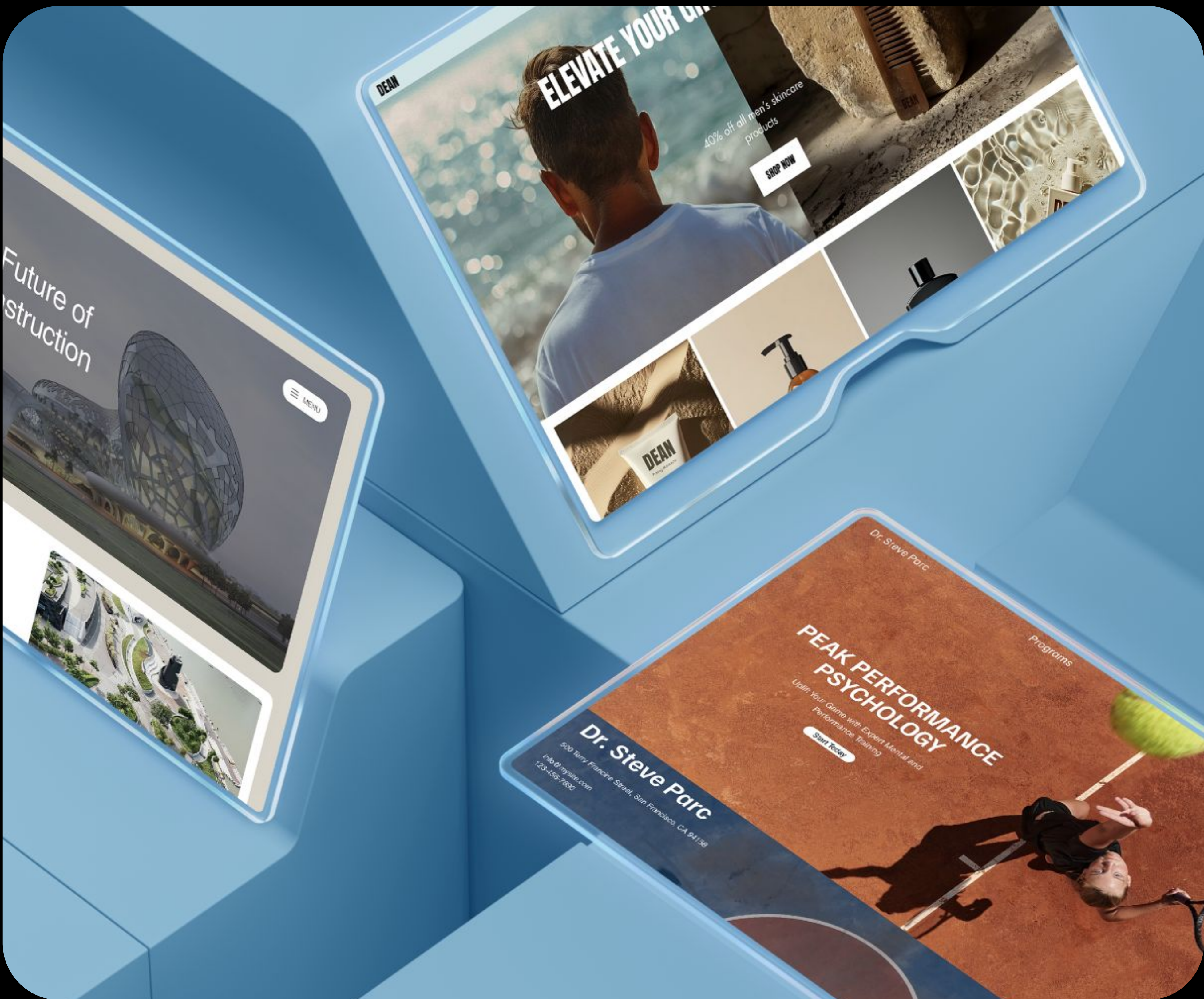
WIX

Shareholder Update

Second Quarter 2025 | August 6, 2025



To our Shareholders, our Users & our People

Demand for AI-powered online creation is growing faster than ever and Wix is leading the way as the world's largest and most advanced AI-powered website builder. AI is not only bringing more people online in new ways, it's unlocking types of creation that weren't possible before, and making them increasingly accessible to everyone. As new technology removes barriers and expands the world of creation, users are building more sophisticated, higher-quality projects faster and more easily.

We have already begun to see benefits from the accelerating pace of the internet's evolution as demand for websites outpaced our expectations so far this year. **Strong demand, combined with better conversion in core markets and steadily higher monetization drove new Q2 cohort bookings growth to accelerate above the Q1 high watermark.**

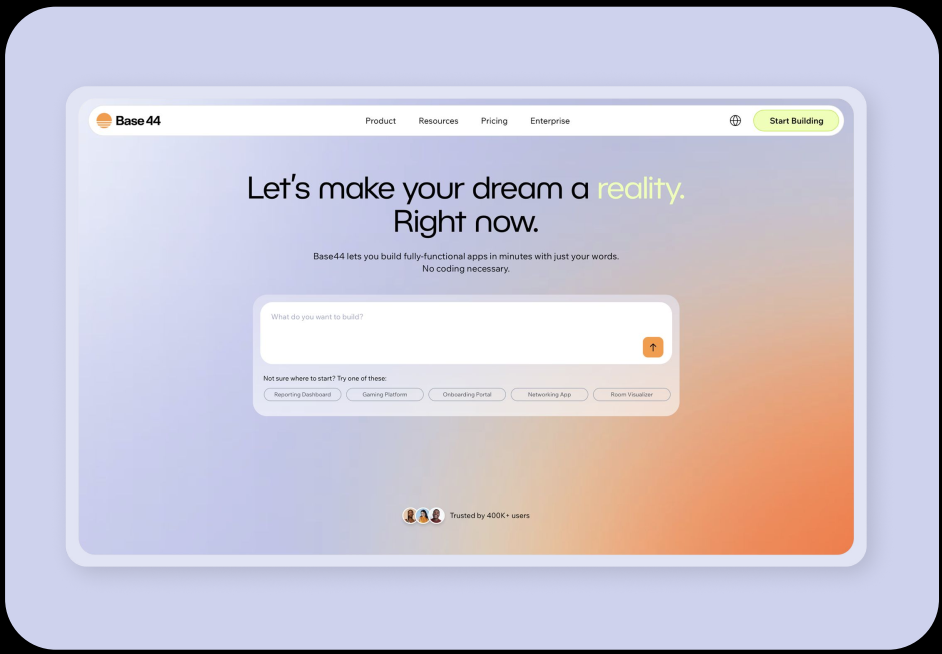
We've continued to gain momentum since, with new cohort bookings exiting July growing more than 20% y/y. This is super encouraging as we have not seen such high levels of cohort strength since peak-COVID. Increasingly stronger new cohorts sets the stage for top-line growth acceleration in 2H25 and 2026.

We intend to leverage what we're seeing today to drive long-term tailwinds for Wix as we continue to innovate and integrate first-in-class AI technology across our platform, like we have since 2016. Wix will continue to be the go-to platform as AI makes it easier for more people to build websites and applications to fit their exact needs and vision.

In this new era of open, agentic technology, content and data need a reliable home, especially as websites evolve beyond static pages into dynamic, interactive hubs for agents. This transformation is raising expectations for infrastructure, security, and visual design, all areas where Wix has long excelled. We've responded to the pace of AI innovation with speed and a clear strategy. Notably, we were recently the first CMS to launch Generative Engine Optimization (GEO) – a natively integrated solution helping users understand, monitor, and enhance how their brands appear in LLM-based search engines.

Still, we're thinking even bigger and beyond just transforming website building. AI is reshaping what's possible, and we're expanding into new TAMs that didn't exist just a few years ago, such as vibe coding. Just like we did with website building in 2006, we are making big leaps today to lay the foundation to lead in decades to come.

A little more on our most recent expansion into this future: our acquisition of Base44. **Base44 gives us immediate access to the application development market and a completely new audience: developers, design/product teams, enterprises building internal tools, and DIY users who want to build applications, not only websites.** This isn't just about market size, it's about recognizing early enough that vibe coding represents the future of how applications will be built.



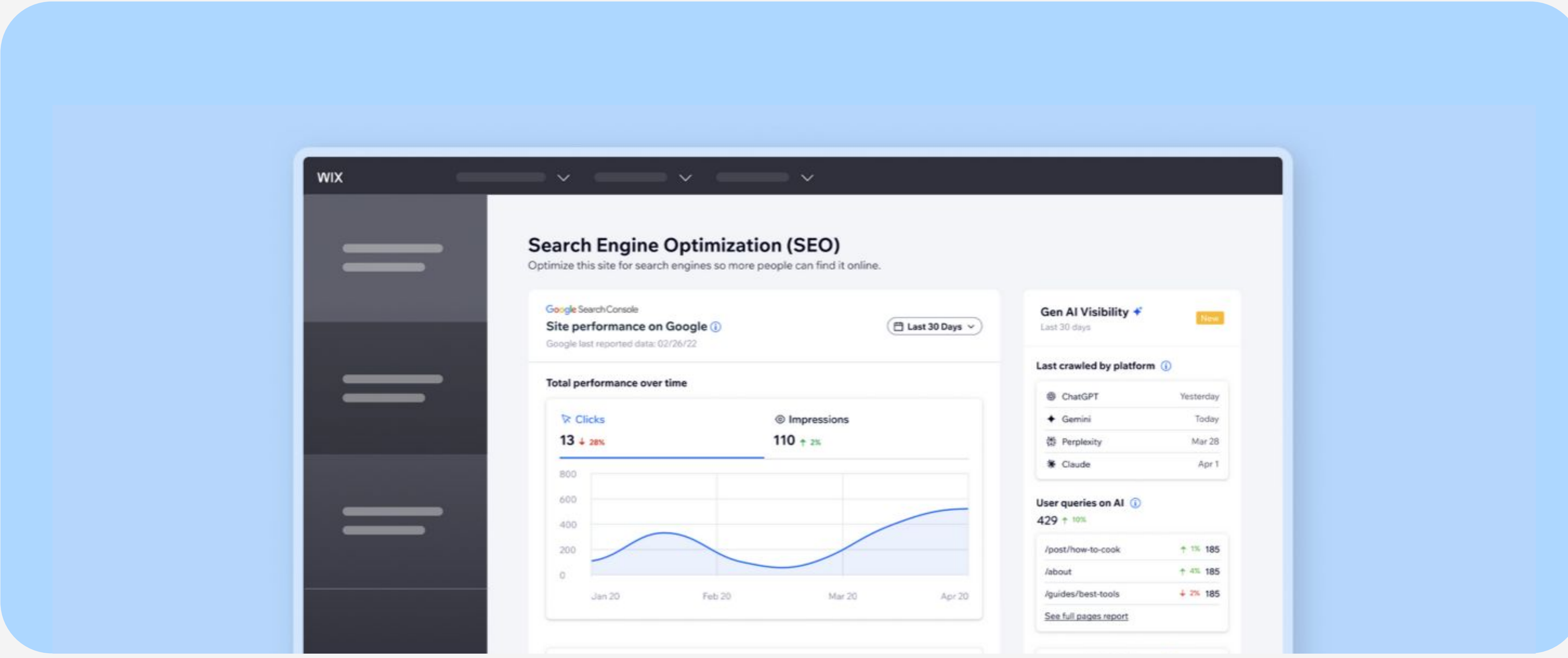
And we are seeing incredible returns very early on. **With just a few million of ARR at the time of our acquisition in June, Base44 is now on track to achieve $40 to 50 million of ARR by the end of 2025. This is an incredible pace of growth that is very rarely seen – and we don't expect to slow down as we accelerate towards a milestone $100 million of ARR.**

Looking beyond the near-term contribution from this acquisition, the long-term synergy between Wix and Base44 is also extremely compelling. Wix can provide the robust infrastructure that vibe coding platforms need to scale – hosting capabilities, security framework, GDPR compliance, payments processing, marketing automation, and more. **These are capabilities that Wix has carefully built over nearly 20 years – resulting in a fulsome ecosystem to serve as the operating system for a business.** So as vibe-coded projects outgrow current solutions and need to scale effectively, securely, and be production ready, Wix will be there to provide the next level of support and enablement for these businesses coming online.

However, my belief is that the future of creating online does not just rest in vibe coding, but rather in the combination of intuitive visual editing with flexible vibe coding. Creation cannot happen through chat alone – visual experience matters, especially when it comes to design, precision, and control. **Wix is well ahead on the path to offering the full spectrum: visual-first creation for simplicity and speed and AI-powered coding capabilities for flexibility and depth.** This is how we'll continue to lead in this next era – giving every user, from beginner to pro, the tools to build smarter, faster, and at a scale previously not possible.

Sincerely,
Avishai Abrahami, Co-Founder and CEO

Product & Business Updates



Fueling Momentum in AI Development

We've focused investment in AI to provide Wix users the capabilities they need to stay ahead in a competitive market. Last month, we launched the AI Visibility Overview, a new solution that goes beyond traditional SEO tools, positioning brands for discoverability in the emerging era of large language models (LLM). This tool empowers users to understand, monitor, and actively improve how their brand appears in LLM-based search engines helping brands stay ahead as LLMs redefine the landscape of SEO and online discovery. We are the first CMS to offer this kind of AI visibility natively, setting a new benchmark for AI search optimization tools within website platforms.

Additionally, our recent acquisition of HourOne gives the company access to advanced AI-powered technologies that will continue to shape the future of visual design creation. This move reinforces our position as a leader in generative AI and fuels our vision to make web creation smarter, faster, and more immersive.

Maximizing Merchant Growth with New Financial Experiences

This week, we announced a new financial suite that includes Wix Checking and Wix Capital. These two new solutions are designed to help eligible Wix Payments merchants access their funds immediately, take control of cash flow, and support business growth online and offline. Eligible businesses can efficiently streamline their finances, enabling them to concentrate on growth and innovation.

We also expanded our partnership with PayPal to bring additional online payment options to merchants through Wix Payments. Now available as a built-in part of Wix Payments, this provides U.S.-based merchants a unified, seamless experience that simplifies backend operations and ultimately supports higher checkout conversion.

Strategic Partnerships for Broader Reach and Innovation

We announced our partnership with Alibaba that will enable Wix merchants to expand their global wholesale capabilities through Alibaba.com while providing Alibaba.com merchants the opportunity to establish robust direct-to-consumer (D2C) and B2B storefronts powered by Wix's comprehensive commerce infrastructure. Collectively, these platforms will facilitate seamless global trade across over 200 countries and regions.

We also announced a strategic partnership with Monotype, a global leader in type design and technology, extending Wix's font library. The newly curated typeface collection is now available to Wix users, self creators and agencies – offering them a broader spectrum of high-quality typefaces to elevate their content and match their vision.

Financial Review

User Cohort Performance

Early-in-the-year robust new user cohort behavior strengthened further through the second quarter. **Q2'25 user cohort bookings grew 14% over the bookings generated by the Q2'24 cohort in its first quarter – surpassing the previous quarter cohort's strong 12% growth.**

Impressively, positive new cohort dynamics continued to gain momentum into the third quarter with new cohort bookings exiting July growing more than 20% over the new cohort bookings collected over the same period last year. We have not seen cohort growth levels like this since the peak of COVID. Including the Base44 cohort, new cohort bookings exiting July grew even more significantly.

Strong new cohort bookings was driven by higher demand compared to the prior year quarter, coming from both paid and organic traffic sources – demonstrating strengthening brand perception as well as our success in generating efficient returns on marketing investments. The Q2 user cohort contained 5.0 million new users, up 6% y/y, bringing the total number of users on the platform to approximately 293 million at the end of Q2'25.

A healthy top of funnel was coupled with positive business fundamentals in the second quarter. **Notably, conversion was strong with improved y/y conversion across key markets such as the U.S., U.K. and Europe. Very encouragingly, conversion was up q/q in the U.S., a much stronger trend than seasonally expected.**

Monetization of new users also continued to improve as a result of more sophisticated users joining the platform and choosing more advanced subscriptions and adopting more business applications.

Increasingly stronger new cohorts layering on as the year progresses is the primary driver of the bookings and revenue acceleration growth acceleration expected in 2H.

Additionally, we saw very strong behavior among our existing cohorts across both Partners and Self Creators as our cornerstone Studio platform continues to perform well and adoption of our growing suite of AI products ramps. **Excitingly, we saw strong early results from our AI Marketing Agent introduced earlier this year, which brought a notable increase in adoption and monetization of our marketing tools.** This underscores the tangible value of Wix's AI offering – improving user success, long term retention, monetization and LTV.

Revenue and Bookings

Total revenue grew to $489.9 million in Q2'25, up 12% y/y and above the high end of our guidance range. Revenue on a y/y constant currency basis was $488.3 million, or 12% y/y growth, in the second quarter.

Total bookings grew to $509.9 million in Q2'25, up 11% y/y, with particular strength in the Creative Subscriptions business. Bookings on a y/y constant currency basis was $504.4 million, or 10% y/y growth, in the second quarter.

Creative Subscriptions Revenue and Bookings

Creative Subscriptions revenue grew to $345.5 million in Q2'25, up 11% y/y. Creative Subscriptions ARR grew to $1.407 billion as of the end of Q2'25, up 10% y/y.

Creative Subscriptions bookings grew to $364.9 million in Q2'25, up 11% y/y. Accelerated y/y growth was driven by increasingly better performing new cohorts joining the platform as well as an increase in annual and multi-year subscription packages sold.

Business Solutions Revenue and Bookings

Business Solutions revenue grew to $144.5 million in Q2’25, up 17% y/y. Business Solutions bookings grew to $145.1 million in Q2’25, up 12% y/y.

Excluding the marketing payment from a vendor partner in the year-ago quarter, Business Solutions bookings growth accelerated to 16% y/y in the second quarter.

Bookings and revenue growth were driven by strong adoption of business applications, particularly Google Workspace and our marketing offering, as well as solid transaction revenue growth.

Transaction revenue in Q2’25 was $63.6 million, or 44% of Business Solutions revenue, up 18% y/y. Growth was driven by increased take rate, up sequentially to 1.79%, as Wix Payments adoption among new merchants improved.

GPV in the second quarter grew 11% y/y to $3.6 billion, or 10% on a constant currency basis. GPV continued to be negatively impacted by the drawdown in a minor subsidiary, which posed a ~1 pt headwind to GPV growth in the most recent quarter. Core GPV excluding subsidiaries grew 11% year over year in constant currency.

Partners was the main driver of GPV growth on the platform, contributing nearly 55% of Q2 GPV.

Partners Revenue

Partners revenue in Q2’25 totaled $183.3 million, or 37% of total revenue, up 24% y/y. Key products such as website subscriptions, domains and Google Workspace subscriptions trended positively in the second quarter, partially offset by sensitivity to GPV trends.

Y/Y Partners revenue growth excluding impact of transaction revenue accelerated in the second quarter compared to the first quarter. This acceleration reflects Wix's growing market share of the professional market as we deliver innovative, industry-leading products – including our first-to-market Generative Engine Optimization (GEO) offering – across the evolving web presence landscape. We will continue to expand our capabilities to serve a broader range of professionals and their clients – increasing our share of wallet by addressing more SMB needs through new offerings like Wix Capital and Wix Checking financing solutions.

Studio remained a key driver of Partners performance in the second quarter as Partner accounts with multiple Studio subscriptions notably increasing q/q. As adoption continues to ramp, we continued to make improvements to our Studio platform.

Revenue from our B2B partnerships also continued to contribute to Partners revenue growth as these users monetize better over time.

Gross Profit and Margin

Total non-GAAP gross margin was 70% in Q2’25, up from 69% in the preceding quarter.

Creative Subscriptions non-GAAP gross margin was 85% in Q2’25, up from 84% in Q1’25. Business Solutions non-GAAP gross margin was 33% in Q2’25, up from 31% in Q1’25.

The sequential improvement in gross margins were expected as we streamlined certain vendor partnerships and realized productivity benefits from AI technologies implemented across our Customer Care organization. Business Solutions gross margins also continued to benefit from outperformance of high-margin business applications as well as increased payments gross margin due to continued scale.

Operating Expenses and Margin

Non-GAAP R&D expenses were $98.4 million in Q2’25, an increase of 11% y/y and 2% q/q. As a percent of revenue, non-GAAP R&D expenses were 20% in Q2’25, in-line with the year ago quarter. The y/y increase in R&D expenses was primarily due to higher payroll expenses as we added developer headcount in 1H as planned, including employees from our Base44 and HourOne acquisitions.

Non-GAAP S&M expenses were $103.5 million in Q2’25, an increase of 12% y/y and 2% q/q. As a percent of revenue, non-GAAP S&M expenses were 21% in Q2’25, in-line with the year ago quarter. The y/y increase in S&M expenses was driven by higher advertising investment into our core business as a result of strong top of funnel demand and new cohort behavior. We also began to ramp marketing activities to accelerate Base44 growth, though the impact of this investment was minimal in the second quarter.

Non-GAAP G&A expenses were $28.8 million in Q2’25, a increase of 6% y/y and 1% q/q. As a percent of revenue, non-GAAP G&A expenses were 6% in Q2’25, in-line with the year ago quarter.

Non-GAAP operating income was $110.2 million, or 22% of revenue in Q2’25, up from 21% of revenue in the previous quarter as we continue to drive operating leverage with strong top-line growth and a maintained stable operating base. Non-GAAP operating income excludes $6.1 million of primarily non-cash expenses related to the recent acquisitions of HourOne and Base44, primarily consisting of accrued bonus and earnout payments per the respective acquisition agreements.

Earnings and Earnings Per Share

GAAP net income was $57.7 million in Q2’25, or 12% of revenue or $0.98 per diluted share. Non-GAAP net income was $136.2 million in Q2’25, or a record 28% of revenue or $2.28 per diluted share.

The meaningful q/q increase in financial expenses in the second quarter was driven by losses from hedging activity and the revaluation of our HQ campus liability.

Q2’25 GAAP and non-GAAP net income include a $51.7 million tax benefit, driven by a deferred tax asset.

Cash Flow, Balance Sheet and Other Items

Free cash flow in Q2’25 totaled $147.7 million, or 30% of revenue and in-line with expectations for the full year. This free cash flow includes an insignificant amount of expenses related to recent acquisitions and no top-line contribution from these same acquisitions.

This quarter, we began to execute on our $400 million repurchase authorization of Wix securities. We repurchased approximately 646 thousand Wix ordinary shares in the second quarter for nearly $100 million, underscoring our continued commitment to prioritizing returning value directly to shareholders.

We ended Q2’25 with approximately $1,132.3 million in cash and cash equivalents and $574.5 million outstanding of our convertible bond due mid-August 2025.

Our total employee count at the end of Q2’25 was 5,326.

Outlook

Our strong first-half performance reinforces our confidence in accelerating growth throughout the remainder of 2025, supported by a stable and positive macroeconomic environment. Strong momentum in the core Wix business, driven by new cohort outperformance, is further bolstered by our entry into a new rapidly-growing TAM through our recent acquisition of Base44.

As a result, we are raising our full year bookings outlook to $2,040 - $2,075 million, or 11-13% y/y growth, compared to $2,025 - $2,060 million previously. This increased expectation assumes a continued upwards trend in new cohort behavior, contribution from Base44 and current FX rates.

We continue to anticipate an acceleration in bookings growth in 2H, driven mainly by improving business fundamentals. We expect:

- **Increasingly stronger new cohorts layering onto the platform and contributing more incremental bookings dollars compared to the new cohorts of 2024 in their first respective quarters.** Increased top of funnel demand, improved conversion in our largest geographic markets, larger mix of higher intent users and a shift to longer-duration subscriptions drove new cohort bookings growth in Q2 to accelerate off of the Q1 high watermark. **Encouragingly, new cohort bookings growth has continued to accelerate through July and we expect this upwards trend to continue through 2H.**

  Stronger new cohorts as well as increasing contribution from the recent Q1 and Q2 cohorts layering on are expected to drive the majority of the 2H acceleration.

- Contribution from Base44

- Targeted pricing optimizations in select geographies, as previously planned

- Increasing contribution from Studio cohorts as new Partners layer on and earlier Partners mature, build multiple websites and increasingly contribute more bookings

- Ramping benefit from AI products

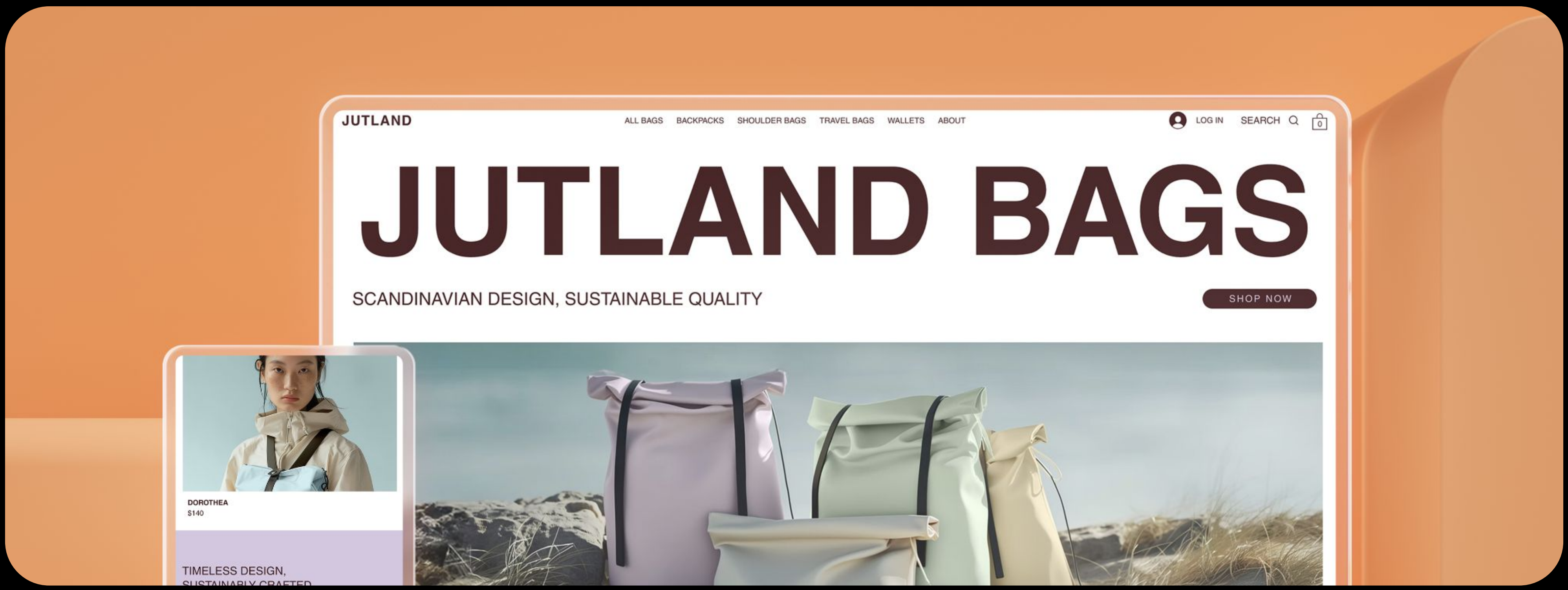
We are updating our full year revenue outlook to $1,975 - 2,000 million, up 12-14% y/y, compared to the prior outlook of $1,970 - 2,000 million. We continue to anticipate revenue growth acceleration in 2H.

We expect total revenue in Q3 2025 to be $498 - 504 million, up 12-13% y/y.

For the full year 2025, we now expect non-GAAP total gross margin of ~69% and non-GAAP operating expenses to be ~49% of revenue. This compares to previous expectations of non-GAAP total gross margin of ~70% and non-GAAP operating expenses to be 47 - 48% of revenue for the full year. These higher cost of revenue and operating expenses are a result of incremental ongoing AI, marketing and headcount investments we plan to make to operate, integrate and grow Base44.

With higher bookings expectations offsetting these increased costs, we expect to generate free cash flow of $595 - $610 million in 2025, or 30-31% of revenue.

Appendix



Notes and Modeling Clarifications

Creative Subscription Revenue and Creative Subscription Bookings refer to revenue or bookings, as applicable, generated from premium subscriptions, including premium subscriptions bundled with vertical solutions and domain name subscriptions and exclude any revenue or bookings, as applicable, included under Business Solutions Revenue or Bookings, respectively. Our total revenue is comprised of Business Solutions Revenue and Creative Subscriptions Revenue. Our total bookings is comprised of Business Solutions Bookings and Creative Subscriptions Bookings.

Business Solutions Revenue and Business Solutions Bookings refer to all revenue or bookings, as applicable, generated from business solutions and exclude any revenue or bookings, as applicable, included under Creative Subscriptions Revenue or Bookings, respectively.

Unbilled contractual obligations: we present firm multi-year commitments for the full contract term in bookings in the quarter in which the agreement is executed. The commitment amount for the upcoming 12 months is recognized as short-term accounts receivable and deferred revenue, and the remaining commitment amount will be recorded in our bookings as unbilled contractual obligations.

B2B partnership bookings is a subset of total bookings representing the full contractual commitments received from B2B partners, such as Vistaprint and LegalZoom, as well as enterprise partners.

GPV or Gross Payments Volume includes the total value, in US dollars, of transactions facilitated by our platform.

Transaction revenue is a portion of Business Solutions revenue, and we define transaction revenue as all revenue generated through transaction facilitation, primarily from Wix Payments as well as Wix POS, shipping solutions and multi-channel commerce and gift card solutions.

Take rate is defined as our transaction revenue as a percentage of GPV.

Partners revenue is defined as revenue generated through agencies and freelancers that build sites or applications for other users ("Agencies") as well as revenue generated through B2B partnerships, such as LegalZoom or Vistaprint ("Resellers"). We identify Agencies using multiple criteria, including but not limited to, the number of sites built, participation in the Wix Partner Program and/or the Wix Marketplace or Wix products used (incl. Wix Studio). Partners revenue includes revenue from both the Creative Subscriptions and Business Solutions businesses.

Conference Call and Webcast Information

Wix will host a conference call to discuss the results at 8:30 a.m. ET on Wednesday, August 6, 2025. A live and archived webcast of the conference call will be accessible from the "Investor Relations" section of the Company's website at https://investors.wix.com/.

Non-GAAP Financial Measures and Key Operating Metrics

To supplement its consolidated financial statements, which are prepared and presented in accordance with U.S. GAAP, Wix uses the following non-GAAP financial measures: bookings, cumulative cohort bookings, bookings on a constant currency basis, revenue on a constant currency basis, non-GAAP gross margin, non-GAAP operating income (loss), non-GAAP operating margin, non-GAAP net income (loss), non-GAAP net income (loss) per share, free cash flow, free cash flow on a constant currency basis, free cash flow, as adjusted, free cash flow margins, non-GAAP R&D expenses, non-GAAP S&M expenses, non-GAAP G&A expenses, non-GAAP operating expenses, non-GAAP cost of revenue expense, non-GAAP financial expense, non-GAAP tax expense (collectively the "Non-GAAP financial measures"). Measures presented on a constant currency or foreign exchange neutral basis have been adjusted to exclude the effect of y/y changes in foreign currency exchange rate fluctuations. Bookings is a non-GAAP financial measure calculated by adding the change in deferred revenues and the change in unbilled contractual obligations for a particular period to revenues for the same period. Bookings include cash receipts for premium subscriptions purchased by users as well as cash we collect from business solutions, as well as payments due to us under the terms of contractual agreements for which we may have not yet received payment. Cash receipts for premium subscriptions are deferred and recognized as revenues over the terms of the subscriptions. Cash receipts for payments and the majority of the additional products and services (other than Google Workspace) are recognized as revenues upon receipt. Committed payments are recognized as revenue as we fulfill our obligation under the terms of the contractual agreement. Bookings and Creative Subscriptions Bookings are also presented on a further non-GAAP basis by excluding, in each case, bookings associated with long-term B2B partnership agreements. Non-GAAP gross margin represents gross profit calculated in accordance with GAAP as adjusted for the impact of share-based compensation expense, acquisition-related expenses and amortization, divided by revenue. Non-GAAP operating income (loss) represents operating income (loss) calculated in accordance with GAAP as adjusted for the impact of share-based compensation expense, amortization, acquisition-related expenses and sales tax expense accrual and other G&A expenses (income). Non-GAAP net income (loss) represents net loss calculated in accordance with GAAP as adjusted for the impact of share-based compensation expense, amortization, sales tax expense accrual and other G&A expenses (income), amortization of debt discount and debt issuance costs and acquisition-related expenses and non-operating foreign exchange expenses (income). Non-GAAP net income (loss) per share represents non-GAAP net income (loss) divided by the weighted average number of shares used in computing GAAP loss per share. Free cash flow represents net cash provided by (used in) operating activities less capital expenditures. Free cash flow, as adjusted, represents free cash flow further adjusted to exclude one-time cash restructuring charges and the capital expenditures and other expenses associated with the buildout of our new corporate headquarters. Free cash flow margins represent free cash flow divided by revenue. Non-GAAP cost of revenue represents cost of revenue calculated in accordance with GAAP as adjusted for the impact of share-based compensation expense, acquisition-related expenses and amortization. Non-GAAP R&D expenses represent R&D expenses calculated in accordance with GAAP as adjusted for the impact of share-based compensation expense, acquisition-related expenses and amortization. Non-GAAP S&M expenses represent S&M expenses calculated in accordance with GAAP as adjusted for the impact of share-based compensation expense, acquisition-related expenses and amortization. Non-GAAP G&A expenses represent G&A expenses calculated in accordance with GAAP as adjusted for the impact of share-based compensation expense, acquisition-related expenses and amortization. Non-GAAP operating expenses represent operating expenses calculated in accordance with GAAP as adjusted for the impact of share-based compensation expense, acquisition-related expenses and amortization. Non-GAAP financial expense represents financial expense calculated in accordance with GAAP as adjusted for unrealized gains of equity investments, amortization of debt discount and debt issuance costs and non-operating foreign exchange expenses. Non-GAAP tax expense represents tax expense calculated in accordance with GAAP as adjusted for provisions for income tax effects related to non-GAAP adjustments.

The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. The Company uses these non-GAAP financial measures for financial and operational decision making and as a means to evaluate period-to-period comparisons. The Company believes that these measures provide useful information about operating results, enhance the overall understanding of past financial performance and future prospects, and allow for greater transparency with respect to key metrics used by management in its financial and operational decision making.

For more information on the non-GAAP financial measures, please see the reconciliation tables provided below. The accompanying tables have more details on the GAAP financial measures that are most directly comparable to non-GAAP financial measures and the related reconciliations between these financial measures. The Company is unable to provide reconciliations of free cash flow, free cash flow margin, free cash flow, as adjusted, bookings, cumulative cohort bookings, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating expenses as a percentage of revenue, and non-GAAP tax expense to their most directly comparable GAAP financial measures on a forward-looking basis without unreasonable effort because items that impact those GAAP financial measures are out of the Company's control and/or cannot be reasonably predicted. Such information may have a significant, and potentially unpredictable, impact on our future financial results.

Wix also uses Creative Subscriptions Annualized Recurring Revenue (ARR) as a key operating metric. Creative Subscriptions ARR is calculated as Creative Subscriptions Monthly Recurring Revenue (MRR) multiplied by 12. Creative Subscriptions MRR is calculated as the total of (i) the total monthly revenue of all Creative Subscriptions in effect on the last day of the period, other than domain registrations; (ii) the average revenue per month from domain registrations multiplied by all registered domains in effect on the last day of the period; and (iii) monthly revenue from other partnership agreements including enterprise partners.

Forward-Looking Statements

This document contains forward-looking statements, within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. Such forward-looking statements may include projections regarding our future performance, including, but not limited to revenue, bookings and free cash flow, and may be identified by words like "anticipate," "assume," "believe," "aim," "forecast," "indication," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "subject," "project," "outlook," "future," "will," "seek" and similar terms or phrases. The forward-looking statements contained in this document, including the quarterly and annual guidance, are based on management's current expectations, which are subject to uncertainty, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Important factors that could cause our actual results to differ materially from those indicated in the forward-looking statements include, among others, our ability to attract and retain registered users and partners, and generate new premium subscriptions and additional business solutions as we continuously adjust our marketing strategy and customer care; maintenance of our brand and reputation, and generation of revenue from sources other than premium subscriptions; risks associated with international operations and the use of platform in various countries; risks related to the macroeconomic environment and ongoing global conflicts; security risks and payment risks and fluctuations in foreign currency exchange rates; failures of third-party hardware, software and infrastructure on which we rely, or failure to manage the operation of our infrastructure; adverse market conditions, including inflation, interest rates and other adverse developments that may adversely affect our cash balances and investment portfolio; our history of operating losses and inability to achieve sustained profitability; downturns or upturns in sales are not immediately reflected in full in our operating results; our ability to repurchase our ordinary shares and/or 0.00% Convertible Senior Notes due 2025 pursuant to our repurchase program; our ability to raise capital when needed or on acceptable terms; risks related to acquisitions and investments, pricing decisions, pandemics, natural disasters and other catastrophic events; our ability to develop and introduce new products and services, as well as maintain third-party products and are ability to keep up with rapid changes in design and technology; our ability to attract and retain qualified employees and key personnel; our ability to attract a diversified customer base and increased competition; our ability to maintain compatibility of our platform and solutions with changes in third-party applications and changes to technologies used in our solutions; our ability to acquire and service small business users; risks related to security breaches and unauthorized access to data, cyberattacks; our expectation regarding the uncertain future relationship between the United States and other countries with respect to trade policies, taxes, government regulations, and tariffs; our ability to comply with the regulations applicable to our operations, including new governmental regulations regarding the internet, consumer protection, artificial intelligence ("AI"), privacy and data protection laws and regulations, as well as contractual privacy and data protection obligations; risks relating to intellectual property, including infringements, litigation and claims, and our ability to maintain and protect our intellectual property rights and proprietary information; our expectations regarding the outcome of any regulatory investigation or litigation, including class actions; risks related to the development and integration of AI, generative AI, agentic AI, machine learning, and similar tools into our offerings, and comply with the regulatory environment impacting AI and AI-related activities; risks related to activities of registered users or content of their websites, and risks related to domain names and industry regulations; risks related to compliance with laws and regulations, including those related to economic sanctions, tariffs, export controls, anti-corruption and anti-money laundering, anti-trust, and consumer protection, and changes in these laws and regulations; risks related to tax, including application of indirect taxes, tax laws, changes in tax laws or changes in provision for income tax and examination of income tax returns; risks related to ordinary shares, activist shareholders, and our status as a foreign private issuer; risks related to our incorporation and location in Israel, including conflicts in the area; our expectations regarding future changes in our cost of revenues and our operating expenses on an absolute basis and as a percentage of our revenues; our planned level of capital expenditures and our belief that our existing cash and cash from operations will be sufficient to fund our operations for at least the next 12 months and for the foreseeable future; and our ability to enter into new markets and attracting new customer demographics, including our ability to successfully attract new partners and large enterprise-level users and to grow our activities, including through the adoption of our Wix Studio product, with these customer types as anticipated and other factors discussed under the heading "Risk Factors" in the Company's annual report on Form 20-F for the year ended December 31, 2024 filed with the Securities and Exchange Commission on March 21, 2025. The preceding list is not intended to be an exhaustive list of all of our forward-looking statements. Any forward-looking statement made by us in this press release speaks only as of the date hereof. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future developments or otherwise.

Reconciliation of GAAP to Non-GAAP financial measures

in 000s	2024			2025		FY	FY	FY
	Q2	Q3	Q4	Q1	Q2	2022	2023	2024
Revenues	$435,746	$444,673	$460,455	$473,651	$489,930	$1,387,666	$1,561,665	$1,760,650
Change in Deferred Revenues	$25,426	$6,096	$1,609	$44,362	$26,232	$55,387	$76,193	$74,450
Change in Unbilled Contractual Obligations	($2,773)	($989)	$2,528	($7,108)	($6,238)	$29,066	($40,355)	($5,048)
Bookings	$458,399	$449,780	$464,592	$510,905	$509,924	$1,472,119	$1,597,503	$1,830,052
Creative Subscriptions Revenues	$312,125	$318,825	$329,732	$337,676	$345,456	$1,039,479	$1,152,007	$1,264,975
Change in Deferred Revenues	$19,615	$8,802	($7,057)	$38,901	$25,653	$52,866	$63,124	$55,518
Change in Unbilled Contractual Obligations	($2,773)	($989)	$2,528	($7,108)	($6,238)	$29,066	($40,355)	($5,048)
Creative Subscriptions Bookings	$328,967	$326,638	$325,203	$369,469	$364,871	$1,121,411	$1,174,776	$1,315,445
Business Solutions Revenues	$123,621	$125,848	$130,723	$135,975	$144,474	$348,187	$409,658	$495,675
Change in Deferred Revenues	$5,811	($2,706)	$8,666	$5,461	$579	$2,521	$13,069	$18,932
Business Solutions Bookings	$129,432	$123,142	$139,389	$141,436	$145,053	$350,708	$422,727	$514,607
Gross Profit	$294,072	$302,645	$316,819	$321,859	$336,590	$861,439	$1,049,137	$1,196,015
Share Based Compensation	$3,516	$3,574	$3,466	$3,320	$3,472	$17,811	$15,013	$14,146
Acquisition Related Expenses	-	-	-	-	$163	$140	$229	-
Amortization	$668	$667	$667	$667	$668	$2,968	$2,669	$2,669
Non GAAP Gross Profit	$298,256	$306,886	$320,952	$325,846	$340,893	$882,358	$1,067,048	$1,212,830
Non GAAP Gross Margin	*68%*	*69%*	*70%*	*69%*	*70%*	*64%*	*68%*	*69%*

in 000s	2024			2025			FY	FY	FY
	Q2	Q3	Q4	Q1	Q2		2022	2023	2024
Gross Profit - Creative Subscriptions	$259,086	$265,916	$277,061	$281,609	$291,325		$787,892	$936,492	$1,051,553
Share Based Compensation	$2,519	$2,562	$2,482	$2,367	$2,442		$13,933	$11,081	$10,232
Acquisition Related Expenses	-	-	-	-	$163		-	-	-
Non GAAP Gross Profit - Creative Subscriptions	$261,605	$268,478	$279,543	$283,976	$293,930		$801,825	$947,573	$1,061,785
Non GAAP Gross Margin - Creative Subscriptions	*84%*	*84%*	*85%*	*84%*	*85%*		*77%*	*82%*	*84%*
Gross Profit - Business Solutions	$34,986	$36,729	$39,758	$40,250	$45,265		$73,547	$112,645	$144,462
Share Based Compensation	$997	$1,012	$984	$953	$1,030		$3,878	$3,932	$3,914
Acquisition Related Expenses	-	-	-	-	-		$140	$229	-
Amortization	$668	$667	$667	$667	$668		$2,968	$2,669	$2,669
Non GAAP Gross Profit - Business Solutions	$36,651	$38,408	$41,409	$41,870	$46,963		$80,533	$119,475	$151,045
Non GAAP Gross Margin - Business Solutions	*30%*	*31%*	*32%*	*31%*	*33%*		*23%*	*29%*	*30%*
Research and Development (GAAP)	$119,257	$124,593	$127,186	$127,497	$134,735		$482,861	$481,293	$495,281
Share Based Compensation	$30,782	$32,258	$32,320	$31,491	$32,098		$120,580	$119,482	$126,462
Acquisition Related Expenses	$1	-	-	-	$4,248		$4,948	$237	$6
Non-GAAP Research and Development	$88,474	$92,335	$94,866	$96,006	$98,389		$357,333	$361,574	$368,813
% of Revenues	*20%*	*21%*	*21%*	*20%*	*20%*		*26%*	*23%*	*21%*
Selling and Marketing (GAAP)	$102,498	$109,096	$106,629	$111,563	$113,155		$492,886	$399,577	$425,457
Share Based Compensation	$9,206	$9,441	$9,625	$9,177	$9,046		$38,714	$41,277	$38,755
Amortization	$796	$793	$1,166	$804	$590		$3,274	$3,282	$3,570
Non-GAAP Selling and Marketing	$92,496	$98,862	$95,838	$101,582	$103,519		$450,898	$355,018	$383,132
% of Revenues	*21%*	*22%*	*21%*	*21%*	*21%*		*32%*	*23%*	*22%*
% of Non- GAAP Gross Profit	*31%*	*32%*	*30%*	*31%*	*30%*		*51%*	*33%*	*32%*

in 000s	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	FY 2022	FY 2023	FY 2024
General and Administrative (GAAP)	$43,712	$43,110	$46,984	$45,394	$44,394	$171,045	$160,033	$175,136
Share Based Compensation	$16,382	$15,619	$16,390	$16,273	$14,823	$59,731	$48,853	$61,358
Amortization	$1	$1	$1	$1	$1	$4	$4	$4
Acquisition Related Expenses	-	-	-	-	$1,676	$39	$6	-
Sales Tax Accrual and Other G&A Expenses (Income)	$237	$225	$881	$699	($938)	$763	$748	$1,464
Non-GAAP General and Administrative	$27,092	$27,265	$29,712	$28,421	$28,832	$110,508	$110,422	$112,310
% of Revenues	*6%*	*6%*	*6%*	*6%*	*6%*	*8%*	*7%*	*6%*
GAAP Operating Income (Loss)	$28,605	$25,846	$36,020	$37,405	$44,306	($285,353)	($24,380)	$100,141
Share Based Compensation	$59,886	$60,892	$61,801	$60,261	$59,439	$236,836	$224,625	$240,721
Amortization	$1,465	$1,461	$1,834	$1,472	$1,259	$6,246	$5,955	$6,243
Acquisition Related Expenses	$1	-	-	-	$6,087	$5,127	$472	$6
Sales Tax Accrual and Other G&A Expenses (Income)	$237	$225	$881	$699	($938)	$763	$748	$1,464
Restructuring	-	-	-	-	-	-	$32,614	-
Non-GAAP Operating Income (Loss)	$90,194	$88,424	$100,536	$99,837	$110,153	($36,381)	$240,034	$348,575
% of Revenues	*21%*	*20%*	*22%*	*21%*	*22%*	*-3%*	*15%*	*20%*
Net Cash Provided by Operating Activities	$120,029	$129,814	$133,736	$145,491	$150,335	$37,152	$248,246	$497,415
Capital Expenditures, Net	($7,195)	($2,053)	($1,963)	($3,050)	($2,670)	($70,664)	($66,049)	($19,336)
Free Cash Flow	$112,834	$127,761	$131,773	$142,441	$147,665	($33,512)	$182,197	$478,079
Capital Expenditures and Other Cash Costs Related to Wix HQ Office Buildout	$4,963	-	-	-	-	$65,920	$57,946	$10,325
Restructuring	-	-	-	-	-	-	$5,915	-
Free Cash Flow (Excluding Capex and Other Cash Costs)	$117,797	$127,761	$131,773	$142,441	$147,665	$32,408	$246,058	$488,404
% of Revenues	*27%*	*29%*	*29%*	*30%*	*30%*	*2%*	*16%*	*28%*
Outstanding Ordinary Shares as of Year-End						56,305,462	57,172,595	56,107,932
Outstanding Stock Options as of Year-End						4,332,022	3,956,056	3,165,633
Outstanding Restricted Share Units as of Year-End						3,123,019	3,236,742	3,385,005
Total Diluted Shares as of Year-End						**63,760,503**	**64,365,393**	**62,658,570**

in 000s	2025 Q2
Bookings	$509,924
Adjustment for FX Changes	($5,560)
Y/Y Constant Currency Bookings	$504,364
Revenues	$489,930
Adjustment for FX Changes	($1,636)
Y/Y Constant Currency Revenues	$488,294