was \$55.0 million for the year ended December 31, 2023, and was primarily comprised of investments in short-term deposits and money market funds.

Net cash used in investing activities was \$105.1 million for the year ended December 31, 2024, and was primarily comprised of investments in short-term deposits and marketable securities.

Net cash used in investing activities was \$180.7 million for the year ended December 31, 2025, and was primarily comprised of investments in short-term deposits and marketable securities.

Net cash provided by financing activities

Net cash provided by financing activities was \$2.0 million for the year ended December 31, 2023, and was primarily comprised of proceeds from exercise of share options.

Net cash provided by financing activities was \$3.3 million for the year ended December 31, 2024, and was primarily comprised of proceeds from exercise of share options.

Net cash used in financing activities was \$70.8 million for the year ended December 31, 2025, and was primarily comprised of repurchase of our shares.

Material Cash Requirements for Known Contractual and Other Obligations

Leases

We have various non-cancelable operating leases for our corporate offices in Petah Tikva in Israel, in London in the UK, in Dublin in Ireland, New York City, New-Jersey and in Atlanta in the United States. The leases for these facilities expire in 2027, 2029 and 2030, respectively and we have options to renew these leases. As of December 31, 2025, we had fixed future minimum lease payments of \$26.1 million, of which \$5.2, million is due in the next twelve months.

Recently Issued Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position, results of operations or cash flows is disclosed in Note 2 to our audited consolidated financial statements included elsewhere in this Annual Report.

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

Our research and development activities are primarily located in Israel. Research and development expenses include personnel-related expenses associated with development personnel responsible for the design, development and testing of Company products, other development-related expenses, including cost of development environments and tools, and allocated overhead.

For the years ended December 31, 2025, 2024, and 2023, research and development costs accounted for approximately 12.8%, 14.0% and 17.1%, of our total revenue, respectively. Research and development costs are expensed as incurred. We expect these costs to increase as we continue to hire new employees in order to support the growing scale and feature set of our platform.

We believe continued investments in research and development are important to attain our strategic objectives and maintain our market leadership position. As such, we expect research and development costs to increase in absolute dollars, but this expense is expected to decrease as a percentage of total revenue.

D. Trend Information

A number of industry trends are reshaping the business environment in which we operate, leading to what we believe is a unique opportunity. Key market dynamics include:

- *Transformation of retail to be online-focused* - the retail market continues to undergo a shift towards e-commerce, with growth in online sales overtime, outpacing that of brick and mortar retail.
- *Rise of cross-border e-commerce* - Cross-border e-commerce growth rates are outpacing domestic growth rates, propelled by the rise of social media and global influencers, resulting in globalization of consumer tastes and increased cross-border demand.

- *Emphasis on D2C sales* - e-commerce enables to enhance D2C sales for traditional and new merchants, which paves a strategic route for merchants to take ownership of shopper relationships worldwide.
- *Challenges in executing on a Do-It-Yourself (“DIY”) strategy* - Managing a D2C cross-border network is capital-intensive, requires deep local know-how, and a complex combination of features and capabilities to navigate across markets, further exacerbated by local on-going regulatory changes.
- *Supply chain evolution and disruption* - Supply chains and in particular cross border supply chains are developing and enabling more efficient trade over time. In recent years certain global conflicts have disrupted supply chains and weighed on e-commerce trade, such events and other global events may disrupt and weigh on e-commerce trade in the future.
- *Global macroeconomics* - Inflationary pressures, changing interest rates as well as new or additional tariffs and import taxes in key markets may influence consumer sentiment and effect consumer spending. Exchange rate fluctuations may cause us to incur additional costs and losses for revenues in foreign currencies. Changes in trade policies and the imposition of new tariffs, taxes or import restrictions may increase our costs, disrupt supply chains, and impact the affordability of products for consumers as merchants may increase the price of their products, changes in trade policies may also create an opportunity and increased demand for our services as trade complexities arise. Military hostilities in certain regions have created extreme volatility in the global capital markets and may cause disruptions to the global supply chain and energy markets, which may adversely affect us or the third parties on whom we rely and may also have a negative effect on consumer spend.
- *Artificial Intelligence (AI)* - rapid advancement and broad adoption of artificial intelligence is increasingly reshaping the e-commerce landscape, creating operational opportunities and new structural complexities. AI tools and autonomous agents are giving rise to emerging transaction models, including agentic commerce, which have the potential to alter the architecture of traditional merchant storefronts and checkout flows. At the same time, AI-driven commerce represents a potential expansion of addressable transaction volume. Amid these developments, merchant-of-record platforms currently remain at a natural integration point within these new purchasing flows. In addition, AI tools are transforming software development processes, creating an opportunity to accelerate development of product capabilities and improve efficiencies.

Other than as disclosed above and elsewhere in this Annual Report, we are not aware of any other trends, uncertainties, demands, commitments or events since December 31, 2025 that are reasonably likely to have a material adverse effect on our revenues, income, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

For additional trend information, see the Risk Factors described in Item 3.D above, the “Overview” and “Operating Results” sections of this Item 5 - “Operating and Financial Review and Prospects” and Item 4 - “Information on the Company” above.

E. Critical Accounting Estimates

We have provided a summary of our significant accounting policies, estimates and judgments in our consolidated financial statements, which are included elsewhere in this Annual Report. The following critical accounting discussion pertains to accounting policies management believes are most critical to the portrayal of our historical financial condition and results of operations and that require significant, difficult, subjective or complex judgments. Other companies in similar businesses may use different estimation policies and methodologies, which may impact the comparability of our financial condition, results of operations and cash flows to those of other companies.

Our consolidated financial statements have been prepared in accordance with US GAAP. The preparation of these financial statements requires us to make estimates and assumptions that amounts reported in our consolidated financial statements and accompanying notes. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances. The Company is subject to uncertainties such as the impact of future events, economic and political factors, and changes in the Company’s business environment; therefore, actual results could differ from these estimates. Accordingly, the accounting estimates used in the preparation of the Company’s consolidated financial statements will change as new events occur, as more experience is acquired, as additional information is obtained, and as the Company’s operating environment evolves.

Application of Critical Accounting Estimates

Revenue Recognition

The Company's revenues are comprised of:

1. Service Fees -The Company provides merchants global e-commerce platforms which enable the sale of their products to consumers worldwide. Revenue is generated as a percentage of the value of transactions that flow through the Company's platforms as well as additional fees for value-added services.
2. Fulfillment Services - The Company offers shipping, handling, and other global delivery services in order to deliver merchants' goods to consumers.

We recognize revenues in accordance with ASC No. 606 "Revenue from Contracts with Customers." As such, we identify a contract with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to each performance obligation in the contract and recognize revenues when (or as) we satisfy a performance obligation. See Note 2 to our consolidated financial statements for further information.

Impact of Foreign Currency Fluctuation

See Item 3.D. "Risk Factors- Fluctuations in the exchange rate of foreign currencies have adversely impacted our results of operation in certain periods, and may impact our results of operations in future periods" and Item 11. "Quantitative and Qualitative Disclosures About Market Risk."

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

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

Name	Age	Position
<i>Executive Officers</i>		
Amir Schlachet	49	Co-Founder, Chief Executive Officer, Director
Shahar Tamari	54	Co-Founder, Chief Operations Officer, Director
Nir Debbi	52	Co-Founder, President, Director
Ofer Koren	55	Chief Financial Officer
Ran Fridman	51	Chief Revenue Officer
Yehiam Shinder	45	Chief Technology Officer
<i>Non-Executive Directors</i>		
Gen Tsuchikawa (2)(3)*	64	Director
Miguel Angel Parra*	58	Director
Tzvia Broida (1)*	57	Director
Anna Bakst (1)(2)(3)*	64	Director
Iris Epple-Righi (1)(2)(3)*	60	Director

(1) Serves as a member of our Audit Committee.

(2) Serves as a member of our Compensation Committee.

(3) Serves as a member of our Nominating, Governance & Sustainability Committee.

* Qualifies as independent under the NASDAQ listing standards for service on the Board.

Executive Officers

Amir Schlachet is our Co-Founder and has served as our Chief Executive Officer since May 1, 2013. Mr. Schlachet has also served as a member of our board of directors since February 20, 2013. Prior to co-founding Global-e, Mr. Schlachet served as SVP and strategic advisor to the chief executive officer of Bank Hapoalim, a banking institution, after serving several years as a management consultant with McKinsey & Company, a financial service consulting company. Mr. Schlachet holds an M.B.A. from INSEAD, an M.Sc. in Electrical Engineering from Tel-Aviv University and a B.Sc. in Mathematics, Physics and Computer Science from the Hebrew University of Jerusalem.

Shahar Tamari is our Co-Founder and has served as our Chief Operations Officer since May 1, 2013. Mr. Tamari has also served as a member of our board of directors since February 21, 2013. Mr. Tamari previously served as the VP and Head of e-payments for 888 Holdings, a gaming brand and website, from February 2009 until May 2013. Prior to that, he served as Head of e-Banking Business Development with Bank Hapoalim, a banking institution, for seven years, from October 2001 until January 2009. Mr. Tamari received an M.Sc. in Technology Management and Information Systems from Tel Aviv University, and a B.A. in Business Administration, from the College of Management Academic Studies.

Nir Debbi is our Co-Founder and has served as our President since July 1, 2021 and previously served as our Chief Marketing Officer from May 1, 2013 to July 1, 2021. Mr. Debbi has also served as member of our board of directors since February 20, 2013. Prior to co-founding Global-e, Mr. Debbi served as SVP and Head of Strategy and Business Development at Bank Hapoalim, a banking institution, following a term as Head of Retail Strategy. Mr. Debbi holds an M.B.A and a B.Sc. in Economics, both from Tel-Aviv University.

Ofar Koren has served as our Chief Financial Officer since August 1, 2020. Prior to joining us, Mr. Koren served as chief financial officer and deputy chief executive officer at Bank Hapoalim, a banking institution as well as in various strategy and business development roles during the years 2013-2020. Prior to that, Mr. Koren was a partner with Deloitte-Monitor Management Consulting (previously Trigger-Foresight). Mr. Koren holds an M.B.A. from Tel-Aviv University and a B.Sc. in Economics from Haifa University.

Ran Fridman has served as our Chief Revenue Officer since July 1, 2021. Prior to joining us, Mr. Fridman served as the global VP sales of Allot Ltd., a telecommunications company, from May 2017 to July 2021. Prior to that, he served in multiple global sales positions, including at Nokia, where he held numerous roles within senior global management, sales, and sales support.

Yehiam Shinder has served as our Chief Technology Officer since February 5, 2024, and previously served as our SVP Engineering from April 1, 2023 to February 5, 2024. Prior to joining us, Mr. Shinder served as the Chief Information Officer at Kaltura (NASDAQ:KLTR), a software company, from 2011 until 2022. Prior to that, he held several technology leadership positions at 888 Holdings, a gaming brand and website.

Non-Executive Directors

Miguel Angel Parra has served as a member of our board of directors since January 1, 2020. Mr. Parra currently serves as the Chief Executive Officer of DHL Express Europe, a shipping and logistics company, since January 1, 2024, prior to which he served as the Chief Executive Officer of DHL Express Americas, since 2015, and prior to which he served in numerous management positions, since 1997. Prior to that, from 1986 to 1996, Mr. Parra served as a general manager of TNT Express Worldwide. Mr. Parra holds an associate's degree in Business from Miami-Dade Community College and is a graduate of the Advanced Management Program of Fuqua School of Business Duke University.

Tzvia Broida has served as a member of our board of directors since May 14, 2021. Since July 2024, Ms. Broida has also served as a member of the board of directors and as chairperson of the audit committee of Freightos.com. From 2013 to 2021, Ms. Broida has served on the board of directors and as chairperson of the audit committee of Jacada Ltd. (JCDAF). Since 2021, Ms. Broida has also served as the Chief Financial Officer of NeuroBlade Ltd., where she is currently responsible for the company's dissolution process. Before joining NeuroBlade, Ms. Broida served as the Chief Financial Officer of Sensible Medical Innovations Ltd from 2011 to 2021. Prior to that, Ms. Broida served in various positions at Jacada Ltd, including as Chief Financial Officer from 2005 to 2009, and before that she worked as an accountant at several accounting office firms. Ms. Broida received a B.A. in Accounting & Economics from the Hebrew University of Jerusalem.

Anna Bakst has served as a member of our board of directors since May 14, 2021. From 2018 to 2019, Ms. Bakst served as Brand President and Chief Executive Officer of Kate Spade New York, a fashion retailer. Before that, Ms. Bakst served as Group President at Michael Kors from 2003 to 2017. Prior to Michael Kors, Ms. Bakst served in various positions at Donna Karan International from 1990 to 2001. Ms. Bakst received an M.B.A from Stanford University and a B.S. in Industrial Engineering from Purdue University.

Iris Epplé-Righi has served as a member of our board of directors since May 14, 2021. Ms. Epplé-Righi has served on the board of directors and as a member of the working committee of Hugo Boss, a fashion retailer, since 2020. From 2016 to 2019, Ms. Epplé-Righi served as Chief Executive Officer of Escada SE. Before that, Ms. Epplé-Righi served in various positions in Calvin Klein from 2013 to 2016 and Tommy Hilfiger from 2003 to 2013. Ms. Epplé-Righi received an M.B.A. from the University of Tübingen.

Gen Tsuchikawa has served as a member of our board of directors since November 29, 2023. Mr. Tsuchikawa had a distinguished career of nearly 20 years at Sony Group Corporation, most recently serving as CEO and Chief Investment Officer of Sony Ventures Corporation, the company's venture investment arm, from February 2022, and as Chairman from January 2024, until his retirement in September 2024. From 2016 to 2023, Mr. Tsuchikawa led the establishment of the Sony Innovation Fund on behalf of Sony, spearheading investments in transformational technologies that shape the future of business, entertainment, and society worldwide. Before that, Mr. Tsuchikawa held leadership positions in corporate development, M&A, business development, and investor relations at Sony, serving as Corporate Vice President. Prior to joining Sony, Mr. Tsuchikawa spent 20 years in the finance industry at Merrill Lynch and the Industrial Bank of Japan. Mr. Tsuchikawa received a B.A. from Hitotsubashi University in Japan and an M.B.A. from Stanford Graduate School of Business.

B. Compensation

Compensation of Directors and Executive Officers

Directors

Under the Companies Law, the compensation of our directors requires the approval of our compensation committee, the subsequent approval of the board of directors and, unless exempted under regulations promulgated under the Companies Law, the approval of the shareholders at a general meeting. 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 a detailed report 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 they determine 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, 2025 was approximately \$15.4 million. This amount includes approximately \$0.6 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 office holders, and other benefits commonly reimbursed or paid by companies in Israel. During the year ended December 31, 2025, our executive officers and directors were granted 377,687 restricted share units under our equity incentive plans. As of December 31, 2025, options to purchase 4,707,900 ordinary shares granted to our executive officers and directors under equity incentive plans, at a weighted average exercise price of \$2.99 and having expiration dates generally ten (10) years after the grant date, and 610,966 restricted share units granted under our equity incentive plans, were outstanding.

We pay each of our non-employee directors, other than individuals who served on our board of directors immediately prior to the consummation of our IPO, who serves on the board an annual retainer of \$35,000, with 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 \$4,250 (or \$8,500 for the chairperson) per membership of the nominating and governance committee. In addition, upon election, non-employee directors, other than individuals who served on our board of directors immediately prior to the consummation of our IPO, are granted with restricted share unit awards under our incentive plan at a value of \$250,000 which vests on an annual basis over a period of three years. In addition, each non-employee director, other than individuals who served on our board of directors immediately prior to the consummation of our IPO, are granted annual restricted share unit awards under our incentive plan (provided the director is still in office) at a value of \$150,000 which shall vest on the first anniversary of the grant date. Individuals who served on our board of directors immediately prior to the consummation of our IPO do not receive additional compensation for their service on our board.

The following is a summary of the salary expenses and social benefit costs of our five most highly compensated executive officers in 2025, or the “Covered Executives”. All amounts reported reflect the cost to the Company as recognized in our financial statements for the year ended December 31, 2025. U.S. dollar amounts indicated for compensation of our Covered Executives are in thousands of dollars.

Name and Principal Position ⁽²⁾	Base Salary (\$)	Benefits and Perquisites (\$) ⁽³⁾	Variable compensation (\$) ⁽⁴⁾	Equity-Based Compensation (\$) ⁽⁵⁾	Total (\$)
(in thousands, US dollars) ⁽¹⁾					
Amir Schlachet, Co-Founder, Chief Executive Officer, Director	315	95	304	2,865	3,579
Shahar Tamari, Co-Founder, Chief Operations Officer, Director	316	96	304	2,865	3,581
Nir Debbi, Co-Founder, President, Director	316	95	304	2,865	3,580
Ran Fridman, Chief Revenue Officer	325	99	138	1,031	1,593
Ofer Koren, Chief Financial Officer	324	100	139	874	1,437

(1) All amounts reported in the table are in terms of cost to us, as recorded in our financial statements.

(2) All Covered Executives listed in the table are our full-time employees. Cash compensation amounts denominated in currencies other than the U.S. dollar were converted into U.S. dollars at the average conversion rate for 2025.

(3) Amounts reported in this column include social benefits paid by us on behalf of the Covered Executives, convalescence pay, contributions made by the company to an insurance policy or a pension fund, work disability insurance, severance, educational fund and payments for social security.

(4) Amounts reported in this column refer to incentive and variable compensation payments which were paid or accrued with respect to 2025. In accordance with the Company’s compensation policy, we also paid cash bonuses to our Covered Executives upon compliance with predetermined performance parameters and an over achievement bonus as set by the compensation committee and the board of directors. These amounts were provided for in our 2025 financial statements (but will be paid during 2026).

(5) Amounts reported in this column represent the expense recorded in our financial statements for the year ended December 31, 2025 with respect to equity-based compensation grants-- options and restricted share units. The relevant amounts underlying the equity awards granted to our officers during 2025, will continue to be expensed in our financial statements over a three-year period during the years 2025-2028 on account of the 2025 grants in similar annualized amounts. Assumptions and key variables used in the calculation of such amounts are described in Note 2 and 9 to our audited consolidated financial statements included in Item 18 of this Annual Report. All equity-based compensation grants to our Covered Executives were made in accordance with the parameters of our Company’s compensation policy and were approved by our compensation committee and board of directors.

Employment and consulting agreements with executive officers and directors

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 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. We do not have any service agreements with any of our non-employee directors providing for benefits upon termination of service.

Share Incentive Plans

2013 Share Option Plan.

The 2013 Share Incentive Plan, or the 2013 Plan, was adopted by our board of directors on May 13, 2013 and amended on April 2, 2019. The 2013 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.

We no longer grant any awards under the 2013 Plan as it was superseded by the 2021 Plan, although previously granted awards remain outstanding. Ordinary shares subject to outstanding options granted under the 2013 Plan that expire or become un-exercisable without having been exercised in full will become available again for future grant under the 2021 Plan. Our board of directors, or a duly authorized committee of our board of directors, or the administrator, administers the 2013 Plan.

2021 Employee Share Purchase Plan

The 2021 Employee Share Purchase Plan (the "ESPP") was adopted by our board of directors on March 1, 2021. 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").

As of December 31, 2025, a total of 2,500,000 of our ordinary shares were available for sale under our 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 ending on and including the fiscal year of 2029, such pool of ordinary shares shall be increased by that number of our ordinary shares equal to the lesser of (i) 0.5% of the outstanding ordinary shares as of the last day of the immediately preceding fiscal year, determined on a fully diluted basis or (ii) such smaller amount as our board of directors may determine. Our board of directors resolved not to increase the pool of ordinary shares available for sale under the ESPP for the fiscal years 2022, 2023, 2024, 2025 and 2026.

In no event will more than 2,750,000 ordinary shares be available for issuance under the Section 423 Component.

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, and otherwise exercise such powers and to perform such acts as the administrator deems necessary in accordance with the terms of the ESPP and applicable law.

Eligible employees become participants in the ESPP by enrolling to purchase our ordinary shares through contributions, in the form of payroll deductions, or otherwise, to the extent permitted by the administrator. Amounts contributed and accumulated by the participant will be used to purchase shares at the end of each offering period. The administrator may amend, suspend or terminate the ESPP at any time.

2021 Share Incentive Plan

The 2021 Share Incentive Plan, or the 2021 Plan, was adopted by our board of directors on March 1, 2021. 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.

The maximum number ordinary shares available for issuance under the 2021 Plan is equal to the sum of (i) 13,500,000 shares, (ii) any shares subject to awards under the 2013 Plan which have expired, or were cancelled, terminated, forfeited or settled in cash in lieu of issuance of shares or became un-exercisable 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 during the term of the Plan, equal to the lesser of (1) five percent (5%) of the outstanding ordinary shares of the Company on the last day of the immediately preceding calendar year and (2) such smaller amount as our board of directors may determine. No more than 13,500,000 ordinary shares may be issued upon the exercise of incentive stock options, or ISOs. Our board of directors resolved not to increase the pool of ordinary shares available for sale under the 2021 Plan for the fiscal years 2023, 2024, 2025 and 2026.

Our board of directors, or a duly authorized committee of our board of directors, or the administrator, will administer the 2021 Plan. The administrator may 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, and take all other actions and make all other determinations necessary for the administration of the 2021 Plan, in accordance with the terms of the 2021 Plan and applicable law.

The 2021 Plan provides for granting awards under various tax regimes, including, without limitation, in compliance with Section 102 of the Israeli Income Tax Ordinance (New Version), 5721-1961 (the "Ordinance"), and Section 3(9) of the Ordinance and for awards granted to our United States employees or service providers, including those who are deemed to be residents of the United States for tax purposes, Section 422 of the Code and Section 409A of the Code.

Section 102 of the Ordinance allows employees, directors and officers who are not controlling shareholders and are considered Israeli residents to receive favorable tax treatment for compensation in the form of shares or options, subject to the terms and conditions set forth in the Ordinance. Our service providers and controlling shareholders may only be granted options under section 3(9) of the Ordinance, which does not provide for similar tax benefits.

The 2021 Plan provides for the grant of stock options (including incentive stock options and nonqualified stock options), ordinary shares, restricted shares, restricted share units, stock appreciation rights and other share-based awards.

As of December 31, 2025, a total of 5,709,184 options to purchase ordinary shares, with a weighted average exercise price of \$2.78 per share and 2,299,451 restricted share units were outstanding under our 2021 Plan and 2013 Plan. As of December 31, 2025, 15,685,892 ordinary shares were available for future grant under the 2021 Plan.

C. Board Practices

Corporate Governance Practices

As an Israeli company, we are subject to various corporate governance requirements under the Companies Law. However, pursuant to regulations promulgated under the Companies Law, companies with shares traded on certain U.S. stock exchanges, including Nasdaq, may, subject to certain conditions, “opt out” of 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 such requirements of the Companies Law. Under these regulations, the exemptions from such Companies Law requirements will continue to be available to us so long as: (i) we do not have a “controlling shareholder” (as such term is defined under the Companies Law), (ii) our shares are traded on certain U.S. stock exchanges, including 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.

We are a “foreign private issuer” (as such term is defined in Rule 3b-4 under the Exchange Act). As a foreign private issuer we are 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. 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 short-swing profit recovery provisions contained in Section 16(b) of the Exchange Act. In addition, we are not required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

For more information regarding our corporate governance practices and foreign private issuer status, see “Corporate Governance” in Item 16.G below.

Board of Directors

Under the Companies Law and our amended and restated articles of association, our business and affairs are managed under the direction of our board of directors. Our board of directors may exercise all powers and may take all actions that are not specifically granted to our shareholders or to executive management. Our Chief Executive Officer (referred to as a “general manager” under the Companies Law) is responsible for our day-to-day management. Our Chief Executive Officer is appointed by, and serves at the discretion of, our board of directors, 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 amended and restated articles of association, the number of directors on our board of directors is determined by our board of directors and will be no less than three and no more than eleven directors divided into three classes with staggered three-year terms. Each class of directors consists, as nearly as possible, of one-third of the total number of directors constituting the entire board of directors. At each annual general meeting of our shareholders, the election or re-election of directors following the expiration of the term of office of the directors of that class 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 each year the term of office of only one class of directors expires.

We comply with the rules of Nasdaq requiring that a majority of our directors are independent. Our board of directors has determined that all of our directors, other than Amir Schlachet, Nir Debbi and Shahar Tamari, are independent under such rules. Our directors are divided among the three classes as follows:

- the Class I directors are Amir Schlachet, Miguel Angel Parra and Iris Epple-Righi, and their terms will expire at our annual general meeting of shareholders to be held in 2028;
- the Class II directors, are Nir Debbi and Anna Jain Bakst, and their terms will expire at our annual general meeting of shareholders to be held in 2026; and
- The Class III directors are Shahar Tamari, Gen Tsuchikawa and Tzvia Broida, and their terms will expire at our annual general meeting of shareholders to be held in 2027.

Our directors are 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. 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 amended and restated articles of association, the approval of the holders of at least 70% of the total voting power of our shareholders is generally required to remove any of our directors from office or amend the provision requiring the approval of at least 70% 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, the size of our board and plurality voting in contested elections. In addition, 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 amended and restated articles of association, 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 amended and restated articles of association provide that the Chairperson of the board of directors is appointed by the members of the board of directors 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.

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 March 21, 2021, our shareholders approved the appointment of Amir Schlachet 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 our initial public 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. The Board intends to seek shareholder approval for renewal of the combined role at the 2026 annual general meeting.

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.

Board Committees

Our board of directors has established an audit committee, a compensation committee and a nominating, governance and sustainability committee.

Audit Committee

Companies Law Requirements. Under the Companies Law, the board of directors of a public company must appoint an audit committee. The audit committee must be comprised of at least three directors.

Listing Requirements. Under the corporate governance rules of Nasdaq, including the heightened independence requirements applicable to members of audit committees as set forth in Rule 10A-3 of the Exchange Act, 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 Tzvia Broida, Anna Bakst and Iris Epple-Righi. Tzvia Broida serves as the chairperson of the audit committee. All members of our audit committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and the corporate governance rules of Nasdaq. Our board of directors has determined that Tzvia Broida is an audit committee financial expert as defined by the SEC rules and has the requisite financial experience as defined by the corporate governance rules of Nasdaq.

Our board of directors has determined that each member of our audit committee is “independent” as such term is defined under the Nasdaq corporate governance rules and under and Rule 10A-3(b)(1) under the Exchange Act, which is different from the general test for independence of board members.

Audit Committee Role. Our board of directors has adopted an audit committee charter setting forth the responsibilities of the audit committee, which are consistent with the Companies Law, the SEC rules and the corporate governance rules of Nasdaq and include:

- retaining and terminating our independent auditors, subject to ratification by the 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 adequacy and 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 the board of directors the retention and termination of the internal auditor, and the internal auditor’s engagement fees and terms, in accordance with the Companies Law as well as approving the yearly or periodic work plan proposed by the internal auditor and reviewing and discussing the results of internal auditor activities, including significant findings and management’s responses to significant findings;
- reviewing policies and procedures with respect to related party transactions (other than transactions related to the compensation or terms of services) between the Company and officers and directors, or affiliates of officers or directors, or transactions that are not in the ordinary course of the Company’s business and deciding whether to approve such acts and transactions if so required under the Companies Law and the rules of Nasdaq;

- reviewing policies with respect to assessment and risk management, including the management of financial risks, cybersecurity, and information security risks and discuss with management the steps management has taken to monitor and control these exposures;
- periodically evaluating the committee's performance;
- establishing procedures for the handling of employees' complaints as to the management of our business and the protection to be provided to such employees; and
- reviewing and discussing with management and the independent auditor the adequacy of the Company's internal control over financial reporting ("ICFR") and any steps management has taken to address material weaknesses in ICFR.

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 corporate governance rules of Nasdaq and the heightened requirements relating to independence of compensation committee members, we are required to maintain a compensation committee consisting of at least two independent directors.

Our compensation committee consists of Anna Bakst, Iris Epple-Righi and Gen Tsuchikawa. Anna Bakst serves as chairperson of the committee. Our board of directors has determined that each member of our compensation committee is independent under the corporate governance rules of Nasdaq, 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 the board of directors with respect to the approval of the compensation policy for office holders and, once every three years, regarding any extensions to a compensation policy that was adopted for a period of more than three years;
- reviewing the implementation of the compensation policy and periodically making recommendations to the board of directors with respect to any amendments or updates of the compensation policy;
- resolving whether or not to approve arrangements with respect to the terms of office and employment of office holders; and
- exempting, under certain circumstances, a transaction with our Chief Executive Officer from the approval of our shareholders.

Our board of directors has adopted a compensation committee charter setting forth the responsibilities of the committee, which are consistent with the Companies Law, the SEC rules and the corporate governance rules of Nasdaq and include among others:

- overseeing the Company's succession planning for the Chief Executive Officer and other office holders;
- 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 risks related to, development and implementation of such policies and recommending to our board of directors any amendments or modifications to such policies the committee deems appropriate, including as required under the Companies Law;
- establishing annual goals and objectives relevant to the compensation of our Chief Executive Officer and other executive officers, and assisting the Board in discharging its responsibilities related to executive officer compensation and overall company compensation program;
- approving and exempting certain transactions regarding office holders' compensation pursuant to the Companies Law;

- administering the Company's compliance with the compensation recovery (clawback) policy required by applicable SEC and Nasdaq rules;
- 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;
- overseeing and periodically reviewing with management the Company's strategies, policies and practices with respect to human capital management and talent development;
- overseeing the management of risks relating to the Company's incentive compensation; and
- periodically evaluating the committee's performance.

Compensation Policy under the Companies Law

In general, under the Companies Law, a public company must have a compensation policy approved by the board of directors after receiving and considering the recommendations of the compensation committee. In addition, our compensation policy must be approved at least once every three years, first, by our board of directors, upon recommendation of our compensation committee, and second, by a simple majority of the ordinary shares present, in person or by proxy, and voting (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, as we did, 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. Accordingly, our compensation policy will remain in effect for five years from our initial public offering, until May 11, 2026.

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 they are 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;
- 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 is designed to promote retention and motivation of directors and executive officers, incentivize superior individual excellence, align the interests of our directors and executive officers with our long-term performance and provide a risk management tool. To that end, a portion of our executive officer compensation package is targeted to reflect our short and long-term goals, as well as the executive officer's individual performance. On the other hand, our compensation policy includes measures designed to reduce the executive officer's incentives to take excessive risks that may harm us in the long-term, such as limits on the value of cash bonuses and equity-based compensation, limitations on the ratio between the variable and the total compensation of an executive officer and minimum vesting periods for equity-based compensation.

Our compensation policy also addresses our executive officers' individual characteristics (such as 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. All equity-based incentives granted to executive officers shall be subject to vesting periods in order to promote long-term retention of the awarded executive officers. The equity-based compensation shall be granted from time to time and be individually determined and awarded according to the performance, educational background, prior business experience, qualifications, role and the personal responsibilities of the executive officer.

In addition, our compensation policy contains compensation recovery provisions which allow us under certain conditions to recover bonuses paid in excess, enable our Chief Executive Officer to approve an immaterial change in the terms of employment of an executive officer who reports directly him (provided that the changes of the terms of employment are in accordance with our compensation policy) and allow us to exculpate, indemnify and insure our executive officers and directors to the maximum extent permitted by Israeli law subject to certain limitations set forth therein.

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

Our compensation policy was approved by our board of directors and shareholders and became effective immediately prior to the closing of our initial public offering and is filed as an exhibit to this Annual Report.

We adopted, effective October 2, 2023, a Policy for Recovery of Erroneously Awarded Compensation (known as a clawback policy) pursuant to Rule 10D-1, or the Clawback Listing Rule, as filed as Exhibit 97.1 to this Annual Report. The Clawback Listing Rule, directed companies to adopt and comply with a written clawback policy, and to disclose and file the policy as an exhibit to its Annual Report.

Nominating, Governance and Sustainability Committee

Our nominating, governance and sustainability committee consists of Iris Epple-Righi, Anna Bakst and Gen Tsuchikawa. Iris Epple-Righi serves as chairperson of the 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;
- review the Board leadership structure to assess whether it is appropriate given the specific characteristics and circumstances of the Company and recommend any proposed changes to the board.
- assisting our board in its oversight relating to corporate responsibility and environmental, social and governance matters;
- overseeing periodic assessments of the performance of the members of our board and its committees; and
- 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.
- periodically review, and provide oversight with respect to, the Company's strategy, initiatives policies, and risks concerning environmental and social matters of significance to the Company (with the Company's compensation committee having primary responsibility for matters relating to human capital management and the audit committee having primary responsibility for matters related to the incorporation of sustainability matters into the Company's risk management and assessment process, which the committee may discuss with the compensation committee and the audit committee, as appropriate) and may make recommendations to the board regarding environmental and social matters

Code of Conduct

Our board of directors has adopted a written code of conduct that applies to our directors, officers and employees, including temporary, part-time, and seasonal employees and contractors. A current copy of the code is posted on the investor section of our website.

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. As of December 31, 2025 and since July 27, 2021, Ms. Sharon Cohen, CPA from Brightman Almagor Zohar & Co., a firm in the Deloitte Global Network, is acting as our internal auditor.

Approval of Related Party Transactions under Israeli Law

Fiduciary Duties of Directors and Executive Officers

The Companies Law codifies the fiduciary duties that office holders owe to a company. An office holder is defined in the Companies Law as a general manager, chief business manager, deputy general manager, vice general manager, any other person assuming the responsibilities of any of these positions regardless of such person's title, a director and any other manager directly subordinate to the general manager. Each person listed in the table under "Directors and Senior Management" is an office holder under the Companies Law.

An office holder's fiduciary duties consist of a duty of care and a duty of loyalty. The duty of care requires an office holder to act with the level of care with which a reasonable office holder in the same position would have acted under the same circumstances. The duty of 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 fiduciary duty, 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 they hold 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, in whole or in part, for damages caused as a result of a breach of duty of care but only if a provision authorizing such exculpation is included in its articles of association. Our amended and restated articles of association include such a provision. An Israeli company may not exculpate a director from liability arising out of a prohibited dividend or distribution to shareholders.

An Israeli company may indemnify an office holder in respect of the following liabilities and expenses incurred for acts performed as an office holder, either in advance of an event or following an event, provided a provision authorizing such indemnification is contained in its articles of association:

- 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, 1968 (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 amended and restated articles of association 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 \$250,000,000, 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 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.

D. Employees

As of December 31, 2025, we had 1,219 employees worldwide, including 694 in research and development. Of our employees, 577 are in Israel and 642 are in our international locations. None of our employees is represented by a labor organization or is a party to a collective bargaining arrangement or expansion orders of such arrangements, with the exception of a small number of employees in France, Spain, Australia, Korea, Romania and Israel who are covered by mandatory industry-wide collective bargaining agreements in accordance with local law.

In regard to our employees generally, applicable labor and employment laws may govern the length of the workday, minimum wages for employees, procedures for hiring and dismissing employees, determination of severance pay, annual leave, sick days, convalescence, advance notice of termination of employment, equal opportunity and anti-discrimination laws and other terms and conditions of employment, as applicable.

Subject to certain exceptions, Israeli law generally requires severance pay upon the retirement, death or dismissal of an employee, without due cause, and requires us and our employees to make payments to the National Insurance Institute, which is similar to the U.S. Social Security Administration. Pursuant to Section 14 of the Israeli Severance Pay Law, 5723-1963 ("Section 14"), our executive officers and key employees in Israel are entitled to monthly deposits, at a rate of 8.33% of their monthly salary, made in their name with insurance companies. Payments under Section 14 relieve us from any of the aforementioned future severance payment obligations with respect to those employees and, as such, we may only utilize the insurance policies for the purpose of disbursement of severance pay. As a result, we do not recognize an asset nor liability for these employees.

Extension orders issued by the Israeli Ministry of Economy and Industry apply to us and affect matters such as cost of living adjustments to salaries, length of working hours and week, recuperation pay, travel expenses and pension rights.

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

E. Share Ownership

For information regarding the share ownership of directors and officers, see. “Major Shareholders” in Item 7.A below. For information as to our equity incentive plans, see “Share Incentive Plans.” in Item 6.B above.

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

None.

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of March 18, 2026 by:

- each person or group of affiliated persons known by us to own beneficially more than 5% of our outstanding ordinary shares;
- each of our directors and executive officers individually; and
- all of our executive officers and directors as a group.

The beneficial ownership of ordinary shares is determined in accordance with the SEC rules and generally includes any ordinary shares over which a person exercises sole or shared voting or investment power.

For purposes of the table below, we deem ordinary shares subject to options, RSUs or warrants that are exercisable (or settled, as the case may be) within 60 days of March 18, 2026 to be outstanding and to be beneficially owned by the person holding the options, RSUs or warrants for the purposes of computing the ownership and percentage ownership of that person but we do not treat them as outstanding for the purpose of computing the ownership or percentage ownership of any other person, except with respect to the ownership and percentage ownership of all executive officers and directors as a group. The percentage of shares beneficially owned is based on 167,568,288 ordinary shares outstanding as of March 18, 2026. Unless otherwise noted below, the address of each shareholder listed below is 9 HaPsagot Street, Petah Tikva 4951041, 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 “Related Party Transactions”.

Name of Beneficial Owner	Number of Ordinary Shares		
	Amount and Nature of Beneficial Ownership	Percentage of Outstanding shares	Percentage of Voting Power
Principal Shareholders			
Deutsche Post Beteiligungen Holding GmbH ⁽¹⁾	18,336,774	10.94%	10.94%
Shopify Inc. and its affiliate ⁽²⁾	21,858,282	13.04%	13.04%
Dragoneer Investment Group, LLC ⁽³⁾	11,887,078	7.09%	7.09%
Directors and Executive Officers			
Amir Schlachet ⁽⁴⁾	5,376,670	3.21%	3.21%
Shahar Tamari ⁽⁵⁾	5,233,628	3.12%	3.12%
Nir Debbi ⁽⁶⁾	5,711,389	3.41%	3.41%
Ofer Koren ⁽⁷⁾	289,437	*	*
Ran Fridman ⁽⁸⁾	68,743	*	*
Yehiam Shinder ⁽⁹⁾	22,684	*	*
Miguel Angel Parra ⁽¹⁰⁾			
Tzvia Broida ⁽¹¹⁾	8,595	*	*
Anna J. Bakst ⁽¹²⁾	24,949	*	*
Iris Epple-Righi ⁽¹³⁾	24,949	*	*
Gen Tsuchikawa ⁽¹⁴⁾	12,288	*	*
All executive officers and directors as a group (11 persons)	16,773,332	10.01%	10.01%

* Indicates ownership of less than 1.0%.

- (1) This information is based on a Schedule 13G/A filed with the SEC on November 14, 2024. Represents 18,336,774 ordinary shares held by Deutsche Post Beteiligungen Holding GmbH, a direct wholly owned subsidiary of Deutsche Post AG and which is affiliated with DHL International GmbH. The address for the Deutsche Post Beteiligungen Holding GmbH is Charles-de-Gaulle-Straße 20, 53113 Bonn. Federal Republic of Germany.
- (2) This information is based on a Schedule 13G/A filed with the SEC on February 13, 2024. Both Shopify Inc. and Shopify International Limited may be deemed to beneficially own all of the reported ordinary shares consisting of: (i) 21,612,255 ordinary shares directly held by it and (ii) warrants exercisable for an additional 246,027 Ordinary Shares that will vest within 60 days of December 31, 2023. Shopify Inc. has undertaken, on behalf of itself and its affiliates, to not cast any votes with respect to Ordinary Shares which provide Shopify Inc. with voting power in excess of 10% of the Company's issued and outstanding equity. The principal business address of Shopify Inc. is 151 O'Connor Street, Ground Floor, Ottawa, Ontario, Canada K2P 2L8. The principal business address of Shopify International Limited is 2nd Floor Victoria Buildings 1-2 Haddington Road, Dublin 4, D04 XN32, Ireland.
- (3) This information is based on a Schedule 13G/A filed with the SEC on November 14, 2025. Dragoneer Investment Group, LLC (the "Dragoneer Adviser") is a registered investment adviser under the Investment Advisers Act of 1940, as amended. As the managing member of Dragoneer Adviser, Cardinal DIG CC, LLC may also be deemed to share voting and dispositive power with respect to the Ordinary Shares. Dragoneer Global Fund II, LP, a limited partnership ("DGF II"), is the direct holder of 10,866,763 Ordinary Shares. As general partner of DGF II, Dragoneer Global GP II LLC, a Delaware limited liability company ("DGF II GP"), may also be deemed to beneficially own the Ordinary Shares directly held by DGF II. Marc Stad is the sole member of Cardinal DIG CC, LLC and DGF II GP. By virtue of these relationships, each of the reporting persons may be deemed to share beneficial ownership of all of the reported ordinary shares. The address for the reporting persons is One Letterman Dr., Bldg D, Ste M500, San Francisco, CA 94129.

- (4) Includes 3,562,787 ordinary shares that Mr. Schlachet holds directly, 327,083 restricted share units that will be settled within 60 days of March 18, 2026, and 1,486,800 ordinary shares underlying options that were fully vested as of March 18, 2026.
- (5) Includes 3,419,745 ordinary shares that Mr. Tamari holds directly, 327,083 restricted share units that will be settled within 60 days of March 18, 2026, and 1,486,800 ordinary shares underlying options that were fully vested as of March 18, 2026.
- (6) Includes 3,897,506 ordinary shares that Mr. Debbi holds directly, 327,083 restricted share units that will be settled within 60 days of March 18, 2026, and 1,486,800 ordinary shares underlying options that were fully vested as of March 18, 2026.
- (7) Includes 41,937 restricted share units that will be settled within 60 days of March 18, 2026, and 247,500 ordinary shares underlying options that were fully vested as of March 18, 2026.
- (8) Includes 68,743 restricted share units that will be exercisable within 60 days of March 18, 2026.
- (9) Includes 22,684 restricted share units that will be exercisable within 60 days of March 18, 2026.
- (10) Mr. Parra holds no shares directly. Mr. Parra serves as the Chief Executive Officer of DHL Express Europe which is affiliated with Deutsche Post Beteiligungen Holding GmbH.
- (11) Includes 8,595 restricted share units that will become exercisable within 60 days of March 18, 2026.
- (12) Includes 24,949 restricted share units that will become exercisable within 60 days of March 18, 2026.
- (13) Includes 24,949 restricted share units that will become exercisable within 60 days of March 18, 2026.
- (14) Includes 12,288 restricted share units that will become exercisable within 60 days of March 18, 2026.

Significant Changes in Ownership

To our knowledge, other than as disclosed in the table above, our other filings with the SEC and this Annual Report, there has been no significant change in the percentage ownership held by any major shareholder during the past three years.

Voting Rights

No major shareholders listed above had or have voting rights with respect to their ordinary shares that are different from the voting rights of other holders of our ordinary shares. See “Voting Rights” in Exhibit 2.2 attached to this Annual Report.

Change in Control Arrangements

We are not aware of any arrangement that may at a subsequent date, result in a change of control of the Company.

Registered Holders

Based on a review of the information provided to us by our transfer agent, as of March 18, 2026, there were 17 registered holders of our ordinary shares, including Cede & Co., the nominee of The Depository Trust Company, 10 of which are United States registered holders, holding approximately 88.85% of our outstanding ordinary shares. The number of record holders in the United States is not representative of the number of beneficial holders nor is it representative of where such beneficial holders are resident since many of these ordinary shares were held by brokers or other nominees.

B. Related Party Transactions

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

The following is a description of related-party transactions, including any presently proposed transactions, as defined under Item 7.B of Form 20-F, since January 1, 2023.

Agreements with Directors and Officers

Employment Agreements. We have entered into written employment agreements with each of our executive officers. See “Employment and Consulting Agreements with Executive Officers” in Item 6.B above.

Equity Awards. Since our inception, we have granted to our executive officers and certain of our directors restricted share units and options to purchase our ordinary shares. Such award agreements may contain acceleration provisions upon certain transactions. See “Share Incentive Plans” in Item 6.B above.

Exculpation, Indemnification and Insurance. Our amended and restated articles of association 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 each of our directors and executive officers, exculpating them in advance from a breach of their duty of care to the fullest extent permitted by law and undertaking to indemnify them to the fullest extent permitted by law, subject to certain exceptions. See “Exculpation, Insurance and Indemnification of Office Holders.”

DHL Service Agreement and Commercial Letter

We are party to a Commercial Letter with DHL International GmbH (“DHL International”), dated March 27, 2017 as amended on December 7, 2020 and on July 21, 2025 (effective January 1, 2025), pursuant to which we use DHL International for the provision of express shipping services to our merchants.

In addition, we are party to a services agreement with DHL International (UK) Limited (“DHL UK”), dated March 1, 2022, which was renewed by Amendment No 1. on July 22, 2025 for a term beginning effective as of January 1, 2025 and ending on December 31, 2027, under which DHL UK provides us with express shipping services relating to the purchase and sale of our merchants’ products. The service agreement continues until terminated by either us or DHL UK in accordance with its terms. The consideration paid by us to DHL UK pursuant to the service agreement is contingent upon the extent of the shipping services provided. We have entered similar arrangements with other DHL affiliated entities in the Netherlands, the United States, France and Spain.

See Note 7 to our audited consolidated financial statements appearing elsewhere in this Annual Report.

2025 Shopify Agreement

On May 13, 2025, we entered into the 2025 Shopify Agreement with Shopify. The 2025 Shopify Agreement replaced the 2021 Shopify Agreement and the 2022 Shopify Agreement and governs the terms under which we provide MoR services to merchants operating on the Shopify platform (the “3P Solution”) and for Shopify Managed Markets (the “1P Solution”).

According to the 2025 Shopify Agreement, for the 1P Solution, Global-e will remain the exclusive provider of MoR services for the Shopify branded solution. Pursuant to the agreement, future versions of Managed Markets will leverage Shopify Payments as well as other elements of the Shopify suite of services, thereby further streamlining the merchant experience on international e-commerce, making it even more accessible and intuitive for merchants. Under the new agreement, Shopify and Global-e aim to drive increased adoption of Shopify Managed Markets. As such, the commercial structure is updated to reflect the revised division of responsibilities between Shopify and Global-e in the provision of the Managed Markets solution.

For the 3P Solution, Global-e is the preferred partner for MoR services on Shopify, rather than being the exclusive provider, and will enjoy exclusive access to certain key features available on the Shopify platform. Under the new agreement, Global-e benefits from enhanced commercial terms.

The 2025 Shopify Agreement has an initial three-year term ending in May 2028, which automatically renews for additional and successive one-year terms unless either party provides the other party with written notice of election to terminate the agreement at least 180 days prior to the end of any such term. In addition, upon the occurrence of certain events, either party may terminate the agreement immediately upon notice to the other party.

Registration Rights

Our amended and restated investors’ rights agreement entitles certain of our shareholders to certain registration rights, as set forth below. In accordance with this agreement, and subject to conditions listed below, the following entities which as of the date of this Annual Report beneficially own more than 5% of our ordinary shares are entitled to registration rights: entities affiliated with each of DHL and Shopify Inc.

The registration rights under the agreement shall terminate upon the earlier of (i) the fifth (5th) anniversary of our IPO or (ii) such date on which there shall be no registrable securities outstanding.

Form F-1 Demand Rights. The holders of at least 30% of the registrable securities then outstanding may request that we register all or a portion of their shares. Such request for registration must cover securities the aggregate offering price of which, after payment of the underwriting discount and commissions, would exceed \$5,000,000. We will not be required to effect more than two registrations on Form F-1 that have been declared effective. The company has the right to defer such registration under certain circumstances.

Form F-3 Demand Rights. The holders of at least 30% of the registrable securities then outstanding can make a request that we register their shares on Form F-3 if we are qualified to file a registration statement on Form F-3 and if the offering price, after payment of the underwriting discount and commissions, would equal or exceed \$5,000,000. The company has the right to defer such registration under certain circumstances.

Piggyback Registration Rights. In the event that we propose to register any of our securities under the Securities Act, either for our own account or for the account of other security holders, then certain holders of our ordinary shares will be entitled, subject to any lock-up restrictions imposed by the underwriters in connection with our initial public offering (whether such restrictions terminate by their terms or are waived by the underwriters), to certain piggyback registration rights with respect to such offering, allowing such holders to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to (i) a registration relating solely to the sale of securities to participants in a company stock plan, (ii) a registration relating to a corporate reorganization or other transaction listed in Rule 145 under the Securities Act and (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the registrable securities, the holders of these shares are entitled to notice of the registration and have the right, subject to certain limitations, to include their shares in the registration.

Related Party Transactions Policies and Procedures

Our board of directors has adopted a written related party transaction policy setting forth the policies and procedures for the review and approval or ratification of related person transactions. This policy covers 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 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.

C. Interests of Experts and Counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

Consolidated Financial Statements

See Item 18. “Financial Statements.”

Legal and Arbitration Proceedings

From time to time, we may become involved in legal or regulatory proceedings arising in the ordinary course of our business. Other than the below, we are not currently a party to any material litigation or regulatory proceeding and we are not aware of any pending or threatened material litigation or regulatory proceeding against us that could have a material adverse effect on our business, operating results, financial condition or cash flows.

In February 2026, a claim and a motion to certify it as a class action were filed in Israel against one of our merchants and us, in connection with allegations concerning product descriptions on the merchant’s Israeli website and the asserted suitability of a certain product family for its intended use. The certification motion asserts various causes of action under Israeli law and estimates aggregate class-wide damages of approximately \$9 million. We intend to seek dismissal of the claims at a preliminary stage, as the allegations relate to representations made on the merchant’s website, which are outside the scope of our involvement. As of the date of this Annual Report, the proceeding is at a preliminary stage and based on the information currently available to us and the preliminary views of our external legal counsel, we believe the likelihood that the claims will be accepted against us is less than probable and we do not expect that it could have a material adverse effect on our business, operating results, financial condition or cash flows.

Dividend Policy

We have never declared or paid any dividends on our ordinary shares. We do not anticipate paying any dividends in the foreseeable future. We currently intend to retain future earnings, if any, to finance operations and expand our business. Our board of directors has sole discretion whether to pay dividends. If our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our directors may deem relevant. The Companies Law imposes restrictions on our ability to declare and pay dividends. See “Dividend and Liquidation Rights” in Item 10.B below for additional information.

Payment of dividends may be subject to Israeli withholding taxes. See “Israeli Tax Considerations” in Item 10.E below for additional information.

B. Significant Changes

None.

Item 9. The Offer and Listing

A. Offer and Listing Details

Our ordinary trade on the Nasdaq Global Select Market under the symbol “GLBE”.

B. Plan of Distribution

Not applicable.

C. Markets

See “-Offer and Listing Details” above.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

A copy of our amended and restated articles of association is filed as Exhibit 1.1 to this Annual Report. The information called for by this Item is set forth in Exhibit 2.2 to this Annual Report.

C. Material Contracts

We have not entered into any material contracts within the two years prior to the date of this Annual Report, other than contracts entered into in the ordinary course of business, or as otherwise described herein in Item 4.A “History and Development of the Company”, Item 4.B “Business Overview”, Item 5.B “Operating and Financial Review and Prospects-Liquidity and Capital Resources”, Item 6.C “Board Practices” and Item 7.B “Related Party Transactions”.

D. Exchange Controls

There are currently no Israeli currency control restrictions on remittances of dividends on our ordinary shares, proceeds from the sale of the ordinary shares or interest or other payments to non-residents of Israel, except for shareholders who are subjects of countries that are, have been, or will be, in a state of war with Israel.

E. Taxation

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

The following is a brief summary of the material Israeli tax laws applicable to us. This section also contains a discussion of material Israeli tax consequences concerning the ownership and disposition of our ordinary shares purchased by investors. This summary does not discuss all the aspects of Israeli tax law that may be relevant to a particular investor in light of his or her personal investment circumstances or to some types of investors subject to special treatment under Israeli law. Examples of such investors include residents of Israel or traders in securities who are subject to special tax regimes not covered in this discussion. To the extent that the discussion is based on new tax legislation that has not yet been subject to judicial or administrative interpretation, we cannot assure you that the appropriate tax authorities or the courts will accept the views expressed in this discussion. The discussion below is subject to change, including due to amendments under Israeli law or changes to the applicable judicial or administrative interpretations of Israeli law, which change could affect the tax consequences described below. The discussion should not be construed as legal or professional tax advice and does not cover all possible tax considerations.

General Corporate Tax Structure in Israel

Israeli companies are generally subject to corporate tax on their taxable income. The current corporate tax rate is 23%. Capital gains derived by an Israeli company are generally subject to the prevailing corporate tax rate.

Tax Benefits and Grants for Research and Development

Israeli tax law allows, under certain conditions, a tax deduction for expenditures, including capital expenditures, related to scientific research and development 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 are carried out by or on behalf of the company seeking such tax deduction.

The amount of such deductible expenses is reduced by the sum of any funds received through government grants for the finance of such scientific research and development projects. Under these research and development deduction rules, no deduction is allowed for any expense invested in an asset depreciable under the general depreciation rules of the Israeli Income Tax Ordinance (New Version), 5721-1961, referred to as the Ordinance. Expenditures that do not qualify for this special deduction are deductible in equal amounts over three years.

We intend to apply to the Israel Innovation Authority (the “IIA”) for approval to allow a tax deduction for most or all research and development expenses incurred during 2025. There can be no assurance that such request will be granted.

Law for the Encouragement of Industry (Taxes), 1969

The Law for the Encouragement of Industry (Taxes), 1969, and the regulations promulgated thereunder, generally referred to as the Industry Encouragement Law, provides several tax benefits for “Industry Companies.” We believe that we currently qualify as an Industrial Company within the meaning of the Industry Encouragement Law.

The Industry Encouragement Law defines an “Industrial Company” as an Israeli resident company incorporated in Israel, of which 90% or more of its income in a certain tax year, other than income from government loans, is derived from an “Industrial Enterprise” owned by it and located in Israel or in the “Area” in accordance with the definition under section 3A of the Ordinance. An “Industrial Enterprise” is defined as an enterprise which is held by an Industrial Company whose principal activity in a given tax year is industrial production activity.

The following corporate tax benefits, among others, are available to Industrial Companies:

Amortization of the cost of purchased patents and rights to use a patent or know-how that were purchased in good faith and are used for the development or advancement of the Industrial Enterprise, over an eight-year period, commencing on the year in which such rights were first exercised;

Under limited conditions, an election to file consolidated tax returns with related Israeli Industrial Companies; and

Expenses related to a public offering are deductible in equal amounts over a three-year period commencing on the year of the offering.

Eligibility for benefits under the Industry Encouragement Law is not contingent upon the approval of any governmental authority. The Israel Tax Authority may determine that we do not qualify as an Industrial Company, which could entail our loss of the benefits that relate to this status. There can be no assurance that we will continue to qualify as an Industrial Company or that the benefits described above will be available in the future.

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 tax benefits to qualifying Israeli companies, including companies that meet the conditions of a Preferred Technological Enterprise.

A Preferred Technological Enterprise, as defined in the Investment Law, which is located in the center of Israel will 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 Preferred Technological Enterprise located in development zone “A”. In addition, a Preferred Technological Company will enjoy a reduced corporate tax rate of 12% on capital gain derived from the sale of certain “Benefitted Intangible Assets” (as defined in the Investment Law) to a related foreign company if the Benefitted Intangible Assets were acquired from a foreign company on or after January 1, 2017 for at least NIS 200 million, and the sale receives prior approval from the IIA.

Special Preferred Technological Enterprise, which is defined, as an enterprise satisfying certain conditions, including a group turnover of at least NIS 10 billion, will be subject to a reduced corporate tax at a rate of 6% on “Preferred Technological Income”, regardless of the enterprise's geographical location. In addition, a Special Preferred Technological Enterprise will enjoy a reduced corporate tax rate of 6% on capital gain derived from the sale of certain “Benefitted Intangible Assets” to a related foreign company if the Benefitted Intangible Assets were either developed by the Special Preferred Technological 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 Benefitted Intangible Assets from a foreign company for more than NIS 500 million will be eligible for these benefits for at least ten years, subject to certain approvals as specified in the Investment Law.

Income that does not qualify for these benefits is generally subject to the regular Israeli corporate tax rate, which is currently 23%.

Dividends distributed out of Preferred Technological Income by a Preferred Technological Enterprise or a Special Preferred Technological Enterprise to Israeli shareholders, paid out of Preferred Technological Income, are generally subject to withholding tax at source at the rate of 20% (in the case of non-Israeli shareholders - subject to the receipt in advance of a valid certificate from the ITA allowing for a reduced tax rate, 20%, or such lower rate as may be provided in an applicable tax treaty). However, if such dividends are paid to an Israeli company, no tax is required to be withheld (although, if such dividends are subsequently distributed to individuals or a non-Israeli company, the aforesaid will apply). If such dividends are distributed to a foreign company that holds solely or together with other foreign companies 90% or more in the Israeli company and other conditions are met, the withholding tax rate will be 4%.

While we believe we currently qualify as a preferred technological enterprise, there is no assurance that we will qualify as such or that the benefits described above will be available in the future.

Taxation of Non-Israeli Resident Shareholders

Capital Gains Taxes

Israeli capital gains tax is imposed on the disposition of capital assets by a non-Israeli resident if those assets (i) are located in Israel, (ii) are shares or a right to shares in an Israeli resident corporation or (iii) represent, directly or indirectly, rights to assets located in Israel, unless a tax treaty between Israel and the seller's country of residence provides otherwise. The Israeli tax law distinguishes between “Real Capital Gain” and “Inflationary Surplus.” Inflationary Surplus is a portion of the total capital gain which is equivalent to the increase in the relevant asset's price 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 is currently not subject to tax in Israel. Real Capital Gain is the excess of the total capital gain over the Inflationary Surplus.

Generally, Real Capital Gain accrued by individuals on the sale of our ordinary shares will be taxed at the rate of 25%. However, if the individual shareholder claims deduction of interest and linkage differences expenses in connection with the purchase and holding of such shares or is a “Substantial Shareholder” at the time of sale or at any time during the preceding 12-month period, such gain will be taxed at the rate of 30%. A “Substantial Shareholder” is generally a person who alone or together with such person's relative or another person who collaborates with such person on a permanent basis, holds, directly or indirectly, at least 10% of any of the “Means of Control” of the corporation. “Means of Control” generally include the right to vote, receive profits, nominate a director or an executive officer, receive assets upon liquidation, or order someone who holds any of the aforesaid rights how to act, regardless of the source of such right. Real Capital Gain derived by corporations will be generally subject to a corporate tax rate of 23% (in 2025).

Generally, a non-Israeli resident (whether an individual or a corporation) who derives capital gains from the sale of shares of an Israeli resident company that were purchased after the company was listed for trading on a stock exchange outside of Israel will be exempt from Israeli capital gains tax so long as the shares were not held through a permanent establishment that the non-Israeli resident maintains in Israel. However, non-Israeli corporations will not be entitled to the foregoing exemption if Israeli residents (i) have a controlling interest of more than 25% in any of the means of control of such non-Israeli corporation or (ii) are the beneficiaries of, or are entitled to, 25% or more of the revenues or profits of such non-Israeli corporation, whether directly or indirectly.

In addition, such exemption is not applicable to a person whose gains from selling or disposing the shares are deemed to be business income.

Additionally, a sale of securities by a non-Israeli resident may be exempt from Israeli capital gains tax under the provisions of an applicable tax treaty. For example, under the tax treaty 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 “United States-Israel Tax Treaty”), the sale, exchange or other disposition of shares by a shareholder who is a United States resident (for purposes of the United States-Israel Tax Treaty) holding the shares as a capital asset and is entitled to claim the benefits afforded to such a resident by the United States-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 rights during any part of the 12-month period preceding the disposition, subject to certain conditions; or (v) such Treaty U.S. Resident is an individual and was present in Israel for a period or periods aggregating to 183 days or more during the relevant taxable year. In any such case, the sale, exchange or disposition of such shares would be subject to Israeli tax, to the extent applicable. However, under the United States-Israel Tax Treaty, a Treaty U.S. Resident may be permitted to claim a credit for the Israeli tax against the U.S. federal income tax imposed with respect to the sale, exchange or disposition of the shares, subject to the limitations under U.S. laws applicable to foreign tax credits. The United States-Israel Tax Treaty does not provide such credit against any U.S. state or local taxes.

In some instances where our shareholders may be liable for Israeli capital gains tax on the sale of our ordinary shares, the payment of the consideration for such sale may be subject to withholding of Israeli tax at source and holders of our ordinary shares 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. Specifically, the Israel Tax Authority may require from shareholders who are not liable for Israeli capital gains tax on such a sale to sign declarations in forms specified by the Israel Tax Authority, provide documents (including, for example, a certificate of residency) or obtain a specific exemption from the Israel Tax Authority to confirm their status as non-Israeli residents (and, in the absence of such declarations or exemptions, the Israel Tax Authority may require the purchaser of the shares to withhold tax at source).

Taxation on Receipt of Dividends.

Non-Israeli residents (whether 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 an applicable tax treaty between Israel and the shareholder’s country of residence (subject to the receipt in advance of a valid certificate from the Israel Tax Authority allowing for a reduced tax rate). However, if the shareholder who is a “Substantial Shareholder” at the time of receiving the dividend or at any time during the preceding 12-month period, the applicable tax rate will be 30%. 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).

However, a reduced tax rate may be provided under an applicable tax treaty. For example, under the United States-Israel Tax Treaty, the maximum rate of tax withheld at source in Israel on dividends paid to a holder of our ordinary shares who is a Treaty U.S. Resident is 25%. However, generally, the maximum rate of withholding tax on dividends that are paid to a United States corporation holding 10% or more of the outstanding voting rights 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 our gross income for such preceding year consists of certain types of dividends and interest. The aforementioned rates will not apply if the dividend income was generated through a permanent establishment of the U.S. resident that is maintained in Israel.

U.S. residents who are subject to Israeli withholding tax on a dividend may be entitled to a credit or deduction for United States federal income tax purposes in the amount of the taxes withheld, subject to detailed rules contained in the Code.

A non-Israeli resident who receives dividends from which tax was withheld is generally exempt from the obligation to file tax returns in Israel with respect to such income, provided that (i) such income was not generated from business conducted in Israel by the taxpayer, (ii) the taxpayer has no other taxable sources of income in Israel with respect to which a tax return is required to be filed, and (iii) the taxpayer is not obligated to pay surtax (as further explained below).

Surtax.

Individuals who are subject to income 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, income derived from dividends, interest and capital gains) exceeding NIS 721,560 for 2025, which amount is generally linked to the annual change in the Israeli consumer price index (with the exception that based on Israeli new legislation such amount, and certain other statutory amounts will not be linked to the Israeli consumer price index for the years 2025-2027). According to new legislation, in effect as of January 1, 2025, an ***additional*** 2% surtax is imposed on Capital-Sourced Income (defined as income from any source other than employment income, business income or income from “personal effort”), to the extent that the Individual’s Capital Sourced Income exceeds the specified threshold of NIS 721,560 (and regardless of the employment/business income amount of such individual). This new surtax applies, among other things, to income from capital gains, dividends, interest, rental income, or the sale of real property.

Estate and Gift Tax.

Israeli law presently does not impose estate or gift taxes.

U.S. Federal Income Tax Consideration

The following summary describes certain United States federal income tax considerations generally applicable to United States Holders (as defined below) of our ordinary shares. This summary deals only with our ordinary shares held as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (“Internal Revenue Code”). This summary also does not address the tax consequences that may be relevant to holders in special tax situations including, without limitation, dealers in securities, traders that elect to use a mark-to-market method of accounting, holders that own our ordinary shares as part of a “straddle,” “hedge,” “conversion transaction,” or other integrated investment, banks or other financial institutions, individual retirement accounts and other tax-deferred accounts, insurance companies, tax-exempt organizations, United States expatriates, holders whose functional currency is not the U.S. dollar, holders subject to any alternative minimum tax, holders that acquired our ordinary shares in a compensatory transaction, holders which are entities or arrangements treated as partnerships for United States federal income tax purposes or holders that actually or constructively through attribution own 10% or more of the total voting power or value of our outstanding ordinary shares.

This summary is based upon the Internal Revenue Code, applicable United States 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 (“IRS”) regarding the tax consequences described herein, and there can be no assurance that the IRS will agree with the discussion set out below. This summary does not address any United States federal tax consequences other than United States federal income tax consequences (such as the estate and gift tax or the Medicare tax on net investment income).

As used herein, the term “United States Holder” means a beneficial owner of our ordinary shares that is, for United States federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation or other entity taxable as a corporation created or organized under the laws of the United States or any state thereof or therein or the District of Columbia, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source, or (iv) a trust (a) that is subject to the supervision of a court within the United States and the control of one or more United States persons as described in Internal Revenue Code Section 7701(a)(30), or (b) that has a valid election in effect under applicable United States Treasury regulations to be treated as a “United States person.”

If an entity or arrangement treated as a partnership for United States federal income tax purposes acquires our ordinary shares, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Such partner or partnership should consult its tax advisors regarding the United States federal income tax consequences of acquiring, owning, and disposing of our ordinary shares.

THE SUMMARY OF UNITED STATES FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING AND DISPOSING OF OUR ORDINARY SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL AND NON-U.S. TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Dividends

Although we do not anticipate paying any dividends in the foreseeable future, as described in “Item 8.A. “Consolidated Statements and Other Financial Information-Dividend Policy” above, if we do make any distributions, subject to the discussion below under “-Passive Foreign Investment Company,” the amount of dividends paid to a United States Holder with respect to our ordinary shares before reduction for any Israeli taxes withheld therefrom generally will be included in the United States Holder’s gross income as ordinary income from foreign sources to the extent paid out of our current or accumulated earnings and profits (as determined for United States federal income tax purposes). Distributions in excess of earnings and profits will be treated as a non-taxable return of capital to the extent of the United States Holder’s tax basis in those ordinary shares and thereafter as capital gain. However, we do not intend to calculate our earnings and profits under United States federal income tax principles. Therefore, United States Holders should expect to treat a distribution as a dividend even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above.

Foreign withholding tax (if any) paid on dividends on our ordinary shares at the rate applicable to a United States Holder (taking into account any applicable income tax treaty) will, subject to limitations and conditions, be treated as foreign income tax eligible for credit against such holder’s United States federal income tax liability or, at such holder’s election, eligible for deduction in computing such holder’s United States federal taxable income. Dividends paid on our ordinary shares generally will constitute “foreign source income” and “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 United States source earnings and profits may be re-characterized as United States 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. If we are treated as a “United States-owned foreign corporation,” and if 10% or more of our earnings and profits are attributable to sources within the United States, a portion of the dividends paid on the ordinary shares allocable to our United States source earnings and profits will be treated as United States source, and, as such, the ability of a United States Holder to claim a foreign tax credit for any Israeli withholding taxes payable in respect of our dividends may be limited. Pursuant to applicable United States Treasury regulations, however, if a United States Holder is not eligible for the benefits of an applicable income tax treaty or does not elect to apply such treaty, then such holder may not be able to claim a foreign tax credit arising from any foreign tax imposed on a distribution on our ordinary shares, depending on the nature of such foreign tax, although the IRS has provided temporary relief from the application of certain aspects of these regulations until new guidance or regulations are issued. The rules governing the treatment of foreign taxes imposed on a United States Holder and foreign tax credits are complex, and United States Holders should consult their tax advisors about the impact of these rules in their particular situations, including their eligibility for benefits under an applicable income tax treaty and the potential impact of the applicable United States Treasury regulations and the temporary IRS relief.

Dividends received by certain non-corporate United States Holders (including individuals) may be “qualified dividend income,” which is taxed at the lower capital gain rate, provided that (i) either our ordinary shares are readily tradable on an established securities market in the United States or we are eligible for benefits under a comprehensive United States income tax treaty that includes an exchange of information program and which the United States Treasury Department has determined is satisfactory for these purposes, (ii) we are neither a PFIC (as discussed below) nor treated as such with respect to the United States Holder for either the taxable year in which the dividend is paid or the preceding taxable year, and (iii) the United States Holder satisfies certain holding period and other requirements. In this regard, shares generally are considered to be readily tradable on an established securities market in the United States if they are listed on Nasdaq, as our ordinary shares are. United States Holders should consult their tax advisors regarding the availability of the reduced tax rate on dividends paid with respect to our ordinary shares. The dividends will not be eligible for the dividends received deduction available to United States Holders that are corporations in respect of dividends received from other United States corporations.

Disposition of Ordinary Shares

Subject to the discussion below under “-Passive Foreign Investment Company,” a United States Holder generally will recognize capital gain or loss for United States federal income tax purposes on the sale or other taxable disposition of our ordinary shares equal to the difference, if any, between the amount realized and the United States Holder’s tax basis in those ordinary shares. If any Israeli tax is imposed on the sale, exchange or other disposition of our ordinary shares, a United States Holder’s amount realized will include the gross amount of the proceeds of the disposition before deduction of the Israeli tax. In general, capital gains recognized by a non-corporate United States Holder, including an individual, are subject to a lower rate under current law if such United States Holder held the ordinary shares for more than one year. The deductibility of capital losses is subject to limitations. Any such gain or loss generally will be treated as United States source income or loss for purposes of the foreign tax credit. A United States Holder’s tax basis in its ordinary shares generally will equal the cost of such shares. Because gain for the sale or other taxable disposition of our ordinary shares will be treated as United States source income, and a United States Holder may use foreign tax credits against only the portion of United States federal income tax liability that is attributed to foreign source income in the same category, a United States Holder’s ability to utilize a foreign tax credit with respect to the Israeli tax imposed on any such sale or other taxable disposition, if any, may be significantly limited. In addition, if a United States Holder is eligible for the benefit of the income tax convention between the United States and the State of Israel and pays Israeli tax in excess of the amount applicable to the United States Holder under such convention or if the Israeli tax paid is refundable, the United States Holder will not be able to claim any foreign tax credit or deduction with respect to such excess portion of the Israeli tax paid or the amount of Israeli tax refunded. In addition, pursuant to applicable United States Treasury regulations, if a United States Holder is not eligible for the benefits of an applicable income tax treaty or does not elect to apply such treaty, then such holder may not be able to claim a foreign tax credit arising from any foreign tax imposed on the disposition of our ordinary shares, depending on the nature of such foreign tax, although the IRS has provided temporary relief from the application of certain aspects of these regulations until new guidance or regulations are issued. The rules governing the treatment of foreign taxes imposed on a United States Holder and foreign tax credits are complex, and United States Holders should consult their tax advisors as to whether the Israeli tax on gains may be creditable or deductible in light of their particular circumstances, including their eligibility for benefits under an applicable treaty and the potential impact of applicable United States Treasury regulations and the temporary IRS relief.

Passive Foreign Investment Company

We would be a 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), or (ii) 50% or more of the value of our assets (generally determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income. For these purposes, cash and other assets readily convertible into cash or that do or could generate passive income are categorized as passive assets, and the value of goodwill and other unbooked intangible assets is generally taken into account. Passive income generally includes, among other things, rents, dividends, interest, royalties, gains from the disposition of passive assets and gains from commodities and securities transactions. 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, at least 25% (by value) of the stock. Based on our market capitalization and the composition of our income, assets and operations, we believe that we were not a PFIC for the year ended December 31, 2025 and do not expect to be a PFIC for United States federal income tax purposes for the current taxable year or in the foreseeable future. However, this is a factual determination that must be made annually after the close of each taxable year. Moreover, the value of our assets for purposes of the PFIC determination may be determined by reference to the trading value of our ordinary shares, which could fluctuate significantly. In addition, it is possible that the IRS may take a contrary position with respect to our determination in any particular year, and therefore, there can be no assurance that we were not a PFIC for the year ended December 31, 2025 or will not be classified as a PFIC for the current taxable year or in the future. Certain adverse United States federal income tax consequences could apply to a United States Holder if we are treated as a PFIC for any taxable year during which such United States Holder holds our ordinary shares. Under the PFIC rules, if we were considered a PFIC at any time that a United States Holder holds our ordinary shares, we would continue to be treated as a PFIC with respect to such holder’s investment unless (i) we cease to be a PFIC, and (ii) the United States Holder has made a “deemed sale” election under the PFIC rules.

If we are a PFIC for any taxable year that a United States Holder holds our ordinary shares, unless the United States Holder makes certain elections, any gain recognized by the United States Holder on a sale or other disposition of our ordinary shares would be allocated pro-rata over the United States Holder's holding period for the ordinary shares. The amounts allocated to the taxable year of the sale or other disposition 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 the highest rate in effect for corporations, as appropriate, for that taxable year, and an interest charge would be imposed. Further, to the extent that any distribution received by a United States Holder on our ordinary shares exceeds 125% of the average of the annual distributions on the ordinary shares received during the preceding three years or the United States Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain on the sale or other disposition of our ordinary shares if we were a PFIC, described above. If we are treated as a PFIC with respect to a United States Holder for any taxable year, the United States Holder will be deemed to own equity in any of the entities in which we hold equity that also are PFICs. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the ordinary shares. In addition, a timely election to treat us as a qualified electing fund under the Internal Revenue Code would result in an alternative treatment. However, we do not intend to prepare or provide the information that would enable United States Holders to make a qualified electing fund election. If we are considered a PFIC, a United States Holder also will be subject to annual information reporting requirements. United States Holders should consult their tax advisors about the potential application of the PFIC rules to an investment in the ordinary shares.

Information Reporting and Backup Withholding

Dividend payments and proceeds paid from the sale or other taxable disposition of our ordinary shares may be subject to information reporting to the IRS. In addition, a United States Holder (other than an exempt holder who establishes its exempt status if required) may be subject to backup withholding on dividend payments and proceeds from the sale or other taxable disposition of our ordinary shares paid within the United States or through certain U.S.-related financial intermediaries.

Backup withholding will not apply, however, to a United States Holder who furnishes a correct taxpayer identification number, makes other required certification and otherwise complies with the applicable requirements of the backup withholding rules. Backup withholding is not an additional tax. Rather, any amount withheld under the backup withholding rules will be creditable or refundable against the United States Holder's United States federal income tax liability, provided the required information is timely furnished to the IRS.

Foreign Financial Asset Reporting

Certain United States 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. 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. United States Holders should consult their tax advisors regarding the application of these reporting requirements.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are subject to the informational requirements of the Exchange Act. Accordingly, we are required to file reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K. Our filings with the SEC are also available to the public through the SEC's website at <http://www.sec.gov>. This site contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

We maintain a corporate website at <http://www.global-e.com>. Information contained on, or that can be accessed through our website does not constitute a part of this Annual Report on Form 20-F. We also make available on our website's investor relations page at <http://investors.global-e.com>, free of charge, our Annual Report and the text of our reports on Form 6-K, including any amendments to these reports, as well as certain other SEC filings, as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. The information contained on our website is not incorporated by reference in this Annual Report.

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 short-swing profit recovery provisions contained in Section 16(b) 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. However, we will file with the SEC, within four months after the end of each subsequent fiscal year, or such applicable time as required by the SEC, an annual report on Form 20-F containing financial statements audited by an independent registered public accounting firm. We also intend to furnish certain other material information to the SEC under cover of Form 6-K.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

Not applicable.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

Interest rate risk

As of December 31, 2025, we had \$622.8 million of cash and cash equivalent, bank deposits and marketable securities. 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 31, 2024 and 2025. 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.

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

Foreign currency exchange risk

A significant share of our purchase and sale transactions are carried out in different currencies, including U.S. Dollar, Euro and Pounds Sterling, and we bear the risk of diminution in value of the relevant shopper's purchasing currency in the interim periods between the various transaction stages (e.g. placement/payment and returns/refund). Additionally, we incur a substantial portion of our operating expenses in New Israeli Shekels, Pounds Sterling and U.S. Dollars, and to a lesser extent, other foreign currencies. A decrease of 5% in the U.S. Dollar/NIS exchange rate would have increased our cost of revenue and operating expenses by approximately 0.7% and 0.6% for the years ended December 31, 2025 and 2024, respectively. If the NIS fluctuates significantly against the U.S. dollar, it may have a negative impact on our results of operations. Our results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates. However, we believe we have a certain level of built-in "natural currency hedge" provided by our bi-directional volume of sales and broad international activity.

Despite this natural hedge, we may incur additional costs and experience losses resulting from fluctuations in exchange rates for revenues in foreign currencies or upon translation of New Israeli Shekels expenses incurred in Israel, or Pounds Sterling expenses incurred in the United Kingdom, to U.S. Dollars.

In addition, while our financial reporting currency is U.S. Dollars, we currently have significant share of our revenues denominated in foreign currencies, including Pounds Sterling and Euros, and may in the future have significant sales denominated in the currencies of additional countries, which may negatively impact our reported revenues as a result of fluctuations in currency exchange rates vis-à-vis the U.S. Dollar.

During the year ended December 31, 2025, we did not hedge all of our foreign currency exchange risk.

Item 12. Description of Securities Other than Equity Securities

Not applicable.

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

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

None.

Item 15. Controls and Procedures***Evaluation of Disclosure Controls and Procedures***

We maintain disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) that are designed to ensure that information required to be disclosed in the Company's reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2025. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2025, our disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Our management conducted an assessment of the effectiveness of our internal control over financial reporting based on the criteria set forth in "Internal Control - Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, our management concluded that, as of December 31, 2025, our internal control over financial reporting was effective.

Attestation Report of the Independent Registered Public Accounting Firm

Our independent registered public accounting firm, Kost Forer Gabbay & Kasierer, a member of EY Global, has audited the consolidated financial statements included in this annual report on Form 20-F, and as part of its audit, has issued its attestation report regarding the effectiveness of our internal control over financial reporting as of December 31, 2025. The report of Kost Forer Gabbay & Kasierer is included with our consolidated financial statements included elsewhere in this Annual Report and is incorporated herein by reference.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this Annual Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16. Reserved**Item 16A. Audit Committee Financial Expert**

Our board of directors has determined that Ms. Tzvia Broida is an audit committee financial expert as defined by the SEC rules and has the requisite financial experience as defined by the corporate governance rules of Nasdaq.

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 members under the rules of Nasdaq.

Item 16B. Code of Ethics

We have adopted a Code of Conduct that applies to all our employees, officers and directors, which includes our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Our Code of Conduct addresses, among other things, competition and fair dealing, gifts and entertainment, conflicts of interest, international business laws, financial matters and external reporting, company assets, confidentiality and corporate opportunity requirements and the process for reporting violations of the Code of Conduct. Our Code of Conduct is intended to meet the definition of "code of ethics" under Item 16B of 20-F under the Exchange Act.

We will disclose on our website any amendment to, or waiver from, a provision of our Code of Conduct that applies to our directors or executive officers to the extent required under the rules of the SEC or the Nasdaq. Our Code of Conduct is available on our website at <https://investors.global-e.com/corporate-governance/documents-charters>. The information contained on or through our website, or any other website referred to herein, is not incorporated by reference in this Annual Report.

We granted no waivers under our Code of Conduct in 2025.

Item 16C. Principal Accountant Fees and Services

The table below sets out the total amount of services rendered to us by Kost, Forer, Gabbay & Kasierer, a member of EY Global, for services performed in the years ended December 31, 2024 and 2025, and breaks down these amounts by category of service:

	2024	2025
	(in thousands)	
Audit Fees	\$ 850	\$ 850
Audit Related Fees	\$ -	\$ -
Tax Fees	\$ 51	\$ 124
All Other Fees	\$ 15	\$ -
Total	\$ 916	\$ 974

Audit Fees

Audit fees for the years ended December 31, 2024 and 2025 include fees for the audit of our annual financial statements. This category also includes services that the independent accountant generally provides, such as consents and assistance with and review of documents filed with the SEC.

Audit Related Fees

There were no audit related fees for the years ended December 31, 2024 and 2025.

Tax Fees

Tax fees for the years ended December 31, 2024 and 2025 related to ongoing tax advisory, tax compliance and tax planning services.

All Other Fees

All other fees in the years ended December 31, 2024 and 2025 related to services in connection with non-audit compliance and review work.

Pre-Approval Policies and Procedures

The advance approval of the Audit Committee or members thereof, to whom approval authority has been delegated, is required for all audit and non-audit services provided by our auditors.

All services provided by our auditors are approved in advance by either the Audit Committee or members thereof, to whom authority has been delegated, in accordance with the Audit Committee's pre-approval policy.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The table below provides detailed information of repurchases made by the Company during the year ended December 31, 2025. The Repurchase Program was authorized by our board of directors on September 3, 2025 for the purchase of up to \$200.0 million of ordinary shares.

	(a) Total Number of Shares (or Units) Purchased (1)	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
January 1 – January 31	-	-	-	-
February 1 – February 28	-	-	-	-
March 1 – March 31	-	-	-	-
April 1 – April 30	-	-	-	-
May 1 – May 31	-	-	-	-
June 1 – June 30	-	-	-	-
July 1 – July 31	-	-	-	-
August 1 - August 31	-	-	-	-
September 1 - September 30	-	-	-	-
October 1 – October 31	-	-	-	-
November 1- November 30	660,139	37.97		174,933,257
December 1 – December 31	1,174,910	40.13		127,783,272
Total	1,835,049	39.35		127,783,272

(1) All ordinary shares were purchased pursuant to our publicly announced "distribution", as defined in the Israeli Companies Law, 1999, by way of repurchase of the Company's ordinary shares under our Repurchase Program.

As of March 18, 2026, a balance of \$68,839,048 remained available for purchase under the Repurchase Program.

Item 16F. Change in Registrant's Certifying Accountant

None.

Item 16G. Corporate Governance

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" of 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" of such requirements of the Companies Law. Under these regulations, the exemptions from such Companies Law requirements will continue to be available to us so long as: (i) we do not have a "controlling shareholder" (as such term is defined under the Companies Law), (ii) our shares are traded on certain U.S. stock exchanges, including 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.

We are a "foreign private issuer" (as such term is defined in Rule 3b-4 under the Exchange Act). As a foreign private issuer we are permitted to comply with certain 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 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 amended and restated articles of association, and as permitted under the Companies Law, the quorum required for a general meeting 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 33 1/3% of the total 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 as a “foreign private issuer,” in which case 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 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 comply with and at this time intend to continue 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. Following our home country governance practices may provide less protection than is accorded to investors under the corporate governance rules of the Nasdaq applicable to domestic issuers.

We intend to take all actions necessary for us to maintain compliance as a foreign private issuer under the applicable corporate governance requirements of the Sarbanes-Oxley Act of 2002, the rules adopted by the SEC and Nasdaq corporate governance rules.

Item 16H. Mine Safety Disclosure

Not applicable.

Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

Item 16J. Insider Trading Policies

We have adopted an insider trading policy governing the purchase, sale, and other dispositions of our securities by directors, senior management, and employees that is reasonably designed to promote compliance with applicable insider trading laws, rules and regulations, and any listing standards applicable to us. A copy of our insider trading policy is attached as Exhibit 11.1 to this Annual Report.

Item 16K. Cybersecurity

Cybersecurity Risk Management and Strategy

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information. Our cybersecurity risk management program is based on various cybersecurity standards in which we are certified, including ISO 27001, SOC 2 Type 2 and SOC 3. We have also obtained and maintain PCI-DSS (level 1) certification. While we may not always meet every technical standard, specification and requirement specified in these frameworks at all times, we use these frameworks to help us identify, assess, and manage cybersecurity risks relevant to our business. We regularly evaluate our cybersecurity risk management program, and will make proper adjustments and enhancements as needed.

Our cybersecurity risk management program shares common principles, oversight, reporting channels and governance processes with our general risk management processes.

Primarily, our cybersecurity risk management approach, include, but are not limited to:

- risk assessments designed to help identify material risks to our critical systems and information;
- a security team principally responsible for managing (a) our cybersecurity risk assessment processes, (b) our security controls, and (c) our response to cybersecurity incidents;
- physical and technical security measures, including encryption, authentication, and access controls;
- cybersecurity awareness training and internal cybersecurity resources for our employees, including incident response personnel and senior management;
- the use of external service providers, where appropriate, to assess, test or otherwise assist with aspects of our security processes;
- a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents and assessing the materiality of such incidents; and
- a third-party risk management process for key service providers, based on their criticality to our operations and respective risk profile.

During the year 2025, we did not identify risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected us, including our operations, business strategy, results of operations, or financial condition. We face risks from cybersecurity threats that, if realized, are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial condition. See Part I, Item 3.D. “Risk Factors-We store personal information of merchants and shoppers. To the extent our security measures are compromised, our platform may be perceived as not being secure. This may result in merchants curtailing or ceasing their use of our platform, our reputation being harmed, our incurring of significant regulatory and monetary liabilities, and adverse effects on our results of operations and growth prospects.”

In recent periods we have developed and established a cybersecurity work plan, and have recently updated it for 2026, to maintain a proactive and resilient cybersecurity position, based on a comprehensive risk assessment, identifying potential threats, vulnerabilities, and business impacts. As in recent periods, the plan outlines security objectives, initiatives, and mitigation measures, which we believe could help us achieve compliance with regulatory requirements and internal policies. The plan includes regular cybersecurity awareness training, cybersecurity audits, penetration testing, incident response drills, and policy reviews to uphold the information security management system (ISMS). Additionally, a structured monitoring and reporting framework was put in place to enable tracking progress and effectiveness, allowing for continuous adaptation to emerging cybersecurity threats.

Our board of directors considers cybersecurity risk as part of its risk oversight function and has delegated to the audit committee overall risk management, including oversight of cybersecurity and other information technology risks, as well as management's implementation of our cybersecurity risk management program.

The audit committee members receive periodic briefings from management on our cybersecurity risks, and our management updates our audit committee members, where it deems appropriate, regarding any significant cybersecurity incidents. Our audit committee members also receive briefings from management on our cyber risk management program. Our board of directors is periodically briefed regarding management's activities, including those related to cybersecurity. Board members receive presentations on cybersecurity topics from management, internal security staff or external experts as part of the Board's continuing education on topics that impact public companies.

In 2024, we established an information security management committee (InfoSec Committee). The InfoSec Committee is responsible for overseeing our cybersecurity risk management program, addressing cybersecurity risks, and supervising both our internal cybersecurity personnel and our retained external cybersecurity consultants. The InfoSec Committee takes steps to stay informed about and monitor efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, including security briefings from the Chief Information Security Officer (CISO) and other security personnel, intelligence gathered from governmental, public, and private sources, assessments conducted by external cybersecurity consultants, and automated alerts and reports generated by security tools deployed across our IT environment.

Our CTO has over 25 years of experience in the areas of software development, DevOps, production systems, cloud operation, data integrity, information security, information security and delivery, including 7 years of experience particularly in cybersecurity and 3 years spent at Global-e. In April 2025, we appointed a new CISO who has over 20 years of experience in the areas of production systems, data integrity and information security, cyber defense and fraud prevention, including significant experience serving as CISO in regulated financial institutions and leading large-scale enterprise security programs.

PART III

Item 17. Financial Statements

We have provided financial statements pursuant to Item 18.

Item 18. Financial Statements

The audited consolidated financial statements as required under Item 18 are attached hereto starting on page F-1 of this Annual Report. The audit report of Kost Forer Gabbay & Kasierer (a member of EY Global), an independent registered public accounting firm, is included herein preceding the audited consolidated financial statements.

Item 19. Exhibits.

Exhibit No.	Description	Form	Incorporation by Reference			Filed / Furnished
			File No.	Exhibit No.	Filing Date	
<u>1.1</u>	<u>Amended and Restated Articles of Association of the Registrant</u>	F-1	333-259371	3.1	September 7, 2021	
<u>2.1</u>	<u>Specimen share certificate</u>	F-1	333-259371	4.1	September 7, 2021	
<u>2.2</u>	<u>Description of Securities</u>	20-F	001-40408	2.2	March 27, 2025	
<u>4.1</u>	<u>Form of Indemnification Agreement</u>	F-1	333-259371	10.1	September 7, 2021	
<u>4.2#</u>	<u>2013 Share Incentive Plan</u>	F-1	333-259371	10.2	September 7, 2021	
<u>4.3#</u>	<u>2021 Share Incentive Plan</u>	F-1	333-259371	10.3	September 7, 2021	
<u>4.4#</u>	<u>2021 Employee Stock Purchase Plan</u>	F-1	333-259371	10.7	September 7, 2021	
<u>4.5#</u>	<u>Compensation Policy for Directors and Officers</u>	F-1	333-259371	10.6	September 7, 2021	
<u>4.6†</u>	<u>Service Agreement by and between DHL International (UK) Limited and Global-e Online Ltd., dated as of March 1, 2022</u>	20-F	001-40408	4.6	March 31, 2023	
<u>4.7†</u>	<u>First Amendment to Service Agreement with DHL International (UK) Limited, dated as of July 22, 2025</u>	6-K	001-40408	10.1	July 23, 2025	
<u>4.8†</u>	<u>Letter Agreement re: DHL Special Rights between the Registrant and DHL International GmbH, dated as of March 27, 2017, as amended</u>	F-1	333-259371	10.5	September 7, 2021	
<u>4.9†</u>	<u>Amendment No. 2 to Letter Agreement re: DHL Special Rights between the Registrant and DHL International GmbH, dated as of July 21, 2025</u>	6-K	001-40408	10.2	July 23, 2025	
<u>4.10†</u>	<u>Amended and Restated Services and Partnership Agreement dated May 13, 2025, amongst the Company, Shopify Inc and its affiliates,</u>	6-K	001-40408	10.1	May 14, 2025	
<u>4.11</u>	<u>Third Amended and Restated Investors' Rights Agreement, by and among the Registrant and certain of its shareholders</u>	F-1	333-259371	4.2	September 7, 2021	
<u>8.1</u>	<u>List of subsidiaries of the Registrant</u>	20-F	001-40408	8.1	March 27, 2025	
<u>11.1</u>	<u>Insider Trading Compliance Policy</u>					*
<u>12.1</u>	<u>Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>					*
<u>12.2</u>	<u>Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>					*
<u>13.1</u>	<u>Principal Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>					**
<u>13.2</u>	<u>Principal Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>					**
<u>15.1</u>	<u>Consent of Kost, Forer, Gabbay & Kasierer, a member of EY Global, independent registered accounting firm for the Registrant</u>					*
<u>97.1</u>	<u>Policy for Recovery of Erroneously Awarded Compensation</u>	20-F	001-40408	97.1	March 28, 2024	
101.INS	Inline XBRL Instance Document.					*
101.SCH	Inline XBRL Taxonomy Extension Schema Document.					*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					*
101.DEF	Inline XBRL Taxonomy Definition Linkbase Document.					*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.					*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					*
104	Inline XBRL for the cover page of this Annual Report on Form 20-F, included in the Exhibit 101 Inline XBRL Document Set.					*

* Filed herewith.

** Furnished herewith.

† Portions of this exhibit have been redacted pursuant to Item 4 of the “Instructions As To Exhibits” of Form 20-F because the Company customarily and actually treats the redacted information as private or confidential and the omitted information is not material. The Company hereby agrees to furnish an unredacted copy of the exhibit to the Commission upon request.

Indicates management contract or compensatory plan or arrangement.

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

SIGNATURES

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

GLOBAL-E ONLINE LTD.

Date: March 26, 2026

By: /s/ Amir Schlachet

Name: Amir Schlachet

Title: Chief Executive Officer

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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Global-E Online Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Global-E Online Ltd. (the Company) as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive income (loss), shareholders' equity and cash flows for each of the three years in the period ended December 31, 2025, 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, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 26, 2026 an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

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

Revenue Recognition

Description of the Matter

As described in Note 2 to the consolidated financial statements, the Company derives its revenue from providing merchants a global direct-to-consumer e-commerce platform which enables to sell their products to consumers worldwide. Revenue is generated as a percentage of the value of transactions that flow through the Company's platform as well as additional fees for value-added services, and from shipping, handling, and other global delivery services in order to deliver merchants' goods to consumers. The Company's revenue recognition process involves several applications responsible for the initiation, processing, recording of transactions, and the calculation of revenue in accordance with the Company's accounting policy. The processing and recognition of revenue are highly automated and involve capturing and processing significant volumes of data.

Auditing the Company's accounting for revenue from contracts with customers was challenging due to the high volume of individually-low-monetary-value transactions and the dependency on the effective design and operation of multiple applications, some of which are custom-made for the Company's business, and data sources associated with the revenue recognition process.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of internal controls over the Company's accounting for revenue from contracts with customers.

With the support of our information technology professionals, we identified and tested the relevant systems and tools used for the determination of initiation, processing and recording of revenue, which included processes and controls related to the relevant systems and data, changes to the relevant systems and interfaces, and configuration of the relevant systems. For example, with the assistance of IT professionals, we tested the controls over the Company's billing reconciliation process.

Our substantive audit procedures included, with the assistance of our IT professionals, testing the completeness and accuracy of the underlying data within the Company's billing system and extracting data from the system to evaluate the completeness and accuracy of recorded revenues, tracing sales transactions to third-party payment service providers and others, and testing a sample of cash to billings reconciliations.

/S/ Kost Forer Gabbay & Kasierer
A Member of EY Global

We have served as the Company's auditor since 2013.

Tel-Aviv, Israel
March 26, 2026

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Global-E Online Ltd.

Opinion on Internal Control Over Financial Reporting

We have audited Global-E Online Ltd.'s internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control —Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Global-E Online Ltd. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive income (loss), shareholders' equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes and our report dated March 26, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

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

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/S/ Kost Forer Gabbay & Kasierer
A Member of EY Global

Tel-Aviv, Israel
March 26, 2026

Global-E Online LTD.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	As of December 31,	
	2024	2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 254,620	\$ 245,860
Short-term deposits	183,475	302,829
Accounts receivable, net (net of allowance for credit losses of \$1,110 and \$522 as of December 31, 2024 and 2025, respectively)	41,171	55,706
Prepaid expenses and other current assets	84,613	126,470
Marketable securities	36,345	74,147
Funds receivable, including cash in banks	122,984	181,650
Total current assets	723,208	986,662
Property and equipment, net	10,440	11,234
Operating lease right-of-use assets	24,429	20,496
Deferred contract acquisition and fulfillment costs, noncurrent	3,787	4,242
Long-term investments and other long-term assets	8,313	11,838
Commercial agreement asset	66,527	531
Goodwill	367,566	375,399
Intangible assets, net	59,212	52,385
Total long-term assets	540,274	476,125
Total assets	\$ 1,263,482	\$ 1,462,787
Liabilities, and Shareholders' Equity		
Current liabilities:		
Accounts payable (including related party payables of \$51,226 and \$59,574 as of December 31, 2024 and 2025, respectively)	79,559	91,585
Accrued expenses and other current liabilities (including related party payables of \$10,279 and \$14,843 as of December 31, 2024 and 2025, respectively)	141,551	231,665
Funds payable to customers	122,984	181,650
Short-term operating lease liabilities	4,347	5,053
Total current liabilities	348,441	509,953
Long-term liabilities:		
Deferred tax liabilities, net	-	286
Long-term operating lease liabilities	20,510	18,449
Other long-term liabilities	1,098	1,415
Total liabilities	370,049	530,103
Shareholders' equity:		
Ordinary Shares, with no par value, 300,000,000 shares authorized as of December 31, 2024 and 2025, respectively; 169,131,268 and 169,049,616 shares issued and outstanding as of December 31, 2024 and 2025, respectively;	-	-
Additional paid-in capital	1,425,317	1,466,231
Accumulated comprehensive income	515	2,800
Accumulated deficit	(532,399)	(536,347)
Total shareholders' equity	893,433	932,684
Total liabilities, and shareholders' equity	\$ 1,263,482	\$ 1,462,787

The accompanying notes are an integral part of these consolidated financial statements.

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

	Year Ended December 31,		
	2023	2024	2025
Revenue	\$ 569,946	\$ 752,764	\$ 962,195
Cost of revenue (including related party costs of \$177,076, \$231,803 and \$302,910 for the years ended December 31, 2023, 2024 and 2025, respectively)	336,343	413,331	525,946
Gross profit	233,603	339,433	436,249
Operating expenses:			
Research and development	97,568	105,487	122,755
Sales and marketing	217,035	250,661	190,136
General and administrative	56,059	51,213	51,688
Total operating expenses	370,662	407,361	364,579
Operating profit (loss)	(137,059)	(67,928)	71,670
Financial expenses (income), net	(5,262)	11,465	1,171
Profit (loss) before income taxes	(131,797)	(79,393)	70,499
Provision for income taxes (benefits)	2,008	(3,845)	2,229
Net Income (loss)	\$ (133,805)	\$ (75,548)	\$ 68,270
Net Income (loss) attributable to ordinary shareholders	\$ (133,805)	\$ (75,548)	\$ 68,270
Net Income (loss) per share attributable to ordinary shareholders, basic	\$ (0.81)	\$ (0.45)	\$ 0.40
Net Income (loss) per share attributable to ordinary shareholders, diluted	\$ (0.81)	\$ (0.45)	\$ 0.39
Weighted-average shares used in computing net income (loss) per share attributable to ordinary shareholders, basic	164,353,909	167,323,350	169,893,221
Weighted-average shares used in computing net income (loss) per share attributable to ordinary shareholders, diluted	164,353,909	167,323,350	175,987,463

The accompanying notes are an integral part of these consolidated financial statements.

Global-E Online LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)

	Year Ended December 31,		
	2023	2024	2025
Net Income (loss)	\$ (133,805)	\$ (75,548)	\$ 68,270
Other comprehensive income:			
Unrealized gain on available-for-sale marketable securities, net	506	486	2,060
Unrealized gain on derivative instruments, net	-	1,449	225
Other comprehensive income	506	1,935	2,285
Comprehensive Income (loss)	\$ (133,299)	\$ (73,613)	\$ 70,555

The accompanying notes are an integral part of these consolidated financial statements.

Global-E Online LTD.
CONSOLIDATED STATEMENTS SHAREHOLDERS' EQUITY
(in thousands, except share data)

	Ordinary Shares		Additional	Accumulated		Total
	Shares	Amount	Paid-in	Other	Accumulated	Shareholders'
			Capital	Comprehensive	Deficit	Equity
				Income (Loss)		
Balance as of December 31, 2022	161,316,543	\$ -	\$ 1,253,093	\$ (1,926)	\$ (323,046)	\$ 928,121
Issuance of warrants to Ordinary Shares	-	-	60,206	-	-	60,206
Exercise of options and vested RSUs granted to employees	2,016,124	-	1,969	-	-	1,969
Issuance of Shares due to Contingent Consideration	219,600	-	-	-	-	-
Other comprehensive loss	-	-	-	506	-	506
Share-based compensation expense	-	-	44,960	-	-	44,960
Exercise of Warrants to Ordinary Shares	2,221,647	-	22	-	-	22
Net Loss	-	-	-	-	(133,805)	(133,805)
Balance as of December 31, 2023	165,773,914	\$ -	\$ 1,360,250	\$ (1,420)	\$ (456,851)	\$ 901,979
Issuance of warrants to Ordinary Shares	-	-	22,400	-	-	22,400
Exercise of options and vested RSUs granted to employees	2,645,700	-	3,271	-	-	3,271
Issuance of Shares due to Contingent Consideration	219,600	-	-	-	-	-
Other comprehensive income	-	-	-	1,935	-	1,935
Share-based compensation expense	-	-	39,391	-	-	39,391
Exercise of Warrants to Ordinary Shares	492,054	-	5	-	-	5
Net Loss	-	-	-	-	(75,548)	(75,548)
Balance as of December 31, 2024	169,131,268	\$ -	\$ 1,425,317	\$ 515	\$ (532,399)	\$ 893,433
Issuance of ordinary shares upon exercise of share options	550,080	-	1,392	-	-	1,392
Issuance of ordinary shares upon vesting of RSU's	1,203,317	-	-	-	-	-
Other comprehensive income	-	-	-	2,285	-	2,285
Share-based compensation expense	-	-	39,454	-	-	39,454
Fair value of awards attributable to pre-acquisition services	-	-	68	-	-	68
Repurchase of shares, net of transaction costs	(1,835,049)	-	-	-	(72,217)	(72,217)
Net Profit	-	-	-	-	68,270	68,270
Balance as of December 31, 2025	169,049,616	-	\$ 1,466,231	\$ 2,800	\$ (536,347)	\$ 932,684

The accompanying notes are an integral part of these consolidated financial statements.

Global-E Online LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2023	2024	2025
Cash flows from operating activities:			
Net Profit (loss)	\$ (133,805)	\$ (75,548)	\$ 68,270
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	1,788	2,131	2,323
Share-based compensation expense	44,960	39,158	39,345
Commercial agreement asset amortization	150,451	148,594	65,996
Intangible assets amortization	20,434	18,812	18,660
Unrealized loss (gain) on foreign currency	(1,901)	4,468	(10,982)
Changes in accrued interest and exchange rate on short-term deposits	(416)	(1,329)	(3,146)
Changes in accrued interest and exchange rate on long-term deposits	(255)	200	-
Changes in operating assets and liabilities:			
Increase in accounts receivable	(11,417)	(13,330)	(14,374)
Increase in prepaid expenses and other assets	(11,735)	(18,019)	(35,994)
Increase in funds receivable	(11,074)	(3,205)	(6,714)
Decrease (increase) in other assets, noncurrent	(339)	551	(391)
Increase in funds payable to customers	33,107	11,752	58,667
Decrease in operating lease ROU assets	3,230	3,691	3,976
Increase in deferred contract acquisition costs	(1,207)	(1,382)	(688)
Increase (decrease) in accounts payable (including an increase of related party payables of \$711, \$19,706, \$8,348 for the years ended December 31, 2023, 2024 and 2025, respectively)	(1,277)	28,617	11,979
Increase in accrued expenses and other liabilities (including an increase of related party payables of \$1,173, \$3,387, \$4,564 for the years ended December 31, 2023, 2024 and 2025, respectively)	30,625	34,272	88,689
Increase (decrease) in deferred taxes	120	(6,507)	(436)
Decrease in operating lease liabilities	(3,067)	(3,533)	(1,398)
Net cash provided by operating activities	<u>108,222</u>	<u>169,393</u>	<u>283,782</u>
Cash flows from investing activities:			
Investment in marketable securities	(3,728)	(21,128)	(39,502)
Proceeds from marketable securities	671	4,988	3,950
Purchases of short-term and long-term investments	-	-	(5,136)
Purchases of short-term and long-term deposits	(175,319)	(266,213)	(417,478)
Proceeds from short-term and long-term deposits	125,078	180,572	301,316
Investment in joint ventures	-	(1,000)	(3,000)
Purchases of property and equipment	(1,741)	(2,335)	(3,099)
Payments for business combinations, net of cash acquired (see note 6)	-	-	(17,757)
Net cash used in investing activities	<u>(55,039)</u>	<u>(105,116)</u>	<u>(180,706)</u>
Cash flows from financing activities:			
Proceeds from exercise of share options	1,969	3,271	1,392
Proceeds from repurchases of shares	-	-	(72,217)
Proceeds from exercise of warrants to Ordinary Shares	22	5	-
Net cash provided by (used in) financing activities	<u>1,991</u>	<u>3,276</u>	<u>(70,825)</u>
Exchange rate differences on balances of cash, cash equivalents and restricted cash	1,901	(4,468)	10,982
Net increase in cash, cash equivalents, and restricted cash	57,075	63,085	43,233
Cash and cash equivalents and restricted cash—beginning of period	211,522	268,597	331,682
Cash and cash equivalents and restricted cash—end of period	<u>\$ 268,597</u>	<u>\$ 331,682</u>	<u>\$ 374,915</u>
Supplemental disclosures of noncash investing and financing activities:			
ROU assets and lease liabilities created during the period	<u>\$ 6,565</u>	<u>\$ 5,068</u>	<u>\$ 44</u>
Recognition of Commercial agreement asset	<u>\$ 60,206</u>	<u>\$ 22,400</u>	<u>\$ -</u>

The accompanying notes are an integral part of these consolidated financial statements.

Global-e Online Ltd.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
U.S. dollars in thousands (except share and per share data)

1. Organization and Description of Business

Global-E Online Ltd. was incorporated on February 21, 2013, under the laws of the state of Israel and commenced operations at that time.

The company and its subsidiaries (together, "Global-E", the "Company") offer a leading platform to enable and accelerate global, direct-to-consumer ("D2C") e-commerce. The platform was purpose-built for international shoppers to buy seamlessly online and for merchants to sell from, and to, anywhere in the world. The Company's platform localizes the shopper experience in effort to make international transactions as seamless as domestic ones. The platform increases the conversion of international traffic into sales by removing much of the complexity associated with international e-commerce. The platform provides an integrated solution that creates a localized and frictionless shopper experience and is simple to manage, flexible to adjust and smart in its local market insights and best practices. The vast capabilities of the Company's end-to-end platform include interaction with shoppers in their native languages, market-adjusted pricing, payment options tailored to local market preferences, compliance with local consumer regulations and requirements such as customs duties and taxes, shipping services, after-sales support and returns management. These elements are unified under the Global-e platform to enhance the shopper experience and enable merchants to capture the global opportunity.

On July 31, 2025, the Company completed the acquisition of ReturnGo Ltd and its subsidiary ("ReturnGo") ("ReturnGo Acquisition"), incorporated in 2020 and is based in Israel. ReturnGo's technology enables AI-powered return and exchange solution.

The acquisition was accounted for by the acquisition method of accounting, and, accordingly, the purchase price has been allocated according to the fair value of the assets acquired and liabilities assumed (see note 6).

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and include the accounts of Global-E Online Ltd. and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Reclassifications

Certain prior period amounts have been reclassified in order to conform to the current period presentation.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant items subject to such estimates and assumptions include, but are not limited to, the allocation of transaction price among various performance obligations and the variable consideration in determination of the transaction price, the estimated customer life on deferred contract acquisition costs, the allowance for credit losses, the fair value of financial assets and liabilities; the fair value of acquired intangible assets and goodwill, the useful lives of acquired intangible assets and, property and equipment, the useful life of the commercial assets agreement and the valuation of deferred tax assets and uncertain tax positions. The Company bases these estimates on historical and anticipated results, trends and various other assumptions that it believes are reasonable under the circumstances, including assumptions as to future events. Actual results could differ from those estimates.

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Foreign Currency

The functional currency of the Company is the U.S. dollar. Accordingly, foreign currency assets and liabilities are remeasured into U.S. dollars at the end-of-period exchange rates except for non-monetary assets and liabilities, which are measured at historical exchange rates. Revenue and expenses are remeasured each day at the exchange rate in effect on the day the transaction occurred or at the average exchange rate for the relevant period.

Concentration of Risks

Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash and cash equivalents, restricted cash, short-term deposits, accounts receivable, funds receivable and marketable securities and derivative instruments. The Company maintains its cash, cash equivalents, restricted cash, and short-term deposits with high-quality financial institutions mainly in the U.S., Europe and Israel, the composition and maturities of which are regularly monitored by the Company.

The Company's investments in marketable securities are made in instruments with high credit ratings, in accordance with the Company's investment policy, and are not insured or guaranteed.

The Company's derivatives expose it to credit risk to the extent that the counterparties may be unable to meet the terms of the agreement. The Company seeks to mitigate such risk by limiting its counterparties to major financial institutions and by spreading the risk across a number of major financial institutions.

In the years ended December 31, 2023, 2024 and 2025 there weren't revenues from a single customer which exceeded 10% of the Company's revenues.

Cash, Cash Equivalents, and Restricted Cash

Cash and cash equivalents consist of cash in banks. The Company considers all highly liquid investments, with an original maturity of three months or less at the date of purchase, to be cash equivalents. The Company maintains certain cash amounts restricted as to its withdrawal or use. The Company's restricted cash primarily consists of security deposits collateralizing the Company's operating leases.

As of December 31, 2024 and 2025, the Company holds money market funds in the amount of \$150,060 and \$180,060. The money market funds are classified as level 1.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows:

	December 31,		
	2023	2024	2025
Cash and cash equivalents	\$ 200,081	\$ 254,620	\$ 245,860
Cash and cash equivalents included in funds receivable	\$ 68,334	\$ 76,881	\$ 128,833
Restricted cash included in other assets	\$ 182	\$ 181	\$ 222
Total cash, cash equivalents, and restricted cash	\$ 268,597	\$ 331,682	\$ 374,915

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Marketable Securities

The Company classifies its marketable securities as available-for-sale at the time of purchase and re-evaluates such classification at each balance sheet date. The Company may sell these securities at any time for use in current operations, even if they have not yet reached maturity. As a result, the Company classifies its marketable securities, including those with maturities beyond 12 months, as current assets in the Consolidated Balance Sheets. The Company carries these securities at fair value and records unrealized gains and losses, net of taxes, in accumulated other comprehensive income, which is reflected as a component of shareholders' equity. The Company periodically evaluates its marketable securities to assess whether those account for a credit loss. Expected credit losses on available-for-sale debt securities are recognized in financial expenses (income), net, on the Company's consolidated statements of operations, and any remaining unrealized losses, net of taxes, are included in accumulated other comprehensive income in shareholders' equity. The Company has not recorded credit losses on available-for-sale debt securities for the year ended December 31, 2023, 2024 and 2025. The Company periodically evaluates its available-for-sale debt securities for impairment. If the amortized cost of an individual security exceeds its fair value, the Company considers its intent to sell the security or whether it is more likely than not that it will be required to sell the security before recovery of its amortized basis. If either of these criteria are met, the Company writes down the security to its fair value and records the impairment charge in financial expenses (income), net, in the consolidated statements of operations. If neither of these criteria are met, the Company determines whether credit loss exists. Changes in allowance for expected credit losses, is recorded in financial expenses (income), net.

Derivatives instruments – Hedging transactions

The Company enters into foreign currency forward and put and call option contracts with financial institutions to protect itself against the foreign exchange risks, mainly 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 related to salary expenses, for up to twelve months, as part of the Company's risk management strategy. The Company does not enter into derivative transactions for trading or speculative purposes.

Derivatives are recognized at fair value as either assets or liabilities in the consolidated balance sheets in accordance with ASC Topic 815, "Derivatives and Hedging". The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on their intended use and their designation.

For derivative instruments that hedge the exposure to variability in expected future cash flows that are designated as cash flow hedge, changes in the fair value of these derivatives are recorded in accumulated other comprehensive income (loss) as a component of shareholders' equity in the consolidated balance sheets until the forecasted transaction occurs. Upon occurrence, the Company reclassifies the related gains or losses on the derivative to the same financial statement line item in the consolidated statements of operations to which the derivative relates. In case the Company discontinues cash flow hedges, it records the related amount in finance expenses (income), net, on the consolidated statements of operations.

The effect of foreign currency contracts designated as cash flow hedge on the consolidated statements of operations, for the year ended December 31, 2024 and 2025, were as follows:

	Year Ended December 31,	
	2024	2025
Cost of revenue	\$ 46	\$ 869
Research and development	156	2,862
Sales and marketing	22	349
General and administrative	55	1,023
Total profit	\$ 279	\$ 5,103

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Fair Value Measurements

Fair value is defined as the exchange price that would be received from the sale of an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company measures financial assets and liabilities at fair value at each reporting period using a fair value hierarchy, which requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Three levels of inputs may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Financial instruments consist of cash and cash equivalents, restricted cash, short-term and long-term deposits, long-term investment, accounts receivables, accounts payables, accrued expenses and other current liabilities, funds receivable and payable, marketable securities and derivative instruments. Cash and cash equivalents, short-term deposits, accounts receivable, accounts payable, and accrued expenses, funds receivable and payable and other current liabilities are stated at their carrying value, which approximates fair value due to the short time to the expected receipt or payment date. Marketable securities and derivative instruments are stated at fair value on a recurring basis (see note 14).

The Company has elected to account for the investments in joint ventures that would otherwise be accounted for under the equity method using the fair value method (see note 2 and 14) with changes in fair value reported through earnings. The fair value of the investments was determined using the income approach by estimated future cash flows discounted in order to get a present value of potential operations. Such investments are categorized as level 3.

Other Comprehensive Income (loss)

The Company accounts for comprehensive income (loss) in accordance with Accounting Standards Codification No. 220, "Comprehensive Income" ("ASC No. 220"). This statement establishes standards for the reporting and display of comprehensive income (loss) and its components in a full set of general-purpose financial statements. Comprehensive income (loss) generally represents all changes in shareholders' equity during the period except those resulting from investments by, or distributions to shareholders.

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The total accumulated other comprehensive income was comprised as follows:

	Unrealized gain (loss) on marketable securities	Unrealized gain on Hedging transactions
Beginning balance as of January 1, 2023	(1,926)	-
Other comprehensive income before reclassifications, net of tax	475	-
Net realized gains reclassified from OCI	31	-
Net current period other comprehensive income	506	-
Balance as of December 31, 2023	(1,420)	-
Other comprehensive income before reclassifications, net of tax	197	1,728
Net realized loss (gains) reclassified from OCI	289	(279)
Net current period other comprehensive income	486	1,449
Balance as of December 31, 2024	\$ (934)	\$ 1,449
Other comprehensive income before reclassifications, net of \$367 tax	1,969	5,328
Net realized loss (gains) reclassified from OCI	91	(5,103)
Net current period other comprehensive income	2,060	225
Balance as of December 31, 2025	<u>\$ 1,126</u>	<u>\$ 1,674</u>

Accounts Receivable, Net

Accounts receivables are recorded at the invoiced amount and amounts for which revenue has been recognized but not invoiced, net of allowance for credit losses. The allowance for credit losses is based on historical collection experience, customer creditworthiness, current and future economic condition and market condition. Additionally, specific allowance amounts are established to record the appropriate provision for customers that have a higher probability of default. Accounts receivables are written off after all reasonable means to collect the full amount have been exhausted.

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Property and Equipment, Net

Property and equipment are stated at the cost net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets. Expenditures for maintenance and repairs are expensed as incurred.

The estimated useful lives of the Company's property and equipment are as follows:

Computer and software	3 years
Furniture and office equipment	3 – 7 years
Leasehold improvements	Shorter of remaining lease term or estimated useful life

Business Combinations

The Company accounts for business combination 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. The Company determines the recognition of intangible assets based on the following criteria: (i) the intangible asset arises from contractual or other rights; or (ii) the intangible asset is separable or divisible from the acquired entity and capable of being sold, transferred, licensed, returned or exchanged.

The excess of the fair value of the purchase price over the fair values of the identifiable assets and liabilities is recorded as goodwill. Determining the fair value of the identifiable assets and liabilities requires management to use significant judgment and estimates including the forecasted revenue and revenues growth rates, discount rates, customer contract renewal rates, and customer attrition rates.

Critical estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from technology, customer relationships and discount rates. The Company estimates fair value based upon assumptions that are believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates.

Upon the conclusion of the measurement period or final determination of the fair value of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the Company's consolidated statements of operations.

Acquisition related costs are expensed in the consolidated statements of operations in the period incurred.

Investment in Joint Ventures

The Company elected to measure the investments that are not controlled but over which the Company can exercise significant influence at fair value. Such elections are irrevocable. Under the fair value method, investments are recorded at fair value, and any changes in fair value are reported in the consolidated statements of operations. All costs (other than purchase price) directly associated with the acquisition of an investment to be accounted for using the fair value method are expensed as incurred. As of December 31, 2025, the Company has two investments in the joint ventures, which are accounted under the fair value method (refer to note 14).

In 2024, the Company entered into a joint venture agreement (the "JV Agreement"), whereas the Company purchased an aggregate number of shares equal to 19.9% of the joint venture, Smart GL Logistics Ltd, issued and outstanding share capital, in a total amount of \$1,000. As part of the JV Agreement, call options were granted to the Company to purchase and put option were transferred to other investors to sell the remaining issued and outstanding share capital (refer also to note 13).

In 2025, the Company entered into a joint venture agreement (the "JV2 Agreement"), whereas the Company purchased an aggregate number of shares equal to 19.0% of the joint venture, Kenneth Cole Europe B.V., issued and outstanding share capital, in a total amount of \$3,000. As part of the JV2 Agreement, put options were granted to the Company to require the other investors to purchase the shares held by the Company.

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Intangible Assets

Acquired identifiable finite-lived intangible assets are amortized on a straight-line basis over the estimated useful lives of the assets. The basis of amortization approximates the pattern in which the assets are utilized, over their estimated useful lives. The Company routinely reviews the remaining estimated useful lives of finite-lived intangible assets. In case the Company reduces the estimated useful life for any asset, the remaining unamortized balance is amortized or depreciated over the revised estimated useful life.

The estimated useful lives of the Company's intangible assets are as follows:

	<u>Years</u>
Technology	2-7
Partnership Agreement	6
Customer Relationships	1-5
Trademark	2
Marketing Asset	5
GTS Duty Calculator	9

Goodwill

Goodwill reflects the excess of the purchase price over the estimated fair values of the identifiable net assets acquired in business combinations. Goodwill is not amortized and is tested for impairment at least on an annual basis. The Company operates as one reporting unit and the fair value of the reporting unit is estimated using quoted market prices of the Company's share in active markets. The Company tests goodwill for impairment annually in the fourth quarter and whenever events or changes in circumstances indicate the carrying amount of goodwill may not be recoverable.

When testing goodwill for impairment, the Company may first perform a qualitative assessment. If the Company determines it is not more likely than not the reporting unit's fair value is less than its carrying value, then no further analysis is necessary. If the Company determines that it is more likely than not that the fair value of its reporting unit is less than its carrying amount, then the quantitative impairment test will be performed. The Company may elect to bypass the qualitative assessment and proceed directly to performing a quantitative analysis. Under the quantitative impairment test, if the carrying amount of the Company's reporting unit exceeds its fair value, the Company recognizes an impairment of goodwill for the amount of this excess. There was no impairment of goodwill in the years ended December 31, 2023, 2024 and 2025.

Impairment of Long-Lived Assets and intangible assets subject to amortization

The Company evaluates the recoverability of long-lived assets, including property and equipment and intangible assets subject to amortization for possible impairment whenever events or circumstances indicate that the carrying amount of such assets may not be fully recoverable. Such events and changes may include significant changes in performance relative to expected operating results, significant changes in asset use, significant negative industry or economic trends, and changes in the Company's business strategy. Recoverability of these assets is measured by a comparison of the carrying amounts to the future undiscounted cash flows the assets are expected to generate. If such a review indicates that the carrying amount of long-lived assets is not recoverable, the carrying amount of such assets is reduced to fair value. There were no impairment charges to long-lived assets during the periods presented.

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Capitalized Software Costs

Costs related to software acquired, developed, or modified solely to meet the Company's internal requirements, with no substantive plans to market such software at the time of development are capitalized. Costs incurred during the preliminary planning and evaluation stage of the project and during the post implementation operational stage are expensed as incurred. Costs incurred during the application development stage of the project are capitalized. Maintenance costs are expensed as incurred.

Leases

The Company determines if an arrangement is a lease and the classification of that lease at inception based on: (1) whether the contract involves the use of an identified asset, (2) whether the Company obtains the right to substantially all the economic benefits from the use of the asset throughout the lease period, and (3) whether the Company has a right to direct the use of the asset. The Company elected to not recognize a lease liability and a right-of-use ("ROU") asset for leases with a term of twelve months or less. The Company also elected the practical expedient to not separate lease and non-lease components for its leases.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets are initially measured at amounts, which represents the discounted present value of the lease payments over the lease, plus any initial direct costs incurred. The lease liability is initially measured at lease commencement date based on the discounted present value of minimum lease payments over the lease term. The implicit rate within the operating leases is generally not determinable, therefore the Company uses its Incremental Borrowing Rate ("IBR") based on the information available at commencement date in determining the present value of lease payments. The Company's IBR is estimated to approximate the interest rate for collateralized borrowing with similar terms and payments and in economic environments where the leased asset is located. Certain leases include options to extend or terminate the lease. An option to extend the lease is considered in connection with determining the ROU asset and lease liability when it is reasonably certain that the Company will exercise that option. An option to terminate is considered unless it is reasonably certain that the Company will not exercise the option.

Payments under the Company's lease arrangements are primarily fixed, however, certain lease agreements contain variable payments, which are expensed as incurred and not included in the operating lease right-of-use assets and liabilities. Variable lease payments are primarily comprised of payments affected by CPI and utility charges.

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Revenue Recognition

The Company's revenues are comprised of:

1. Service Fees – The Company provides merchants a global direct-to-consumer e-commerce platform that enables them to sell their products to consumers worldwide. Revenue is generated as a percentage of the value of transactions that flow through the Company's platform as well as additional fees for value-added services.
2. Fulfillment services – The Company offers shipping, handling, and other global delivery services in order to deliver merchants' goods to consumers.

In accordance with ASC 606, revenue is recognized when a customer obtains control of promised goods or services are delivered. The amount of revenue recognized reflects the consideration that the Company expects to receive in exchange for these goods or services. To achieve the core principle of this standard, the Company applies the following five steps:

1. Identification of the contract, or contracts, with the customer

The Company determines that it has a contract with a customer when each party's rights regarding the products or services to be transferred can be identified, the payment terms for the services can be identified, the Company has determined the customer has the ability and intent to pay, and the contract has commercial substance. At contract inception, the Company evaluates whether two or more contracts should be combined and accounted for as a single contract and whether the combined or single contract includes more than one performance obligation.

2. Identification of the performance obligations in the contract

Performance obligations promised in a contract are identified based on the products and services that will be transferred to the customer that are both capable of being distinct, whereby the customer can benefit from the products or services either on their own or together with other resources that are readily available from third parties or from the Company, and are distinct in the context of the contract, whereby the transfer of the products and services is separately identifiable from other promises in the contract. The Company identified two distinct performance obligations: service fees and fulfillment services. The Company offers its platform service solution on a standalone basis (i.e., without the fulfillment services), fulfillment services are offered on an optional basis. Customers may choose to utilize or cease utilizing fulfillment services, either in whole or for select markets, at any time and from time to time.

3. Determination of the transaction price

The transaction price is determined based on the consideration to which the Company expects to be entitled in exchange for transferring products or delivery of services to the customer. The Company applied the practical expedient in ASC 606 and did not evaluate payment terms of one year or less for the existence of a significant financing component. Revenue is recognized net of any taxes collected from customers which are subsequently remitted to governmental entities (e.g., sales tax and other indirect taxes). To the extent the transaction price includes variable consideration, the Company estimates the amount of variable consideration by the expected value method. The Company includes variable consideration if it is probable that a significant future reversal of cumulative revenue under the contract will not occur. The Company reassesses variable consideration at each reporting period and, if necessary, these estimates are adjusted to reflect the anticipated amounts to be collected when those facts and circumstances become known. These estimates are based on historical experience, anticipated performance and the Company's best judgment at the time. The variable consideration that is based on the merchants' volume of sales, in such cases, the Company recognizes revenue when the merchant's sale occurs, the variable price becomes known and it has a right to invoice.

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4. Allocation of the transaction price to the performance obligations in the contract

Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on each performance obligation's relative standalone selling price ("SSP"). To determine SSP, the Company maximizes the use of observable standalone sales and observable data, where available. In instances where performance obligations do not have observable standalone sales, the Company uses the expected cost-plus margin approach to estimate the standalone selling price based on a defined matrix that takes into consideration, among others, the weight, volume and shipping lane of the package. The Company also utilizes available information that may include market conditions, pricing strategies, and other observable inputs. In some cases, the Company provides the platform service solution on a standalone basis. (i.e., without the fulfillment services) since fulfillment service is optional. As for the fulfillment services, the Company provides such services only alongside the platform service solution.

5. Recognition of the revenue when, or as, a performance obligation is satisfied

Revenue is recognized at the time the related performance obligation is satisfied by transferring the promised product or delivery of service to the customer. Revenue is recognized in an amount that reflects the consideration that the Company expects to receive in exchange for those products or services.

For each performance obligation identified, the Company is required to determine whether control of the good or service transfers to the customer over time or at a point in time. The assessment of whether control transfers over time or at a point in time is critical to the timing of revenue recognition. The control over the promised services for each of the components is transferred as follow:

- a. Service Fees -the revenues are recognized once the transaction is considered completed, when the payment is processed by the Company, and the merchant goods arrive at the Company's hub. The Company determined it acts as an agent since it does not have control over the goods provided to the shopper, based on the agreement with the merchant. The Company is not primarily responsible for the acceptability of the goods (for example – the quality of the goods provided to the consumer). Furthermore, the Company has no discretion in determining the prices paid by the consumer for the goods. The Company earns a fee based on a fixed percentage of the total amount of the goods. Therefore, revenues derived from the service fees are presented on a net basis.
- b. Fulfillment services - the service is recognized over the shipment time starting upon the dispatch to the carrier until it reaches the consumer. The Company determined it acts as a principal since it is the primary obligor to fulfill its promise to its customers, controls the services (i.e. the Company directs other parties to provide services on its behalf), has discretion in determining the carrier it uses to provide the service and bears the risk of loss if the actual cost of the fulfillment service will exceed the fee. Therefore, revenues derived from the fulfillment services are presented on a gross basis.

The Company elected to apply the optional exemption under ASC 606 not to disclose the remaining performance obligations that relate to contracts with an original expected duration of one year or less.

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Disaggregation of Revenue

The following table summarizes revenue by category:

	Year Ended December 31,					
	2023		2024		2025	
	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage of Revenue
	(in thousands, except percentages)					
Service fees	\$ 262,255	46%	\$ 350,311	47%	\$ 451,205	47%
Fulfillment services	307,692	54%	402,453	53%	510,990	53%
Total revenue	<u>\$ 569,946</u>	<u>100%</u>	<u>\$ 752,764</u>	<u>100%</u>	<u>\$ 962,195</u>	<u>100%</u>

The Company's revenues from service fees provided on a standalone basis were \$44,461, \$68,168 and \$86,388 for the years ended December 31, 2023, 2024 and 2025, respectively.

The following table summarizes revenue by merchant outbound region:

	Year Ended December 31,					
	2023		2024		2025	
	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage of Revenue
	(in thousands, except percentages)					
United States	\$ 285,619	50%	\$ 399,596	53%	\$ 507,094	53%
United Kingdom	173,584	30%	182,904	24%	193,959	20%
European Union	92,566	16%	125,547	17%	175,568	18%
Israel	1,806	*)	2,746	*)	3,748	*)
Other	16,371	3%	41,971	6%	81,826	9%
Total revenue	<u>\$ 569,946</u>	<u>100%</u>	<u>\$ 752,764</u>	<u>100%</u>	<u>\$ 962,195</u>	<u>100%</u>

*) Less than 1%

Deferred contract acquisition and fulfillment costs

The Company capitalizes sales commissions 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. The Company determines whether costs should be deferred based on its sales compensation plans and if the commissions are incremental and would not have occurred absent the customer contract.

Sales commissions paid upon the initial acquisition of a customer contract for sales personnel and affiliates are amortized mainly over an estimated period of benefit of five years. The Company determines the period of benefit for sales commissions paid for the acquisition of the initial customer contract by taking into consideration the estimated technological life of the Company's solution.

Amortization of sales commissions are consistent with each performance obligation and are included in sales and marketing expense in the consolidated statements of operations. The Company has 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.

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The Company capitalizes costs incurred to fulfill its contracts when the costs relate directly to a contract and are expected to generate resources that will be used to satisfy the performance obligation under the contract and are expected to be recovered through revenues generated under the contract. Costs to fulfill contracts are expensed to cost of revenue on a straight-line basis over the estimated technological useful life of the Company's solution which are estimated to be five years.

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 periods presented.

The following tables represent a roll forward of deferred contract acquisition costs:

Cost to obtain a contract:

	Year Ended December 31,		
	2023	2024	2025
	(in thousands)		
Beginning balance	\$ 2,562	\$ 3,157	\$ 4,033
Additions to deferred contract acquisition costs	1,463	2,010	1,839
Amortization of deferred contract acquisition costs	(868)	(1,134)	(1,422)
Ending balance	<u>\$ 3,157</u>	<u>\$ 4,033</u>	<u>\$ 4,450</u>
Deferred contract acquisition costs (to be recognized in next 12 months included in other current assets)	\$ 970	\$ 1,280	\$ 1,470
Deferred contract acquisition costs, noncurrent	<u>2,187</u>	<u>2,753</u>	<u>2,980</u>
Total deferred contract acquisition costs	<u>\$ 3,157</u>	<u>\$ 4,033</u>	<u>\$ 4,450</u>

Cost to fulfill a contract:

	Year Ended December 31,		
	2023	2024	2025
	(in thousands)		
Beginning balance	\$ -	\$ 613	\$ 1,357
Additions to deferred contract acquisition costs	659	956	756
Amortization of deferred contract acquisition costs	(46)	(212)	(377)
Ending balance	<u>\$ 613</u>	<u>\$ 1,357</u>	<u>\$ 1,736</u>
Deferred contract acquisition costs (to be recognized in next 12 months included in other current assets)	\$ 133	\$ 323	\$ 474
Deferred contract acquisition costs, noncurrent	<u>481</u>	<u>1,034</u>	<u>1,262</u>
Total deferred contract acquisition costs	<u>\$ 613</u>	<u>\$ 1,357</u>	<u>\$ 1,736</u>

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Cost of Revenue

Cost of revenue primarily consists of expenses related to fulfillment of its services, which mainly include shipping costs, acquiring costs, payroll, hosting, amortization of intangible assets and allocated overhead. Overhead is allocated to cost of revenue based on applicable headcount.

Research and Development

Research and development costs include personnel-related expenses associated with the Company's development personnel responsible for the design, development and testing of its products, cost of development environments and tools, and allocated overhead. Overhead is allocated to research and development based on applicable headcount. Research and development costs are expensed as incurred.

Sales and Marketing Costs

Sales and Marketing costs include mainly personnel-related expenses, sales commissions, direct marketing, revenue share expenses, events, public relations, commercial agreement amortization (see note 7), amortization of intangible assets and allocated overhead. Overhead is allocated to sales and marketing based on applicable headcount.

General and Administrative

General and administrative expenses primarily consist of personnel-related expenses and merger-related contingent consideration, associated primarily with the Company's finance, legal, human resources and other operational and administrative functions, professional fees for external legal, accounting and other consulting services, and allocated overhead. Overhead is allocated to sales and marketing based on applicable headcount.

Share-Based Compensation

The Company account for share-based compensation in accordance with ASC No. 718, "Compensation - Stock Compensation" ("ASC No. 718"). Share-based compensation expense related to share awards is recognized based on the fair value of the awards granted. The fair value of restricted stock units ("RSU") is based on the closing market value of the underlying shares at the date of grant. The fair value of each option award is estimated on the grant date using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the input of subjective assumptions, including the fair value of the underlying Ordinary Shares, the expected term of the option, the expected volatility of the price of the Company's Ordinary Shares, risk-free interest rates, and the expected dividend yield of Ordinary Shares. The assumptions used to determine the fair value of the option awards represent management's best estimates. These estimates involve inherent uncertainties and the application of management's judgment. The related share-based compensation expense is recognized on a straight-line basis over the requisite service period of the awards, including awards with graded vesting and no additional conditions for vesting other than service conditions. Forfeitures are accounted for as they occur.

Income Taxes

The Company is subject to income taxes in Israel, the U.S., U.K and other foreign jurisdictions. These foreign jurisdictions may have different statutory rates than in Israel. Income taxes are accounted in accordance with ASC 740, *Income Taxes* ("ASC 740"). Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax basis as well as operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The financial effect of changes in tax laws or rates is accounted for in the period of enactment. Valuation allowances are provided when necessary to reduce deferred tax assets to the amount expected to be realized.

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The Company recognizes income tax benefits from uncertain tax positions only if it believes that it is more likely than not that the tax position will be sustained upon examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such uncertain tax positions are then measured based on the largest benefit that is more likely than not to be realized upon the ultimate settlement. Although the Company believes that it has adequately reserved for its uncertain tax positions, it can provide no assurance that the final tax outcome of these matters will not be materially different. The Company makes adjustments to these reserves when facts and circumstances change, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different from the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made. The Company recognizes interest and penalties related to uncertain tax positions within income tax expenses.

Net Earnings (Loss) Per Share Attributable to Ordinary Shareholders

The Company calculates basic net income (loss) per share by dividing the net income (loss) by the weighted-average number of Ordinary Shares outstanding during the period. Diluted net income (loss) per share is computed by giving effect to all potentially dilutive Ordinary Share equivalents outstanding for the period, including share options and restricted share units. Diluted net income (loss) per share was the same as basic net income (loss) per share in periods when the effects of potentially dilutive shares of Ordinary Shares were anti-dilutive.

Segment Information

The Company operates in one operating and reportable segment. Operating segments are defined as components of an entity of which separate financial information is evaluated regularly by the chief operating decision maker (“CODM”), who is the Company’s chief executive officer (“CEO”), in deciding how to allocate resources and assessing performance. The Company’s CODM allocates resources and assesses performance based upon discrete financial information at the consolidated level.

Our CODM uses consolidated net income to measure segment profit or loss, to allocate resources and assess performance. Further, the CODM reviews and utilizes functional expenses (cost of revenue, sales and marketing, research and development, and general and administrative) at the consolidated level to manage the Company’s operations.

The following table summarizes the Company’s segment revenue, significant segment expenses, and segment profit (loss):

	December 31,		
	2023	2024	2025
	(in thousands)		
Revenue	\$ 569,946	\$ 752,764	\$ 962,195
Less:			
Compensation expenses (1)	(104,231)	(116,316)	(139,397)
Other segment items (2)	(599,520)	(711,996)	(754,528)
Net profit (loss)	<u>\$ (133,805)</u>	<u>\$ (75,548)</u>	<u>\$ 68,270</u>

(1) Compensation expenses include employee salaries and commissions, payroll taxes, benefits, outsourced labor costs, excluding share-based compensation expenses.

(2) Other segment items include acquisition-related costs, amortization of intangibles, depreciation of property and equipment, share-based compensation expenses, fulfillment costs, clearing and chargeback costs, hosting costs, marketing expenses, professional service fees, referral expenses, software and subscription costs, other overhead expenses, interest and other income, net, and income tax expenses.

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Revenue by geographical region can be found in the revenue recognition disclosures in note 2 above. The following table presents the Company's property and equipment, net of depreciation and amortization as well as the Company's operating lease ROU assets by geographic region:

	December 31,	
	2024	2025
	(in thousands)	
Israel	\$ 23,314	\$ 22,340
United Kingdom	3,964	3,281
United States	6,379	4,992
Rest of world	1,212	1,117
Total assets, net	<u>\$ 34,869</u>	<u>\$ 31,730</u>

Legal Proceedings

In the ordinary course of business, the Company may be subject from time to time to various proceedings, lawsuits, disputes, or claims. The Company investigates these claims as they arise. Other than the below, the Company is currently not aware of any matters that, if determined adversely to the Company, would individually or taken together, have a material adverse effect on its business, financial position, results of operations, or cash flows.

In February 2026, a claim and a motion to certify it as a class action, were filed in Israel against one of the Company's merchants and the Company, in connection with allegations concerning product descriptions on the merchants' Israeli website and the asserted suitability of a certain product family for its specific intended use. The certification motion estimates the aggregate amount of the alleged class-wide damages at approximately \$9,000.

As of the date of the issued of the consolidated financial statements, the proceeding is at a preliminary stage. Based on a preliminary review of the certification motion and the nature of the allegations which focus on representations provided in the merchant website, which are outside the scope of the Company's involvement, the Company intends to seek dismissal in limine on a preliminary basis, before submitting a response to the certification motion on the merits. The Company's position is that it is not responsible for product descriptions, marketing representations, warnings or other content displayed on the website; and it does not control, maintain or possess the underlying product data (including product specifications, intended use and safety-related information).

In the Company's assessment, based on information currently available to it and on the preliminary views of its external legal counsel, the likelihood that the claims will be accepted against the Company directly is less than probable.

Israeli Severance Pay

Pursuant to Israel's Severance Pay Law, Israeli employees are entitled to severance pay equal to one month's salary for each year of employment, or a portion thereof. The Company has elected to include its employees in Israel under Section 14 of the Severance Pay Law, under which these employees are entitled only to monthly deposits made in their name with insurance companies, at a rate of 8.33% of their monthly salary. These payments release the Company from any future obligation under the Israeli Severance Pay Law to make severance payments in respect of those employees; therefore, for these employees any liability for severance pay due to these employees, and the deposits under Section 14 are not recorded as an asset in the consolidated balance sheets. For employees which are not under Section 14 of the Severance Pay Law, as of December 31, 2024 and 2025 there is an asset and a liability in the consolidated balance sheets in the total of \$829 and \$1,098 and \$1,052 and \$1,318, respectively. During the years ended December 31, 2024 and 2025, the Company recorded \$33 and \$58, respectively, in severance expenses related to these employees.

Funds receivable and payable to customers

Funds receivable represent cash received or settled from end-customers via third-party payment service providers, which flows through a Company bank account for payment to the Company's customers. This cash and related receivables represent the total amount due to the Company's customers and as such, a liability for the same amount is recorded to funds payable to customers.

Recently Issued Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): *Improvements to Income Tax Disclosures*. The amended guidance requires enhanced transparency for certain income tax disclosures, primarily related to the rate reconciliation and income taxes paid. This guidance became effective for the Company on January 1, 2025, and was adopted prospectively in these consolidated financial statements. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements but resulted in enhanced income tax disclosures. Refer to Note 11 for additional information.

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Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): *Disaggregation of Income Statement Expenses*, requiring public entities to disclose additional information about specific expense categories in the notes to the financial statements on an interim and annual basis. ASU 2024-03 is effective for fiscal years beginning on January 1, 2027 and for interim periods beginning after January 1, 2028, with early adoption permitted. The Company is currently evaluating the impact of adopting on its consolidated financial statements.

In July 2025, the FASB issued ASU 2025-05, Financial Instruments - Credit Losses (Topic 326): *Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The amended guidance provides a practical expedient for estimating expected credit losses on current accounts receivable and current contract assets arising from transactions accounted for under Topic 606, including such assets acquired in a business combination. Under the practical expedient, an entity may assume that current conditions as of the balance sheet date will remain unchanged over the remaining life of these assets. This guidance will be effective for the Company for annual periods beginning January 1, 2026, on a prospective basis, with early adoption permitted. The Company does not expect the adoption to have a material impact on its consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): *Targeted Improvements to the Accounting for Internal-Use Software*, to modernize the accounting for costs related to internal-use software and better align it with current software development practices. The amended guidance removes references to project stages and clarifies when entities are required to begin capitalizing eligible costs. This guidance will be effective for the Company for annual periods beginning January 1, 2028, with early adoption permitted. The guidance may be applied prospectively, retrospectively, or using a modified prospective transition method. The Company is currently evaluating the impact of this ASU on its consolidated financial statements.

In November 2025, the FASB issued ASU 2025-09, Derivatives and Hedging (Topic 815): *Hedge Accounting Improvements*. The update provides targeted improvements intended to enhance the application of hedge accounting, including expanded eligibility of forecasted transactions, additional flexibility in measuring hedge effectiveness, and clarifications related to hedging non-financial items. The guidance is effective for fiscal years beginning January 1, 2027, including interim periods within those fiscal years. The Company is currently evaluating the impact of this ASU on its financial statement disclosures.

3. *Prepaid expenses and other current assets*

Prepaid expenses and other current assets consisted of the following:

	December 31,	
	2024	2025
	(in thousands)	
Indirect tax receivables and related prepaid expenses	\$ 67,408	\$ 93,673
Prepaid expenses	13,040	22,039
Derivative instruments asset	1,449	1,674
Other	2,716	9,084
	<u>84,613</u>	<u>126,470</u>
Prepaid expenses and other current assets	<u>\$ 84,613</u>	<u>\$ 126,470</u>

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4. Property and Equipment, Net

Property and equipment, net consisted of the following:

	December 31,	
	2024	2025
	(in thousands)	
Computer and software	\$ 3,902	\$ 4,990
Furniture and office equipment	2,519	3,060
Leasehold improvements	10,557	12,186
Property and equipment, gross	16,978	20,236
Less: accumulated depreciation and amortization	(6,538)	(9,002)
Property and equipment, net	<u>\$ 10,440</u>	<u>\$ 11,234</u>

Depreciation and amortization expense were \$1,788, \$2,131 and \$2,323 for the years ended December 31, 2023, 2024 and 2025, respectively.

5. Goodwill and intangible assets, net

Goodwill

The following table represents the changes in the carrying amounts of the Company's total goodwill:

	Carrying Amount (in thousands)
Balance as of December 31, 2024	\$ 367,566
Addition from acquisition	7,833
Balance as of December 31, 2025	<u>\$ 375,399</u>

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Intangible assets, net

	December 31,	
	2024	2025
	(in thousands)	
Cost:		
Technology	\$ 63,677	\$ 72,318
Customer relations	27,856	31,048
Partnership Agreement	11,366	11,366
Marketing Asset	19,263	19,263
Trademark	731	731
GTS Duty Calculator	3,398	3,398
	<u>\$ 126,291</u>	<u>\$ 138,124</u>
Less - accumulated amortization:		
Technology	(29,978)	(39,111)
Customer relations	(20,135)	(23,537)
Partnership Agreement	(5,673)	(7,567)
Marketing Asset	(9,620)	(13,473)
Trademark	(731)	(731)
GTS Duty Calculator	(942)	(1,320)
Total accumulated amortization	<u>\$ (67,079)</u>	<u>\$ (85,739)</u>
Intangible assets, net	<u>\$ 59,212</u>	<u>\$ 52,385</u>

Estimated amortization expense as of December 31, 2025, were as follows:

	(in thousands)
Year Ending December 31,	
2026	\$ 20,133
2027	16,692
2028	11,367
2029	2,619
2030	1,386
Thereafter	<u>188</u>
	<u>\$ 52,385</u>

Amortization expense related to intangible assets, net was included in the following line items in the consolidated statements of comprehensive loss:

	December 31,		
	2023	2024	2025
	(in thousands)		
Cost of revenues	\$ 11,183	\$ 9,994	\$ 9,511
Selling and marketing	<u>9,251</u>	<u>8,818</u>	<u>9,149</u>
	<u>\$ 20,434</u>	<u>\$ 18,812</u>	<u>\$ 18,660</u>

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6. BUSINESS COMBINATIONS

On July 31, 2025, the Company acquired 100% of the outstanding shares of ReturnGo, an AI-powered return and exchange solution which allow the Global-e's merchants to provide flexible, best-in-class return experiences to their customers worldwide.

In accordance with the acquisition method of accounting, the total purchase price for the ReturnGo Acquisition was \$18,957, comprised of cash in the amount of \$18,889 and a portion relating to the acquisition date fair-value based measure of the ReturnGo's awards that was attributable to pre-acquisition service in the amount of \$68. In addition to the purchase consideration and pursuant to holdback agreements with ReturnGo's certain employees, the Company placed in escrow an amount of \$1,000 which is subject to continued employment over the period of two years.

Under the preliminary purchase price allocation, the Company allocates the purchase price to tangible and identified intangible assets acquired and liabilities assumed based on the preliminary estimates of their fair values, which were determined using generally accepted valuation techniques based on estimates and assumptions made by management at the time of the acquisition. Such estimates are subject to change during the measurement period which is not expected to exceed one year. Any adjustments to the preliminary purchase price allocation identified during the measurement period will be recognized in the period in which the adjustments are determined.

Goodwill represents the purchase price paid in excess of the fair value of net tangible and intangible assets acquired, and is attributable primarily to expected synergies, economies of scale and the assembled workforce of ReturnGo. Goodwill is not deductible for income tax purposes.

Acquisition-related transaction costs are not included as components of consideration transferred but are accounted for as expenses in the period in which the costs are incurred. The Company incurred transaction costs of \$325 as part of the acquisition, which were included in general and administrative expenses in the consolidated statements of operations.

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

Cash and restricted cash	\$ 1,132
Short-term deposit	47
Accounts receivable and other current assets	240
Fixed assets, net	17
Intangible assets	11,833
Goodwill	7,833
Total assets acquired	<u>21,102</u>
Liabilities	
Deferred tax liability, net	357
Accounts payable	46
Other accounts payable and accrues expenses	1,645
Other long-term liabilities	97
Total liabilities assumed	<u>2,145</u>
Total purchase consideration	<u>\$ 18,957</u>

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The following table summarizes the preliminary estimate of the intangible assets and their estimated useful lives as of the acquisition date:

	<u>Fair Value</u>	<u>Useful life</u> <u>(In years)</u>
Technology (1)	\$ 8,641	5
Customer Relationships (1)	3,192	4
Total Intangible assets acquired	<u>\$ 11,833</u>	

(1) The fair value of the assets above were determined using the income approach.

The results of operations of ReturnGo have been included in the consolidated financial statements since the acquisition date of July 31, 2025. Revenue and net loss included in the Company's statements of operations from July 31, 2025, through December 31, 2025, were immaterial. Pro forma results of ReturnGo's acquisition have not been presented as they are not material to the Company's consolidated financial statements.

7. Commercial Agreement Assets

During the years ended December, 2021 and 2022, the Company recognized assets in connection with commercial agreements with Shopify, in which the Company granted warrants in exchange for the benefit of being an exclusive third-party provider of an end-to-end cross-border solution and for providing a white label solution for Shopify Managed Markets. These assets represent the probable future economic benefits to be realized over a four-year expected benefit period and are valued based on the fair value of the vested warrants on the grant date. As of December 31, 2025, the Company recognized accumulated gross assets of \$598.8 million associated with the fair value of the vested warrants.

During the year ended December 31, 2022, the Company granted Shopify warrants of up to an aggregate of 738,081 Ordinary Shares which will vest upon the achievements of certain performance milestones.

As of December 31, 2023, the first milestone has been completed and 246,027 warrants to Ordinary Shares were exercised by Shopify Inc for the price of \$0.01 per share. As of December 31, 2024, the second and the third milestones have been completed, and 492,054 warrants to Ordinary Shares were exercised by Shopify Inc for the price of \$0.01 per share.

As the Company estimated that all predetermined terms will be met, the Company recorded expenses related to this warrant to represent the probable future economic benefits to be realized over a four-year expected benefit period.

For the years ended December 31, 2023, 2024 and 2025, the Company recorded amortization expenses related to the commercial agreement assets of \$150 million, \$149 million and \$66 million, respectively, in the Company's consolidated statements of operations as a component of sales and marketing expense.

Shopify has undertaken, on behalf of itself and its affiliates, to not cast any votes with respect to Ordinary Shares which provide Shopify with voting power in excess of 10% of the Company's issued and outstanding equity as of December 31, 2025.

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8. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	December 31,	
	2024	2025
	(in thousands)	
Accrued Expenses	\$ 25,662	\$ 45,754
Accrued indirect taxes and related liabilities	48,982	76,269
Accrued compensation and benefits	17,037	21,899
Advances from customers	44,038	79,190
Other current liabilities	5,832	8,553
	<u>\$ 141,551</u>	<u>\$ 231,665</u>
Accrued expenses and other current liabilities	<u>\$ 141,551</u>	<u>\$ 231,665</u>

9. Shareholders' Equity and Equity Incentive Plan

A. General:

The Ordinary Shares entitle their holders to receive notice to participate and vote in general meetings of the Company, the right to share in distributions upon liquidation of the Company, and to receive dividends, if declared.

B. Share options plans:

In 2013, the Company adopted the Global-e Online Ltd. 2013 Share Incentive Plan ("2013 Plan"), under which the Company may grant various forms of equity incentive compensation at the discretion of the board of directors, including share options. The awards have varying terms but generally vest over four years. Share options expire between 7 and 10 years after the date of grant. The Company issues new Ordinary Shares upon exercise of share options.

In February 2019, the Company extended the contractual term for all share option grants from 7 years to 10 years. The Company concluded that the extension of the contractual term for all share option grants modified the terms of all outstanding share options held by employees and non-employees.

The Company no longer grants any awards under the 2013 Plan as it was superseded by the 2021 Plan, although previously granted awards remain outstanding. Ordinary Shares subject to outstanding options granted under the 2013 Plan that expire or become unexercisable without having been exercised in full will become available again for future grant under the 2021 Plan.

The 2021 Share Incentive Plan, or the 2021 Plan, was adopted by the Company's board of directors on March 1, 2021. The 2021 Plan provides for the grant of equity-based incentive awards to the Company's 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.

The maximum number Ordinary Shares available for issuance under the 2021 Plan is equal to the sum of (i) 13,500,000 shares, (ii) any shares subject to awards under the 2013 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 during the term of the Plan, equal to five percent (5%) of the outstanding Ordinary Shares of the Company on the last day of the immediately preceding calendar year. No more than 13,500,000 Ordinary Shares may be issued upon the exercise of incentive stock options, or ISOs. If permitted by the Company's 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 2013 Plan may again be available for issuance under the 2021 Plan. The Company's board of directors may also reduce the number of Ordinary Shares reserved and available for issuance under the 2021 Plan in its discretion.

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A summary of share option activity under the Company's equity incentive plan and related information is as follows:

	Options Outstanding		
	Outstanding Share Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)
	(in thousands, except share, life and per share data)		Aggregate Intrinsic Value
Balance as of December 31, 2024	6,259,264	\$ 2.74	4.51
Granted	-		
Exercised	(550,080)	2.37	19,638
Forfeited	-		
Balance as of December 31, 2025	5,709,184	\$ 2.78	3.51
Exercisable as of December 31, 2025	5,709,184	\$ 2.78	3.51

During the year ended December 31, 2023, 2024 and 2025 no share options were granted. For the years ended December 31, 2023, 2024 and 2025 the total intrinsic value of the options exercised were \$48,312, \$78,941 and \$19,638, respectively.

A summary of RSU's activity under the Company's equity incentive plan and related information is as follows:

	Amount of RSU's	Weighted average grant date fair value
Unvested as of December 31, 2024	2,088,945	\$ 32.74
Granted	1,638,137	32.59
Vested	(1,203,317)	31.99
Forfeited	(224,314)	33.67
Unvested as of December 31, 2025	2,299,451	\$ 32.93

As of December 31, 2023, 2024 and 2025, unrecognized share-based compensation cost related to unvested RSU's was \$49,315, \$56,442 and \$63,097, respectively, which are expected to be recognized over a weighted-average period of 2.38, 2.42 and 2.36 years. The total fair value of the vested RSUs' amounted to \$26,044, \$37,430 and \$38,489, respectively.

The weighted average fair values at grant date of RSUs granted for the years ended December 2023, 2024 and 2025 were \$28.55, \$34.29 and \$32.59, respectively.

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Share-Based Compensation

The share-based compensation expense by line item in the accompanying consolidated statements of operations is summarized as follows:

	Year Ended December 31,		
	2023	2024	2025
	(in thousands)		
Cost of revenue	\$ 639	\$ 929	\$ 1,044
Research and development	26,266	17,291	17,325
Sales and marketing	4,259	5,836	6,386
General and administrative	13,796	15,102	14,590
Total share-based compensation expense	<u>\$ 44,960</u>	<u>\$ 39,158</u>	<u>\$ 39,345</u>

The Company has the following Ordinary Shares reserved for future issuance:

	December 31,	
	2024	2025
Outstanding share options	6,259,264	5,709,184
Unvested RSU's	2,088,945	2,299,451
Remaining shares available for future issuance under the Incentive Plan	<u>17,099,715</u>	<u>15,685,892</u>
Total shares of ordinary shares reserved	<u>25,447,924</u>	<u>23,694,527</u>

Ordinary Share warrants

Ordinary Share warrants are included as a component of additional paid in capital within the consolidated balance sheets.

During the year ended December 31, 2021, the Company granted warrants to purchase 19,604,239 shares of Ordinary Shares in connection with a commercial agreement with Shopify Inc, which were all vested and exercised as of December 31, 2023. The exercise price was \$0.01 per share, and the term of the warrants was 10 years. The Company valued the warrants at the grant date using the Black-Scholes-Merton option pricing model. In connection with these warrants, the Company recognized an asset of \$470.5 million associated with the fair value of the warrants.

During the year ended December 31, 2022, the Company granted warrants to purchase 1,289,064 shares of Ordinary Shares in connection with a commercial agreement with Shopify Inc which were all vested and exercised. The exercise price was \$0.01 per share, and the term of the warrants was 10 years. The Company valued the warrants at the fair market value at the grant date. In connection with these warrants, the Company recognized an asset of \$81.7 million as of December 31, 2022, associated with the fair value of the warrants.

During the year ended December 31, 2022, the Company granted warrants of up to an aggregate of 738,081 Ordinary Shares which will vest upon the achievements of certain performance milestones. As of December 31, 2024, all three milestones have been completed and 738,081 warrants to Ordinary Shares were exercised by Shopify Inc for the price of \$0.01 per share.

This asset is recorded in the Company's consolidated balance sheets. Refer to note 7.

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Share Repurchase Program

During the year ended December 31, 2025, the Company's board of directors approved a Share Repurchase Program. Under the Share Repurchase Program the Company is authorized to repurchase of the Company's outstanding ordinary shares in an aggregate amount of up to \$200,000. As of December 31, 2025, the Company repurchased 1,835,049 ordinary shares for an aggregate amount of \$72,253, including \$36 broker fees, at an average price of \$39.37 per share. The ordinary shares purchased were cancelled subsequent to their purchase, returned to the unallocated share pool and are no longer outstanding.

10. Leases

The Company's leases include offices worldwide, which are all classified as operating leases. Certain leases include renewal options that are under the Company's sole discretion. The renewal options were included in the ROU and liability calculation if it was reasonably certain that the Company will exercise the option.

For short-term leases with a term of 12 months or less, operating lease ROU assets and liabilities are not recognized and the Company records lease payments in the consolidated statements of operations on a straight-line basis over the lease term.

The components of lease expense and supplemental cash flow information related to leases for the years ended December 31, 2023, 2024 and 2025 were as follows:

	Year ended December 31,		
	2023	2024	2025
	(in thousands)		
Components of lease expenses			
Operating lease cost	\$ 3,833	\$ 4,665	\$ 4,995
Short-term lease, and variable lease cost	861	997	1,571
Total lease expenses	\$ 4,694	\$ 5,662	\$ 6,566

	Year ended December 31,		
	2023	2024	2025
	(in thousands)		
Supplemental cash flow information			
Cash paid for amounts included in the measurement of lease liabilities	\$ 3,391	\$ 4,316	\$ 4,615

For the year ended December 31, 2024 and 2025, the weighted average remaining lease term is 5.93 and 5.08 years, respectively and the weighted average discount rate is 4.40 percent and 4.35 percent, respectively. The discount rate was determined based on the estimated collateralized borrowing rate of the Company, adjusted to the specific lease term and location of each lease.

Global-e Online Ltd.
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Maturities of lease liabilities as of December 31, 2025, were as follows:

	(in thousands)
Year Ending December 31,	
2026	\$ 5,151
2027	5,614
2028	5,334
2029	4,242
2030	2,539
Thereafter	3,174
Total operating lease payments	\$ 26,054
Less: imputed interest	(2,552)
	<u>23,502</u>
Total	<u>\$ 23,502</u>

11. Income Taxes

a. Israeli taxation:

1. Industry Encouragement (Taxes) Law, 1969

In accordance with this status and by virtue of published regulations, the Company is entitled to claim a depreciation deduction at increased rates in respect of equipment used in industrial activity, as stipulated in regulations by virtue of the Adjustments Law. In addition, the Company is entitled to a reduction in respect of a patent or the right to utilize a patent or knowledge, used for the development or promotion of the plant, to deduct expenses for the issuance of shares listed on the stock exchange and to file a consolidated report under certain conditions.

2. Ordinary taxable income in Israel is subject to a corporate tax rate of 23%.

3. The Company has not received any final tax assessments since inception. As of December 31, 2025, the Company's tax years until December 31, 2018 are subject to statutes of limitation in Israel.

4. The Company has net operating losses from prior tax periods which may be subjected to examination in future periods.

5. Measurement of taxable income in U.S. dollars:

The Company has elected to measure its taxable income and file its tax return under the Israeli Income Tax Regulations (Principles Regarding the Management of Books of Account of Foreign Invested Companies and Certain Partnerships and the Determination of Their Taxable Income), 1986. Accordingly, results for tax purposes are measured in terms of earnings in dollars.

Global-e Online Ltd.
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b. Income taxes of non-Israeli subsidiaries:

Non-Israeli subsidiaries are taxed according to the tax laws in their respective countries of residence. As of December 31, 2025, certain foreign subsidiaries of the Company had undistributed earnings which were designated as indefinitely reinvested. If these earnings were repatriated to Israel, it would be subject to income taxes and to an adjustment for foreign tax credits and foreign withholding taxes. The Company has estimated the amount of unrecognized deferred tax liability related to these earnings to be approximately \$11,615.

c. The components of the net profit (loss) before the provision for income taxes were as follows:

	Year Ended December 31,		
	2023	2024	2025
	(in thousands)		
Israel	\$ (120,835)	\$ (74,754)	\$ 83,541
Foreign	(10,961)	(4,639)	(13,042)
Total	<u>\$ (131,797)</u>	<u>\$ (79,393)</u>	<u>\$ 70,499</u>

d. The provision for income taxes was as follows:

	Year Ended December 31,		
	2023	2024	2025
	(in thousands)		
Current:			
Israel	\$ -	\$ 23	\$ 818
Foreign	2,059	2,638	1,847
Total current income tax expense	<u>\$ 2,059</u>	<u>\$ 2,661</u>	<u>\$ 2,665</u>
Deferred:			
Israel	\$ -	\$ -	\$ (436)
Foreign	(51)	(6,506)	-
Total deferred income tax benefit	<u>(51)</u>	<u>(6,506)</u>	<u>(436)</u>
Total provision for income taxes	<u>\$ 2,008</u>	<u>\$ (3,845)</u>	<u>\$ 2,229</u>

e. As described in Note 2, the Company prospectively adopted ASU 2023-09, Income Taxes (Topic 740): *Improvements to Income Tax Disclosures*. Accordingly, the revised disclosures are presented for the year ended December 31, 2025, and prior years reflect the disclosures required under the previous guidance.

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The following table presents a reconciliation of the Company's theoretical income tax expense (benefit) to its actual income tax expense (benefit) for the year ended December 31, 2025, in accordance with the guidance in ASU 2023-09:

	Year Ended	
	December 31, 2025	
	Amount	Percent
	(in thousands)	
Israel Federal Statutory Tax Rate	\$ 16,215	23%
Foreign Tax Effects		
United States		
Change in valuation allowance	5,272	7%
Other	73	0%
Other Foreign Jurisdictions	(805)	(1)%
Changes in valuation allowance	(19,893)	(28)%
Non-taxable or Non-deductible Items	715	1%
Other adjustments	652	1%
Effective Tax Rate	<u>\$ 2,229</u>	<u>3%</u>

The following table presents a reconciliation of the Company's theoretical income tax expense (benefit) to its actual income tax expense (benefit) for the years ended December 31, 2023 and 2024 in accordance with the guidance prior to the adoption of ASU 2023-09:

	Year Ended	
	December 31,	
	2023	2024
	(in thousands)	
Theoretical income tax expense (benefit)	\$ (30,313)	\$ (18,260)
Change in valuation allowance	28,471	15,043
Return to provision true ups	884	143
Foreign tax rate differentials	352	753
Shared Based Compensations non-deductible (taxable)	2,402	(1,159)
Non-deductible expenses	512	298
Tax rate change impact	(139)	124
Foreign exchange impact	(430)	(511)
State Taxes	170	(299)
R&D credits	(208)	(1,427)
Other	307	1,450
Total	<u>\$ 2,008</u>	<u>\$ (3,845)</u>

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f. Deferred tax assets and liabilities:

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The following table presents the significant components of the Company's deferred tax assets and liabilities:

	December 31,	
	2024	2025
	(in thousands)	
Deferred tax assets:		
Net operating loss carryforwards	\$ 93,943	\$ 80,556
Research and development expenses	26,545	16,960
Leasing liabilities	5,615	5,325
Accruals and reserves	683	1,030
Share-based compensation	12,505	17,663
R&D tax credits	2,843	3,589
Bad debt	244	114
Capital losses	129	57
Other	-	320
Gross deferred tax assets	142,507	125,614
Valuation allowance	(122,725)	(107,318)
Total deferred tax assets	19,782	18,296
Deferred tax liabilities:		
Deferred contract acquisition costs	818	1,000
Leasing assets	4,946	4,931
Property and equipment	194	512
Intangibles	13,824	11,753
Other	-	386
Gross deferred tax liabilities	19,782	18,582
Deferred taxes assets (liabilities), net	\$ -	\$ (286)

As of December 31, 2025, the Company had approximately \$267,385, \$37,252 and \$22,690 in net operating loss carryforwards in Israel, UK and US that can be carried forward indefinitely.

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g. Uncertain tax position

The Company operates its business in various countries and accordingly attempts to utilize an efficient operating model to structure its tax payments based on the laws in the countries in which the Company operates. This can cause disputes between the Company and various tax authorities in different parts of the world. For the years ended December 31, 2024 and 2025, the Company had no uncertain tax position.

h. Income taxes paid:

The following table presents cash paid for income taxes, net of refunds received, for the year ended December 31, 2025, pursuant to the disclosure requirements of ASU 2023-09:

	Year Ended December	
	31, 2025	
	Amount	Precent
	(in thousands)	
Israel	\$ 516	14%
Foreign		
Netherlands	1,875	51%
France	499	14%
Australia	399	11%
Other Foreign	377	10%
Total	<u>\$ 3,666</u>	<u>100%</u>

For the years ended December 31, 2023 and 2024 the total cash paid for income taxes was \$729 and 2,601, respectively.

Global-e Online Ltd.
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12. Net Earnings (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:

	Year Ended December 31,		
	2023	2024	2025
	(in thousands, except share and per share data)		
Basic net loss per share			
Numerator:			
Allocation of net income (loss)	\$ (133,805)	\$ (75,548)	\$ 68,270
Allocation of net income (loss) attributable to Ordinary Shareholders	\$ (133,805)	\$ (75,548)	\$ 68,270
Denominator:			
Weighted-average shares used in computing net income (loss) per share attributable to Ordinary Shareholders	164,353,909	167,323,350	169,893,221
Basic net income (loss) per share attributable to Ordinary Shareholders	\$ (0.81)	\$ (0.45)	\$ 0.40
Diluted net loss per share			
Numerator:			
Allocation of net income (loss) attributable for diluted computation	\$ (133,805)	\$ (75,548)	\$ 68,270
Denominator:			
Weighted-average shares used in computing net income (loss) per share attributable to Ordinary Shareholders	164,353,909	167,323,350	169,893,221
Effect of dilutive employee options and RSUs	-	-	6,094,242
Weighted-average shares used in computing net income (loss) per share attributable to Ordinary Shareholders	164,353,909	167,323,350	175,987,463
Diluted net income (loss) per share attributable to Ordinary Shareholders	\$ (0.81)	\$ (0.45)	\$ 0.39

The potential shares of Ordinary Shares that were excluded from the computation of diluted net income (loss) per share attributable to Ordinary Shareholders for the periods presented because including them would have been anti-dilutive are as follows:

	Year Ended December 31,		
	2023	2024	2025
Unvested RSU's	1,957,057	2,088,945	2,299,451
Outstanding warrants to Ordinary Shares	492,054	-	-
Outstanding share options	7,761,657	6,259,264	5,709,184
Total	10,210,768	8,348,209	8,008,635

Global-e Online Ltd.
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13. Related Party Transactions

The Company is party to a Commercial Letter with DHL International GmbH (“DHL International”), dated March 27, 2017 and amended on December 7, 2020, pursuant to which the Company has undertaken to use DHL International exclusively for the provision of express shipping services to the Company’s customers, subject to certain exclusions described therein, and DHL International has undertaken certain commitments relating to the prices under which its services are offered to the Company. The current term of the Commercial Letter ended on March 27, 2022 and was renewed automatically thereafter until terminated by either the Company or DHL International upon twelve (12) months’ notice. In addition, the Company is party to a services agreement with DHL International (UK) Limited (“DHL UK”), dated May 21, 2019, under which DHL UK provides the Company with express shipping services relating to the purchase and sale of the Company’s customers’ products. The service agreement continues until terminated by either the Company or DHL UK in accordance with its terms. The consideration paid by the Company to DHL UK pursuant to the service agreement is contingent upon the extent of the shipping services provided. The Company entered similar arrangements with other DHL affiliated entities. On November 17, 2022, the Company extended this agreement with DHL UK to be in effect until 2025. In connection with these arrangements, the Company recorded expenses included in Cost of revenue in the total amount of \$177,076, \$224,745 and \$290,208 to DHL affiliated entities in the years ended December 31, 2023, 2024 and 2025, respectively. As of December 31, 2024 and 2025, the balances of accounts payable and accrued expenses in regards to DHL and its affiliated entities were \$59,263 and \$71,649, respectively (including duties charged by DHL).

The Company is a party to a service agreement with Smart GL Logistics Ltd (“Smart GL”), which was signed together with the JV agreement (see also note 2). As part of the service agreement the JV, among other things will contract, operate, provide and manage parcel transportation services for the Company. In connection with these arrangements, the Company recorded expenses included in cost of revenue in the total amount \$7,058 and \$12,702 to Smart GL in the year ended December 31, 2024 and 2025, respectively. As of December 31, 2024 and 2025, the balances of accounts payable and accrued expenses in regards to JV entities were \$2,242 and \$2,768 (including duties charged by Smart GL). In 2025, the Company granted a loan to Smart GL in a total amount of \$136 for a 2 year period.

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14. Fair Value Measurements

Financial instruments measured at fair value on a recurring basis.

The following table presents information about the Company's financial instruments that are measured at fair value on a recurring basis:

December 31, 2025				
Fair value measurements using input type				
	Level 1	Level 2	Level 3	Total
<u>Assets:</u>				
<u>Marketable securities:</u>				
Mutual Funds	\$ 1,536	\$ -	\$ -	\$ 1,536
Government debentures	-	9,833	-	9,833
Corporate debentures	-	62,778	-	62,778
	<u>1,536</u>	<u>72,611</u>	<u>-</u>	<u>74,147</u>
<u>Prepaid expenses and other current assets:</u>				
Derivative instruments asset - hedging	-	1,674	-	1,674
<u>Long-term investment:</u>				
Investment in joint ventures	-	-	4,079	4,079
	<u>-</u>	<u>-</u>	<u>4,079</u>	<u>4,079</u>
Total financials assets	<u>\$ 1,536</u>	<u>\$ 74,285</u>	<u>\$ 4,079</u>	<u>\$ 79,900</u>

December 31, 2024				
Fair value measurements using input type				
	Level 1	Level 2	Level 3	Total
<u>Assets:</u>				
<u>Marketable securities:</u>				
Mutual Funds	\$ 1,437	\$ -	\$ -	\$ 1,437
Government debentures	-	5,490	-	5,490
Corporate debentures	-	29,418	-	29,418
	<u>1,437</u>	<u>34,908</u>	<u>-</u>	<u>36,345</u>
<u>Prepaid expenses and other current assets:</u>				
Derivative instruments asset - hedging	-	1,449	-	1,449
<u>Long-term investment:</u>				
Investment in joint venture	-	-	1,079	1,079
	<u>-</u>	<u>-</u>	<u>1,079</u>	<u>1,079</u>
Total financials assets	<u>\$ 1,437</u>	<u>\$ 36,357</u>	<u>\$ 1,079</u>	<u>\$ 38,873</u>

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15. Marketable Securities

As of December 31, 2024 and 2025, the Company's held marketable securities classified as available-for-sale securities as follows:

	December 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Mutual funds	\$ 1,279	\$ 257	\$ -	\$ 1,536
Government debentures	10,082	241	(490)	9,833
Corporate debentures	61,293	1,632	(147)	62,778
	<u>\$ 72,654</u>	<u>\$ 2,130</u>	<u>\$ (637)</u>	<u>\$ 74,147</u>
	December 31, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Mutual funds	\$ 1,279	\$ 158	\$ -	\$ 1,437
Government debentures	6,069	-	(579)	5,490
Corporate debentures	29,930	270	(782)	29,418
	<u>\$ 37,278</u>	<u>\$ 428</u>	<u>\$ (1,361)</u>	<u>\$ 36,345</u>

In 2025, the Company incurred realized losses in total amount of \$91, which were reclassified from other comprehensive income (loss) to the statements of operation.

The Following table summarizes the Company's marketable securities by contractual maturities:

	December 31, 2025 (in thousands)
Within one year	\$ 2,735
After one year through five years	33,155
After 5 years through 10 years	28,174
After 10 years	874
	<u>\$ 64,938</u>

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As of December 31, 2025, the Company has invested in marketable securities without a single maturity date in the amount of \$9,209.

The following table presents fair value and gross unrealized losses of the Company's marketable securities, which have been in a continuous loss position for less than 12 months:

	December 31, 2024		December 31, 2025	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Mutual Funds	\$ -	\$ -	\$ -	\$ -
Government debentures	4,841	(70)	1,756	(6)
Corporate debentures	12,251	(204)	5,625	(11)
Total	\$ 17,092	\$ (274)	\$ 7,381	\$ (17)

The following table presents fair value and gross unrealized losses of the Company's marketable securities, which have been in a continuous loss position for 12 months or longer:

	December 31, 2024		December 31, 2025	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Mutual Funds	\$ -	\$ -	\$ -	\$ -
Government debentures	649	(509)	673	(484)
Corporate debentures	8,591	(578)	5,107	(136)
Total	\$ 9,240	\$ (1,087)	\$ 5,780	\$ (620)

For the year ended December 31, 2025, the unrealized losses related to marketable securities were as a result of market fluctuations and not due to credit related losses, therefore, the Company did not record an allowance for credit losses for its available-for-sales marketable securities.

16. Subsequent Events

Subsequent to December 31, 2025, and through the filing date of these financial statements, the Company repurchased 1,738,216 of its shares at an average price of \$33.91 per share, for an aggregate cost of \$59.0 million, including broker fees. These repurchases were made under the existing 2025 Repurchase Plan.



GLOBAL-E INSIDER TRADING POLICY

March 2026



U.S. federal securities laws prohibit trading in the securities of a company while in possession of material non-public information and providing material non-public information to others so that they can trade. Violating such laws can undermine investor trust, harm our company's reputation, and result in your dismissal from Global-e Online Ltd. (together with its subsidiaries, the "Company") or even serious criminal and civil charges against you and the Company.

This Insider Trading Compliance Policy (this “Policy”) outlines your responsibilities to avoid insider trading and implements certain procedures to help you avoid even the appearance of insider trading.

Persons Covered and Administration of Policy

This Policy applies to officers ¹, directors, and employees of the Company. As someone subject to this Policy, you are responsible for ensuring that members of your household and individuals whose transactions are subject to your influence or control also comply with this Policy. This Policy also applies to any entities you control, including any corporations, partnerships, limited liability companies or trusts, and transactions by such entities should be treated for the purposes of this Policy and applicable securities laws as if they were for your own account. The Compliance Officer may determine that this Policy applies to additional persons with access to material nonpublic information, such as contractors or consultants. This Policy extends to all activities within and outside your Company duties. Every officer, director, and employee must review this Policy. Officers, directors and employees, together with any other person designated as being subject to this Policy by the Compliance Officer, as defined below, are referred to collectively as “Covered Persons.”

Questions regarding the Policy should be directed to the Company’s Compliance Officer who is responsible for the administration of this Policy.

For purposes of this Policy, the “Compliance Officer” shall be the Company’s General Counsel; provided that if the General Counsel is unavailable or personally involved in the transaction at issue, the Compliance Officer shall be the Company’s Chief Financial Officer.

Statement of Policies Prohibiting Insider Trading

Unless otherwise permitted by this Policy, no Covered Person shall:

- purchase, sell, gift or otherwise transfer any type of security of the Company while in possession of material non-public information relating to the Company;
- purchase, sell, gift or otherwise transfer any security of any other company, including a customer, supplier, business partner or economically-linked company, such as a competitor or peer company, while in possession of material non-public information obtained in connection with your employment by or service to the Company (to the extent there is a reasonable likelihood that such information would be considered important to an investor in making an investment decision in such other company);

¹ For purposes of this Policy, “officer” has the meaning of the term in Rule 16a-1(f) under Exchange Act of 1934, as amended, which means the Company’s president, principal financial officer, principal accounting officer (or, if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the Company.

- directly or indirectly communicate (or “tip”) material non-public information to anyone outside the Company (except in accordance with the Company’s policies regarding the protection or authorized external disclosure of Company information); or

directly or indirectly communicate material non-public information to anyone within the Company other than on a “need-to-know” basis.

The laws and regulations concerning insider trading are complex, and you are encouraged to seek guidance from the Compliance Officer prior to considering a transaction in Company securities.

Explanation of Insider Trading

“Securities” includes stocks, bonds, notes, debentures, options, warrants, equity and other convertible securities, as well as derivative instruments.

“Purchase” and “sale” are defined broadly under the federal securities law. “Purchase” includes not only the actual purchase of a security, but also any contract to purchase or otherwise acquire a security. “Sale” includes not only the actual sale of a security, but also any contract to sell or otherwise dispose of a security. These definitions extend to a broad range of transactions, including conventional cash-for-stock transactions, conversions, the exercise of stock options or warrants, puts, calls, pledging and margin loans, or other derivative securities.

WHAT INFORMATION IS MATERIAL?

Information is considered “material” if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell, or hold a security, or if the fact is likely to have a significant effect on the market price of the security. Material information can be positive or negative and can relate to virtually any aspect of a company’s business or to any type of security, debt, or equity. Also, information that something is likely to happen in the future - or even just that it may happen - could be deemed material.

Examples of material information include (but are not limited to) information about corporate earnings or earnings forecasts; possible mergers, acquisitions, tender offers, or dispositions; dividends; major new features, products or product developments; important business developments such as major contract awards or cancellations; developments regarding strategic collaborators; management or control changes; significant borrowing or financing developments, including pending public sales or offerings of debt or equity securities; defaults on borrowings; bankruptcies; cybersecurity or data security incidents; and significant litigation or regulatory actions. Moreover, material information does not have to be related to a company’s business. For example, the contents of a forthcoming newspaper column that is expected to affect the market price of a security can be material.

Questions regarding material information should be directed to the Compliance Officer. A good rule of thumb:

When in doubt, do not trade.

WHAT IS NON-PUBLIC?

Information is “non-public” if it is not available to the general public. In order for information to be considered public, it must be widely disseminated in a manner making it generally available to investors in a Regulation FD-compliant method, such as a press release, a filing with the US Securities and Exchange Commission (the “SEC”) or a regulation FD-compliant conference call.

The circulation of rumors, even if accurate and reported in the media, does not constitute effective public dissemination. In addition, even after a public announcement, a reasonable period of time may need to lapse in order for the market to react to the information. Generally, one should allow two (2) full trading days following publication as a reasonable waiting period before such information is deemed to be public. For purposes of this Policy, a “trading day” is a day on which U.S. national stock exchanges are open for trading. If, for example, the Company were to make an announcement on a Monday prior to 9:30 a.m. Eastern Time, the information would be deemed public after the close of trading on Tuesday. If an announcement were made on a Monday after 9:30 a.m. Eastern time, the information would be deemed public after the close of trading on Wednesday.

Statement of Procedures to Prevent Insider Trading

The following procedures have been established, and will be maintained and enforced, by the Company to prevent insider trading. Every Covered Person is required to follow these procedures

BLACKOUT PERIODS

No Covered Person (with their controlled entities and household members) shall purchase or sell any security of the Company during the period beginning at 11:59 p.m. ET on the 14th calendar day before the end of any fiscal quarter of the Company and ending upon completion of the second full trading day after the public release of earnings data for such fiscal quarter or during any other trading suspension period declared by the Company (for example, if the Company’s fourth fiscal quarter ends on December 31, the corresponding blackout period would begin at 11:59 p.m. ET, on December 17 and end at the close of trading (generally, 4:01 p.m. ET) on the second full trading day after the public release of earnings data for such fiscal quarter):

Exceptions to the blackout period policy may be approved, in limited circumstances, only by the Company’s General Counsel, Chief Financial Officer or Chief Executive Officer or, in the case of exceptions for directors, the Board of Directors or Audit Committee of the Board of Directors.

From time to time, the Company, through the Board of Directors or the Compliance Officer, may recommend that officers, directors, employees, or others (with their controlled entities and household members) suspend trading in the Company’s securities because of developments that have not yet been disclosed to the public. Subject to the exceptions noted above, all those affected should not trade in the Company’s securities while the suspension is in effect, and should not disclose to others that the Company has suspended trading as the event-specific blackout period will not be announced to those not subject to it.

Even if the Company has not notified you that you are subject to an event-specific blackout period, if you are aware of material non-public information about the Company, you should not trade in Company securities. Any failure by the Company to designate you as subject to an event-specific blackout period, or to notify you of such designation, does not relieve you of your obligation not to trade in the Company’s securities while possessing material non-public information.

PRECLEARANCE OF ALL TRADES BY COVERED PERSONS

To provide assistance in preventing inadvertent violations of applicable securities laws and to avoid the appearance of impropriety in connection with the purchase and sale of the Company's securities, all transactions in the Company's securities by Covered Persons and their controlled entities and household members (each, a "Preclearance Person") must be precleared by the Company's Compliance Officer. Preclearance does not relieve anyone of his or her responsibility under SEC rules and should not be understood to represent legal advice by the Company that a proposed transaction complies with SEC rules or applicable law.

A request for preclearance must be in writing (including by e-mail), must be made at least two (2) business days in advance of the proposed transaction, and must include the identity of the Preclearance Person, a description of the proposed transaction, the proposed date of the transaction, and the number of shares or other securities to be involved. In addition, the Preclearance Person must execute a certification (in the form approved by the Compliance Officer) that he or she is not aware of material non-public information about the Company. The Compliance Officer shall have sole discretion to decide whether to preclear any contemplated transaction. All trades that are precleared must be effected within five (5) business days of receipt of the preclearance, unless a specific exception has been granted by the Compliance Officer. A precleared trade (or any portion of a precleared trade) that has not been effected during the five business day period must be precleared again prior to execution. Notwithstanding receipt of preclearance, if the Preclearance Person becomes aware of material non-public information or becomes subject to a blackout period before the transaction is effected, the transaction may not be effected. Transactions under a previously established Trading Plan or Trading Arrangement (as defined below) that has been preapproved in accordance with this Policy are not subject to further preclearance.

None of the Company, the Compliance Officer, or the Company's other employees will have any liability for any delay in reviewing, or refusal of, a request for preclearance.

EXEMPT TRANSACTIONS

This Policy, except for provisions set forth in the Prohibited Transactions section below, does not apply to:

- transactions directly with the Company;
 - gifts of the Company's securities for family or estate planning purposes, where securities are gifted to a person or entity subject to this Policy, provided that such gift transactions involving Company securities are subject to pre-clearance; or
 - transactions relating to equity incentive awards without any open-market sale of securities (e.g., cash exercises of stock options or the "net settlement" of restricted stock units but not broker-assisted cashless exercises or open-market sales to cover taxes upon the vesting of restricted stock units);
 - "sell-to-cover" transactions pursuant to a non-discretionary policy adopted by the Company that is intended to facilitate the payment of withholding taxes associated with vesting of equity awards (other than stock options); or
 - transactions under a pre-cleared plan designed to comply with Rule 10b5-1 promulgated under the Securities Exchange Act of 1934, as amended (a "Trading Plan") or transactions under a pre-cleared non-Rule 10b5-1 trading arrangement ² (a "Trading Arrangement").
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POST-TERMINATION TRANSACTIONS

With the exception of the preclearance requirement, this Policy continues to apply to transactions in the Company's securities even after termination of service to the Company. If you are in possession of material non-public information when your service terminates, you may not trade in the Company's securities until that information has become public or is no longer material.

PROHIBITED TRANSACTIONS

The Company has determined that there is a heightened legal risk and/or the appearance of improper or inappropriate conduct if the persons subject to this Policy engage in certain types of transactions. Therefore, Covered Persons shall comply with the following policies with respect to certain transactions in the Company securities:

Short Sales

Short sales of the Company's securities evidence an expectation on the part of the seller that the securities will decline in value, and therefore signal to the market that the seller has no confidence in the Company or its short-term prospects. In addition, short sales may reduce the seller's incentive to improve the Company's performance. For these reasons, short sales of the Company's securities are prohibited by this Policy.

Publicly Traded Options

A transaction in options is, in effect, a bet on the short-term movement of the Company's stock and therefore creates the appearance that a Covered Person is trading based on material nonpublic information. Transactions in options, whether traded on an exchange, on any other organized market or an over-the-counter market, may also focus an officer's, director's, or employee's attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, transactions in puts, calls, or other derivative securities involving the Company's equity securities, on an exchange or in any other organized market, are prohibited by this Policy.

Hedging Transactions

Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow a Covered Person to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. Such transactions allow the Covered Person to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, the Covered Person may no longer have the same objectives as the Company's other stockholders. Therefore, such transactions involving the Company's equity securities are prohibited by this Policy.

² A non-Rule 10b5-1 trading arrangement under Item 408(c) of Regulation S-K is a trading arrangement where: (1) The covered person asserts that at a time when they were not aware of material nonpublic information about the security or the issuer of the security they had adopted a written arrangement for trading the securities; and (2) The trading arrangement: (i) Specified the amount of securities to be purchased or sold and the price at which and the date on which the securities were to be purchased or sold; (ii) Included a written formula or algorithm, or computer program, for determining the amount of securities to be purchased or sold and the price at which and the date on which the securities were to be purchased or sold; or (iii) Did not permit the covered person to exercise any subsequent influence over how, when, or whether to effect purchases or sales; provided, in addition, that any other person who, pursuant to the trading arrangement, did exercise such influence must not have been aware of material nonpublic information when doing so.

Purchases of the Company's Securities on Margin; Pledging the Company's Securities to Secure Margin or Other Loans

Purchasing on margin means borrowing from a brokerage firm, bank, or other entity in order to purchase the Company's securities (other than in connection with a cashless exercise of stock options under the Company's equity plans). Margin purchases of the Company's securities are prohibited by this Policy. Pledging the Company's securities as collateral to secure loans is also prohibited. This prohibition means, among other things, that you cannot hold the Company's securities in a "margin account" (which would allow you to borrow against your holdings to buy securities).

Rule 10b5-1 Trading Plans

The trading restrictions set forth in this Policy, other than those transactions described under "Additional Prohibited Transactions," do not apply to transactions under a previously established contract, plan, or instruction to trade in the Company's stock in accordance with the terms of Rule 10b5-1 and all applicable state laws that:

- has been submitted to and preapproved by the Company's Compliance Officer, or such other person as the Board of Directors may designate from time to time (the "Authorizing Officer");
- includes a "Cooling Off Period" for
 - directors and officers that extends to the later of 90 days after adoption or modification of a Trading Plan or two business days after filing the Form 20-F or Form 6-K with financial results covering the fiscal quarter in which the Trading Plan was adopted, up to a maximum of 120 days; and
 - employees and any other persons, other than the Company, that extends 30 days after adoption or modification of a Trading Plan;
- for directors and officers, includes a representation in the Trading Plan that the directors or officers is (1) not aware of any material nonpublic information about the Company or its securities; and (2) adopting the Trading Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1;
- has been entered into in good faith at a time when the individual was not in possession of material nonpublic information about the Company and not otherwise in a blackout period, and the person who entered into the Trading Plan has acted in good faith with respect to the Trading Plan;
- either (i) specifies the amounts, prices, and dates of all security transactions under the Trading Plan, (ii) provides a written formula, algorithm, or computer program for determining the amount, price, and date of the transactions, or (iii) prohibits you from exercising any subsequent influence over the transactions; and
- complies with all other applicable requirements of Rule 10b5-1.

The Compliance Officer may impose such other conditions on the implementation and operation of the Trading Plan as the Compliance Officer deems necessary or advisable. Individuals may not adopt more than one Trading Plan at a time except under the limited circumstances permitted by Rule 10b5-1 and subject to preapproval by the Compliance Officer.

An individual may only modify a Trading Plan outside of a blackout period and, in any event, when the individual does not possess material non-public information. Modifications to and early terminations of a Trading Plan or Trading Arrangement are subject to preapproval by the Compliance Officer and modifications of a Trading Plan that change the amount, price, or timing of the purchase or sale of the securities underlying a Trading Plan will trigger a new Cooling-Off Period.

The Company reserves the right from time to time to suspend, discontinue, or otherwise prohibit transactions under a Trading Plan or Trading Arrangement if the Compliance Officer or the Board of Directors, in its discretion, determines that such suspension, discontinuation, or other prohibition is in the best interests of the Company.

Compliance of a Trading Plan with the terms of Rule 10b5-1 and the execution of transactions pursuant to the Trading Plan are the sole responsibility of the person initiating the Trading Plan,

and none of the Company, the Compliance Officer, or the Company's other employees assumes any liability for any delay in reviewing and/or refusing to approve a Trading Plan or Trading Arrangement submitted for approval, nor the legality or consequences relating to a person entering into, informing the Company of, or trading under, a Trading Plan or Trading Arrangement.

Section 16: Insider Reporting Requirements (Directors and Officers)

Section 16 ("Section 16") of the Securities Exchange Act of 1934, as amended ("Exchange Act"), and the related rules and regulations, set forth obligations applicable to directors and officers (each, a "Section 16 insider").

The timely reporting of transactions requires tight interface with brokers handling transactions for persons that are subject to Section 16. A knowledgeable, alert broker can also serve as a gatekeeper, helping to ensure compliance with the Company's pre-clearance procedures and prevent inadvertent violations. Therefore, in order to facilitate timely compliance with the requirements of Section 16, persons subject to Section 16 are required to ensure that their brokers comply with the following requirements:

- Not enter any order (except for orders under pre-approved Rule 10b5-1 plans) without first verifying with the Company that a transaction was pre-cleared pursuant to the requirements of this Policy; and
- Report on the day of the execution of the transaction to the Company in writing via e-mail to the legal department (and if receipt is not confirmed in writing by the Company, also confirm receipt by telephone) the complete details of every transaction involving the Company's equity securities, including gifts, transfers, pledges and all transactions under Trading Plans and other Trading Arrangements including: the date of the transaction, the type of transaction, the number of securities involved, and the applicable price.

It is the legal obligation of the relevant insider to cause any filings on Form 3, Form 4, Form 5 or Form 144 (or as may otherwise be required) to be made. You are strongly encouraged to confirm following any transaction that the required information has been provided to the Company.

Interpretation, Amendment, and Implementation of this Policy

The Compliance Officer shall have the authority to interpret and update this Policy and all related policies and procedures. In particular, such interpretations and updates of this Policy, as authorized by the Compliance Officer, may include amendments to or departures from the terms of this Policy, to the extent consistent with the general purpose of this Policy and applicable securities laws. The Chief Financial Officer will administer this Policy as it applies to any trading activity by the General Counsel.

Actions taken by the Company, the Compliance Officer, or any other Company personnel do not constitute legal advice, nor do they insulate you from the consequences of noncompliance with this Policy or with securities laws.

Certification of Compliance

All Covered Persons may be asked periodically to certify their compliance with the terms and provisions of this Policy.

Version: March 2026

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO EXCHANGE ACT RULE
13a-14(a)/15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY
ACT OF 2002**

I, Amir Schlachet, Chief Executive Officer, certify that:

1. I have reviewed this Annual Report on Form 20-F of Global-E Online Ltd. (the “Company”);
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
 4. The Company’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.
 5. The Company’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.
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Date: March 26, 2026

By: /s/ Amir Schlachet
Amir Schlachet
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO EXCHANGE
ACT RULE 13a-14(a)/15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Ofer Koren, Chief Financial Officer, certify that:

1. I have reviewed this Annual Report on Form 20-F of Global-E Online Ltd. (the “Company”);
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
 4. The Company’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.
 5. The Company’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.
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Date: March 26, 2026

By: /s/ Ofer Koren
Ofer Koren
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 20-F of Global-E Online Ltd. (the “Company”) for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I Amir Schlachet, the Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 26, 2026

By: /s/ Amir Schlachet
Amir Schlachet
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 20-F of Global-E Online Ltd. (the “Company”) for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Ofer Koren, the Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 26, 2026

By: /s/ Ofer Koren

Ofer Koren

Chief Financial Officer

(Principal Financial Officer)

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements (Form S-8 Nos. 333-256403 and 333-264156) pertaining to Global-E Online Ltd. 2013 Share Option Plan and Global-E Online Ltd. 2021 Share Incentive Plan of Global-E Online Ltd. of our reports dated March 26, 2026, with respect to the consolidated financial statements of Global-E Online Ltd., and the effectiveness of internal control over financial reporting of Global-E Online Ltd., included in this Annual Report (Form 20-F) for the year ended December 31, 2025.

/S/ Kost Forer Gabbay & Kasierer
A Member of EY Global

Tel-Aviv, Israel
March 26, 2026
