

## Wix Reports Fourth Quarter and Full Year 2020 Results

*Acceleration from 2020 expected to carry through 2021 -- raising prior collections growth outlook*

- Closing out phenomenal year with revenue and collections growth topping expectations
  - FY'20 Revenue of \$989 million, up 30% y/y; Q4'20 Revenue of \$283 million, up 38% y/y
  - FY'20 Collections of \$1.102 billion, up 32% y/y; Q4'20 Collections of \$306 million, up 35% y/y
  - Creative Subscriptions ARR increased to \$878 million, up 24% y/y, accelerating for the fourth consecutive quarter
- Influx of online commerce businesses and growth of Business Solutions applications and services driving improving retention and increase in cohort value
  - Business Solutions collections up 95% y/y in Q4'20 and 75% y/y in FY'20, driven by growth in Wix Payments
  - Future collections expected from existing cohorts increased to over \$12.9 billion over the next 10 years
- Editor X launched out of beta, adding a game-changing set of collaboration tools, positioning Editor X as the only fully collaborative web creation platform in the world

**NEW YORK, February 17, 2021** -- [Wix.com](https://www.wix.com) Ltd. (Nasdaq: WIX) today reported strong financial results for the fourth quarter and full year ended December 31, 2020, exceeding the high end of its guidance ranges for revenue, collections and free cash flow. In addition, the Company provided its initial outlook for the first quarter and full year of 2021.

"We have concluded the most successful year in our company's history. In 2020, over 31 million new registered users joined Wix, we added nearly 1 million net new subscriptions, and we crossed \$1 billion of annual collections for the first time. It was truly humbling to help lift millions of businesses through an extremely challenging year, and I am particularly proud of our team for maintaining focus and dedication throughout the year," said Avishai Abrahami, Co-founder and CEO of Wix. "It is clear that we can now become a dominant player on the internet, and I expect us to strengthen this position significantly over the coming decade. Wix will now strive to become the main engine of the internet, democratizing access and providing a place where the majority of people will build their web presence. My goal and belief is that at this rate of growth, in the next 5-7 years, 50% of anything new built on the internet will be done on Wix."

Lior Shemesh, CFO of Wix, added, "Our fourth quarter results closed out a record-breaking year at Wix with results exceeding the high end of our guidance ranges. The demand for a web presence is higher than ever before. As such, we are investing heavily in our business and into new products, most notably Wix Payments as online commerce businesses continue to come to Wix. Our first quarter 2021 guidance of 37-41% y/y collections growth and full year guidance of 30-32% collections growth reflect the continuation of the momentum from 2020, the returns on these investments and the new baseline of growth for Wix for years to come."

## **FY 2020 Financial Results**

- Total revenue for the full year 2020 was \$988.8 million, compared to \$761.1 million for the full year 2019, an increase of 30% y/y
  - Creative Subscriptions revenue for the full year 2020 was \$783.5 million, compared to \$644.5 million for the full year 2019, an increase of 22% y/y
  - Business Solutions revenue for the full year 2020 was \$205.3 million, compared to \$116.6 million for the full year 2019, an increase of 76% y/y
- Total collections for the full year 2020 were \$1.102 billion, compared to \$832.5 million for the full year 2019, an increase of 32% y/y
  - Creative Subscriptions collections for the full year 2020 were \$891.2 million, compared to \$711.8 million for the full year 2019, an increase of 25% y/y
  - Business Solutions collections for the full year 2020 were \$210.8 million, compared to \$120.7 million for the full year 2019, an increase of 75% y/y
- Total gross margin on a GAAP basis for the full year 2020 was 68%, compared to 74% for the full year 2019. The y/y decline was related to incremental investments in Customer Care, hosting and the faster revenue growth of the Business Solutions segment, primarily Wix Payments
  - Creative Subscriptions gross margin on a GAAP basis was 79%, compared to 81% for the full year 2019. The y/y decline was related to the investment in expanding our Customer Care organization and higher hosting costs to serve the increased number of users
  - Business Solutions gross margin on a GAAP basis was 28% compared to 35% for the full year 2019. The y/y decline was related primarily to the growth of Wix Payments, the expansion of Customer Care and higher hosting costs to meet the increased number of users
- Total non-GAAP gross margin for the full year 2020, calculated as non-GAAP gross profit as a percent of revenue, was 69%, compared to 75% for the full year 2019. The y/y decline was related to incremental investments in Customer Care, hosting and the faster revenue growth of the Business Solutions segment
  - Creative Subscriptions gross margin on a non-GAAP basis was 80%, compared to 82% for the full year 2019. The y/y decline was related to the investment in expanding our Customer Care organization and higher hosting costs to serve the increased number of users
  - Business Solutions gross margin on a non-GAAP basis was 29%, compared to 37% for the full year 2019. The y/y decline was related primarily to the growth of Wix Payments, the expansion of Customer Care and higher hosting costs to meet the increased number of users. As Wix Payments scales, we expect the gross margin in Business Solutions to increase over time
- GAAP net loss for the full year 2020 was \$(216.5) million, or \$(3.98) per share, compared to a net loss of \$(86.4) million, or \$(1.71) per share, for the full year 2019
- Non-GAAP net loss for the full year 2020 was \$(24.2) million, or \$(0.44) per share, compared to non-GAAP net income of \$59.1 million, or \$1.17 per share, for the full year 2019

- Net cash provided by operating activities for the full year 2020 was \$148.0 million, while capital expenditures totaled \$18.9 million, leading to free cash flow of \$129.2 million, compared to \$127.5 million of free cash flow for the full year 2019, a 1.3% y/y increase
  - Excluding the capex investment associated with our new headquarters office build out, free cash flow would have been \$131.7 million, an increase of 3.3% y/y

#### **Q4 2020 Financial Results**

- Total revenue in the fourth quarter of 2020 was \$282.5 million, compared to \$204.6 million in the fourth quarter of 2019, an increase of 38% y/y
  - Creative Subscriptions revenue in the fourth quarter of 2020 was \$213.7 million, compared to \$171.4 million in the fourth quarter of 2019, an increase of 25% y/y
  - Business Solutions revenue in the fourth quarter of 2020 was \$68.8 million, compared to \$33.2 million in the fourth quarter of 2019, an increase of 107% y/y
- Creative Subscriptions ARR was \$878.0 million in the fourth quarter of 2020, compared to \$707.2 million in the fourth quarter of 2019, an increase of 24% y/y
- Business Solutions ARR was \$138.3 million in the fourth quarter of 2020, compared to \$94.8 million in the fourth quarter of 2019, an increase of 46% y/y
- Total collections in the fourth quarter of 2020 were \$306.4 million, compared to \$226.7 million in the fourth quarter of 2019, an increase of 35% y/y
  - Creative Subscriptions collections in the fourth quarter of 2020 were \$236.4 million, compared to \$190.8 million in the fourth quarter of 2019, an increase of 24% y/y
  - Business Solutions collections in the fourth quarter of 2020 were \$70.0 million, compared to \$35.9 million in the fourth quarter of 2019, an increase of 95% y/y
- Total gross margin on a GAAP basis in the fourth quarter of 2020 was 63%, compared to 72% in the fourth quarter of 2019. The y/y decline was related to incremental investments in Customer Care, hosting and the faster revenue growth of the Business Solutions segment
  - Creative Subscriptions gross margin on a GAAP basis was 76%, compared to 80% in the fourth quarter of 2019. The y/y decline was related to the investment in expanding our Customer Care organization and higher hosting costs to serve the increased number of users
  - Business Solutions gross margin on a GAAP basis was 23% compared to 28% in the fourth quarter of 2019. The y/y decline was related primarily to the growth of Wix Payments, the expansion of Customer Care and higher hosting costs to serve the increased number of users
- Total non-GAAP gross margin in the fourth quarter of 2020, calculated as non-GAAP gross profit as a percent of revenue, was 65%, compared to 74% in the fourth quarter of 2019. The y/y decline was related to incremental investments in Customer Care, hosting and the faster revenue growth of the Business Solutions segment

- o Creative Subscriptions gross margin on a non-GAAP basis was 78%, compared to 81% in the fourth quarter of 2019. The y/y decline was related to the investment in expanding our Customer Care organization and higher hosting costs to serve the increased number of users
- o Business Solutions gross margin on a non-GAAP basis was 25%, compared to 34% in the fourth quarter of 2019. The y/y decline was related primarily to the growth of Wix Payments, the expansion of Customer Care and higher hosting costs to meet the increased number of users
- GAAP net loss in the fourth quarter of 2020 was \$(62.8) million, or \$(1.13) per share, compared to a net loss of \$(21.6) million, or \$(0.42) per share, for the fourth quarter of 2019
- Non-GAAP net loss in the fourth quarter of 2020 was \$(1.6) million, or \$(0.03) per share, compared to non-GAAP net income of \$19.9 million, or \$0.39 per share, for the fourth quarter of 2019
- Net cash provided by operating activities in the fourth quarter of 2020 was \$28.6 million, while capital expenditures totaled \$5.4 million, leading to free cash flow of \$23.1 million, compared to \$37.5 million of free cash flow in the fourth quarter of 2019, a 38% y/y decrease
  - o Excluding the capex investment associated with our new headquarters office build out, free cash flow would have been \$24.0 million, a decrease of 36% y/y
- Added 185,000 net premium subscriptions in the fourth quarter of 2020, a 107% increase y/y, to reach 5.5 million as of December 31, 2020, a 22% increase over the total number of premium subscriptions at the end of the fourth quarter of 2019
- Added 7.4 million registered users in the fourth quarter of 2020, a 27% increase y/y. Registered users as of December 31, 2020 were 196.7 million, representing a 19% increase compared to the end of the fourth quarter of 2019

### **Recent Business Highlights**

- Launched Editor X out of beta and introduced a new suite of collaboration tools that enable concurrent editing, making it the only fully collaborative web creation platform in the world. There are already over 200K users on Editor X. In addition to concurrent editing, the platform's new collaboration features include live commenting, advanced roles and permissions, and shared design libraries. These additions will enable design teams to increase their velocity and work more efficiently. The platform also expanded its design capabilities and now offers advanced code-free interactions. Editor X enables design flexibility and allows designers and agencies to control every aspect of the creation process. These newly introduced capabilities enable smarter collaboration between stakeholders and a seamless handoff to clients once a project is complete
- Implemented several significant product improvements to the Wix Payments platform in 2020 to improve the user experience and expand our overall product offering. Recent upgrades include a smoother onboarding process, improved balance management and the addition of account managers for high volume users. We believe these improvements, along with many others we plan, will drive volume growth and higher capture of revenue in Wix Payments in 2021
- Generated \$5.4 billion in Gross Payments Volume (GPV) in 2020, a 126% increase over \$2.4 billion in 2019 as the number of online commerce businesses and their sales volume grew throughout the year.

Wix Payments collections and revenue was \$53.6 million in 2020, a 382% increase over \$11.1 million in 2019 as we improved our take rate throughout the year. We expect GPV will be \$10 billion in 2021

- Rebranded the full-stack no-code / low-code development platform formerly known as Corvid by Wix to Velo by Wix
- Introduced a web development course for our no-code / low-code platform Velo in partnership with Codecademy

## **Financial Outlook**

Our outlook is underscored by an increase in our collections growth guidance for 2021, since our initial guidance provided in December, as our confidence in the upcoming year has increased. Our success in online commerce, expected growth in Partners activity on Wix and the launch of new products bolster our outlook for the year.

We plan to make incremental investments of approximately \$60 million in 2021 to capitalize on the opportunities ahead. Our incremental investments will be focused in the following areas:

- Continued expansion of Customer Care to address the current and future demand and to expand our support dedicated to Wix Payments. We plan to hire at least 600 more Experts in 2021
- Advancing the evolution of the Wix Payments platform by improving the user experience, expanding to additional geographies and offering new capabilities for our users
- Building our team and infrastructure necessary to scale and globalize the Wix Point of Sale (POS) solution
- Growing our Account Management team to provide the high level of service expected by Partners and high-volume online commerce users

We are introducing full year 2021 guidance as follows:

|   | FY 2021 Outlook         | Y/Y growth |
|---|-------------------------|------------|
| Revenue   | \$1,272 - 1,286 million | 29 - 30%   |
| Collections   | \$1,435 - 1,455 million | 30 - 32%   |
| Free Cash Flow (excluding capex for future Wix HQ office build out) | \$90 - 100 million      | NM         |
| Free Cash Flow  | \$60 - 70 million       | NM         |

We are also introducing first quarter 2021 guidance as follows:

|             | Q1 2021 Outlook     | Y/Y growth |
|-------------|---------------------|------------|
| Revenue     | \$291 - 296 million | 35 - 37%   |
| Collections | \$340 - 350 million | 37 - 41%   |

### **Conference Call and Webcast Information**

Wix will host a conference call at 8:30 a.m. ET on Wednesday, February 17, 2021 to answer questions about the financial and operational performance of the business for the fourth quarter and full year ended December 31, 2020. The conference call will include a brief statement by management and will focus on answering questions about our results during the quarter. To enhance the Q&A portion of this call, the Company has posted a shareholder update and supporting slides to its Investor Relations website at <https://investors.wix.com/>. These materials provide shareholders and analysts with additional detail for analyzing results in advance of the quarterly conference call.

To participate on the live call, analysts and investors should dial +1-877-667-0467 (US/ Canada), +1-346-354-0953 (International) or 1-809-315-362 (Israel) at least ten minutes prior to the start time of the call and reference Conference ID 3847028. A telephonic replay of the call will be available through February 24, 2021 at 11:30 a.m. ET by dialing +1-855-859-2056 and providing Conference ID 3847028.

Wix will also offer a live and archived webcast of the conference call, accessible from the "Investor Relations" section of the Company's website at <https://investors.wix.com/>.

## **About Wix.com Ltd.**

Wix is leading the way with a cloud-based website development platform for over 200 million registered users worldwide today. The Wix website builder was founded on the belief that the Internet should be accessible to everyone to develop, create and contribute. Through free and premium subscriptions, Wix empowers millions of businesses, organizations, artists, and individuals to take their businesses, brands and workflow online. The Wix Editor, Wix ADI, Editor X, a curated App Market, Ascend by Wix and Velo by Wix enable users to build and manage a fully integrated and dynamic digital presence. Wix's headquarters are in Tel Aviv with offices in Austin, Be'er Sheva, Berlin, Cedar Rapids, Denver, Dnipro, Dublin, Kiev, Los Angeles, Miami, New York, San Francisco, São Paulo, Tokyo and Vilnius.

Visit us: on our [blog](#), [Facebook](#), [Twitter](#), [Instagram](#), [LinkedIn](#) and [Pinterest](#)  
Download: [Wix App](#) is available for free on [Google Play](#) and in the [App Store](#)  
For more about Wix please visit our [Press Room](#)

## **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: collections, cumulative cohort collections, collections on a constant currency basis, revenue on a constant currency basis, non-GAAP gross margin, non-GAAP operating income (loss), non-GAAP net income (loss), non-GAAP net income (loss) per share, free cash flow, 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 tax expense (collectively the "Non-GAAP financial measures"). Measures presented on a constant currency or FX neutral basis have been adjusted to exclude the effect of y/y changes in foreign currency exchange rate fluctuations. Collections is a non-GAAP financial measure calculated by adding the change in deferred revenues for a particular period to revenues for the same period. Collections include cash receipts for premium subscriptions purchased by registered users as well, cash we collect for payments and additional products and services, as well as payments due to us under the terms of contractual agreements for obligations we have fulfilled. Cash receipts for premium subscriptions are deferred and recognized as revenues over the terms of the subscriptions. Cash receipts for payments and majority of the additional products and services are recognised as revenues upon receipt. Committed payments are recognised as revenue as we fulfil our obligation under the terms of the contractual agreement. 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 capital expenditures associated with

our new 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.

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, as adjusted, cumulative cohort collections, non-GAAP gross margin, 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), Business Solutions ARR and Gross Payment Volume (GPV) as key operating metrics. 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) all active Creative Subscriptions in effect on the last day of the period, multiplied by the monthly revenue of such Creative Subscriptions, other than domain registrations; (ii) the average revenue per month from domain registrations; (iii) monthly revenue from partnership agreements. Business Solutions ARR is calculated as Business Solutions MRR multiplied by 12. Business Solutions MRR is calculated as the total of all active subscriptions to Ascend, G-Suite, TPAs, FB Ads or Wix apps products in effect on the last day of the period, multiplied by the monthly revenue of such subscriptions. GPV includes the total value, in US dollars, of transactions facilitated by our platform.

## **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, collections 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,” “project,” “outlook,” “future,” “will,” “seek” and similar terms or phrases. The forward-looking statements contained in this document, including the annual and quarterly 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 grow our user base and premium subscriptions, including through the growth of our Partners activity; uncertainty surrounding the effects of COVID-19 on our business, including uncertainty relating to the expected consumer dynamics post COVID-19 and the anticipated GPV on our platform; our ability to create new and higher monetization opportunities from our premium subscriptions; our ability to enter into new markets, and attract new customer segments, and our ability to successfully enter into partnership agreements and grow our Partners activities as anticipated; our ability to maintain and enhance our brand and reputation; our prediction of the future collections generated by our user cohorts, and our ability to increase and maintain the value we create from user cohorts; our share repurchases made pursuant to our share repurchase plan; our ability to manage the growth of our infrastructure effectively; our ability to effectively execute and see a return on our initiatives to scale and improve our user support function, including through the recent expansion of our Customer Care; the success of our sales efforts; customer acceptance and satisfaction of new products and other challenges inherent in new product development, including products such as EditorX geared to new user demographics; changes to technologies used in our solutions; or changes in global, national, regional or local economic, business, competitive, market, regulatory and other factors discussed under the heading “Risk Factors” in the Company’s 2019 annual report on Form 20-F filed with the Securities and Exchange Commission on April 2, 2020. 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.

**Investor Relations:**

Maggie O’Donnell

[ir@wix.com](mailto:ir@wix.com)

914-267-7390

**Media Relations:**

[pr@wix.com](mailto:pr@wix.com)

Wix.com Ltd.  
CONSOLIDATED STATEMENTS OF OPERATIONS - GAAP  
(In thousands, except loss per share data)

|  | Three Months Ended |                    | Year Ended         |                     |
|--|--------------------|--------------------|--------------------|---------------------|
|  | December 31,       |                    | December 31,       |                     |
|  | 2019               | 2020               | 2019               | 2020                |
|  | (unaudited)        |                    | (audited)          | (unaudited)         |
| <b>Revenue</b>   |                    |                    |                    |                     |
| Creative Subscriptions   | \$ 171,355         | \$ 213,745         | \$ 644,491         | \$ 783,456          |
| Business Solutions   | 33,233             | 68,789             | 116,597            | 205,304             |
|  | <u>204,588</u>     | <u>282,534</u>     | <u>761,088</u>     | <u>988,760</u>      |
| <b>Cost of Revenue</b>   |                    |                    |                    |                     |
| Creative Subscriptions   | 33,420             | 50,278             | 120,905            | 167,539             |
| Business Solutions   | 23,815             | 53,029             | 76,002             | 148,160             |
|  | <u>57,235</u>      | <u>103,307</u>     | <u>196,907</u>     | <u>315,699</u>      |
| Gross Profit   | 147,353            | 179,227            | 564,181            | 673,061             |
| Operating expenses:  |                    |                    |                    |                     |
| Research and development, net  | 66,634             | 89,625             | 250,791            | 320,278             |
| Selling and marketing  | 74,809             | 109,629            | 307,718            | 438,210             |
| General and administrative   | 23,602             | 35,433             | 85,922             | 111,915             |
| Total operating expenses   | <u>165,045</u>     | <u>234,687</u>     | <u>644,431</u>     | <u>870,403</u>      |
| Operating loss   | (17,692)           | (55,460)           | (80,250)           | (197,342)           |
| Financial expenses, net  | (2,553)            | (10,158)           | (3,621)            | (19,650)            |
| Other income (expenses)  | (94)               | 34                 | 55                 | 118                 |
| Loss before taxes on income  | <u>(20,339)</u>    | <u>(65,584)</u>    | <u>(83,816)</u>    | <u>(216,874)</u>    |
| Taxes on income (benefit)  | 1,234              | (2,795)            | 2,598              | (354)               |
| Net loss   | <u>\$ (21,573)</u> | <u>\$ (62,789)</u> | <u>\$ (86,414)</u> | <u>\$ (216,520)</u> |
| Basic and diluted net loss per share   | <u>\$ (0.42)</u>   | <u>\$ (1.13)</u>   | <u>\$ (1.71)</u>   | <u>\$ (3.98)</u>    |
| Basic and diluted weighted-average shares used to compute net loss per share | <u>51,321,155</u>  | <u>55,809,471</u>  | <u>50,504,698</u>  | <u>54,425,056</u>   |

Wix.com Ltd.  
CONSOLIDATED BALANCE SHEETS  
(In thousands)

|  | Period ended                      |                                     |
|--|-----------------------------------|-------------------------------------|
|  | December 31,<br>2019<br>(audited) | December 31,<br>2020<br>(unaudited) |
| <b>Assets</b>                                  |                                   |                                     |
| Current Assets:                                |                                   |                                     |
| Cash and cash equivalents                      | \$ 268,103                        | \$ 168,858                          |
| Short term deposits                            | 294,096                           | 577,138                             |
| Restricted cash and deposit                    | 1,149                             | 925                                 |
| Marketable securities                          | 164,301                           | 289,927                             |
| Trade receivables                              | 16,987                            | 23,670                              |
| Prepaid expenses and other current assets      | 19,211                            | 40,666                              |
| Total current assets                           | <u>763,847</u>                    | <u>1,101,184</u>                    |
| Long Term Assets:                              |                                   |                                     |
| Property and equipment, net                    | 31,706                            | 35,863                              |
| Marketable securities                          | 177,298                           | 536,877                             |
| Prepaid expenses and other long-term assets    | 9,926                             | 20,971                              |
| Intangible assets and goodwill, net            | 37,641                            | 43,516                              |
| Operating lease assets                         | 79,249                            | 88,406                              |
| Total long-term assets                         | <u>335,820</u>                    | <u>725,633</u>                      |
| Total assets                                   | <u>\$ 1,099,667</u>               | <u>\$ 1,826,817</u>                 |
| <b>Liabilities and Shareholder's Equity</b>    |                                   |                                     |
| Current Liabilities:                           |                                   |                                     |
| Trade payables                                 | \$ 37,687                         | \$ 79,881                           |
| Employees and payroll accruals                 | 41,938                            | 70,814                              |
| Deferred revenues                              | 289,148                           | 373,521                             |
| Accrued expenses and other current liabilities | 56,464                            | 70,429                              |
| Operating lease liabilities                    | 18,949                            | 22,336                              |
| Total current liabilities                      | <u>444,186</u>                    | <u>616,981</u>                      |
| Long term deferred revenues                    | 21,969                            | 50,867                              |
| Other long term liabilities                    | 2,804                             | -                                   |
| Convertible senior notes                       | 358,715                           | 834,440                             |
| Long term operating lease liabilities          | 64,244                            | 74,187                              |
| Total long term liabilities                    | <u>447,732</u>                    | <u>959,494</u>                      |
| Total liabilities                              | <u>891,918</u>                    | <u>1,576,475</u>                    |
| Shareholders' Equity                           |                                   |                                     |
| Ordinary shares                                | 94                                | 107                                 |
| Additional paid-in capital                     | 611,083                           | 862,134                             |
| Other comprehensive loss                       | 1,357                             | 9,406                               |
| Accumulated deficit                            | (404,785)                         | (621,305)                           |
| Total shareholders' equity                     | <u>207,749</u>                    | <u>250,342</u>                      |
| Total liabilities and shareholders' equity     | <u>\$ 1,099,667</u>               | <u>\$ 1,826,817</u>                 |

Wix.com Ltd.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(In thousands)

|  | Three Months Ended |                   | Year Ended        |                   |
|--|--------------------|-------------------|-------------------|-------------------|
|  | December 31,       |                   | December 31,      |                   |
|  | 2019               | 2020              | 2019              | 2020              |
|  | (unaudited)        |                   | (audited)         | (unaudited)       |
| <b>OPERATING ACTIVITIES:</b>   |                    |                   |                   |                   |
| Net loss   | \$ (21,573)        | \$ (62,789)       | \$ (86,414)       | \$ (216,520)      |
| Adjustments to reconcile net loss to net cash used in operating activities:                    |                    |                   |                   |                   |
| Depreciation   | 3,347              | 3,789             | 12,126            | 14,610            |
| Amortization   | 2,385              | 619               | 4,588             | 2,577             |
| Share based compensation expenses  | 28,473             | 42,706            | 109,337           | 147,313           |
| Amortization of debt discount and debt issuance costs  | 5,353              | 11,411            | 20,938            | 29,954            |
| Decrease (increase) in accrued interest and exchange rate on short term and long term deposits | 17                 | (69)              | 748               | (43)              |
| Amortization of premium and discount and accrued interest on marketable securities, net        | (247)              | 2,532             | (346)             | 4,471             |
| Deferred income taxes, net   | 748                | 163               | 935               | (3,254)           |
| Changes in operating lease right-of-use assets   | 18,225             | 4,514             | 18,225            | 17,867            |
| Changes in operating lease liabilities   | (15,376)           | (2,613)           | (15,376)          | (15,807)          |
| Increase in trade receivables  | (956)              | (511)             | (3,459)           | (6,457)           |
| Decrease (increase) in prepaid expenses and other current and long-term assets                 | 7,656              | 6,111             | (5,168)           | (22,677)          |
| Increase (decrease) in trade payables  | (11,166)           | 10,324            | (7,560)           | 41,967            |
| Increase (decrease) in employees and payroll accruals  | (4,563)            | (12,382)          | 7,781             | 25,326            |
| Increase in short term and long term deferred revenues   | 22,095             | 23,847            | 71,397            | 113,271           |
| Increase in accrued expenses and other current liabilities                                     | 6,819              | 898               | 21,812            | 15,451            |
| Net cash provided by operating activities  | <u>41,237</u>      | <u>28,550</u>     | <u>149,564</u>    | <u>148,049</u>    |
| <b>INVESTING ACTIVITIES:</b>   |                    |                   |                   |                   |
| Proceeds from short-term deposits and restricted deposits                                      | 103,000            | 93,000            | 348,775           | 294,225           |
| Investment in short-term deposits and restricted deposits                                      | (93,000)           | (129,790)         | (296,100)         | (577,000)         |
| Investment in marketable securities  | (138,191)          | (64,940)          | (402,774)         | (763,581)         |
| Proceeds from marketable securities  | 71,603             | 77,320            | 132,905           | 277,335           |
| Purchase of property and equipment   | (3,650)            | (5,268)           | (21,427)          | (18,403)          |
| Capitalization of software development costs   | (116)              | (112)             | (639)             | (450)             |
| Investment in other short and long-term assets   | (191)              | -                 | (891)             | (5,643)           |
| Payment for Businesses acquired  | -                  | -                 | -                 | (6,626)           |
| Proceeds from investments in privately-held companies  | -                  | 1,098             | -                 | 1,098             |
| Purchases of investments in privately-held companies   | (3,600)            | (400)             | (3,862)           | (1,185)           |
| Net cash used in investing activities  | <u>(64,145)</u>    | <u>(29,092)</u>   | <u>(244,013)</u>  | <u>(800,230)</u>  |
| <b>FINANCING ACTIVITIES:</b>   |                    |                   |                   |                   |
| Proceeds from exercise of options and ESPP shares  | 7,853              | 10,944            | 31,495            | 39,649            |
| Proceeds from issuance of convertible senior notes   | -                  | -                 | -                 | 575,000           |
| Payments of debt issuance costs  | -                  | -                 | -                 | (15,713)          |
| Purchase of capped call  | -                  | -                 | -                 | (46,000)          |
| Net cash provided by financing activities  | <u>7,853</u>       | <u>10,944</u>     | <u>31,495</u>     | <u>552,936</u>    |
| <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>  | <b>(15,055)</b>    | <b>10,402</b>     | <b>(62,954)</b>   | <b>(99,245)</b>   |
| CASH AND CASH EQUIVALENTS—Beginning of period  | 283,158            | 158,456           | 331,057           | 268,103           |
| CASH AND CASH EQUIVALENTS—End of period  | <u>\$ 268,103</u>  | <u>\$ 168,858</u> | <u>\$ 268,103</u> | <u>\$ 168,858</u> |

Wix.com Ltd.  
KEY PERFORMANCE METRICS  
(In thousands)

|   | Three Months Ended<br>December 31, |                   | Year Ended<br>December 31, |                     |
|---|------------------------------------|-------------------|----------------------------|---------------------|
|   | 2019                               | 2020              | 2019                       | 2020                |
|   | (unaudited)                        |                   | (unaudited)                |                     |
| Creative Subscriptions                            | 171,355                            | 213,745           | 644,491                    | 783,456             |
| Business Solutions                                | 33,233                             | 68,789            | 116,597                    | 205,304             |
| <b>Total Revenue</b>                              | <b>\$ 204,588</b>                  | <b>\$ 282,534</b> | <b>\$ 761,088</b>          | <b>\$ 988,760</b>   |
| Creative Subscriptions                            | 190,805                            | 236,420           | 711,763                    | 891,240             |
| Business Solutions                                | 35,878                             | 69,961            | 120,722                    | 210,791             |
| <b>Total Collections</b>                          | <b>\$ 226,683</b>                  | <b>\$ 306,381</b> | <b>\$ 832,485</b>          | <b>\$ 1,102,031</b> |
| Free Cash Flow                                    | \$ 37,471                          | \$ 23,170         | \$ 127,498                 | \$ 129,196          |
| Creative Subscriptions ARR                        | \$ 707,202                         | \$ 878,036        | \$ 707,202                 | \$ 878,036          |
| Number of registered users at period end (*)      | 165,341                            | 196,747           | 165,341                    | 196,747             |
| Number of premium subscriptions at period end (*) | 4,499                              | 5,494             | 4,499                      | 5,494               |

(\*) Excludes users and subscriptions of DeviantArt

Wix.com Ltd.  
RECONCILIATION OF REVENUES TO COLLECTIONS  
(In thousands)

|                             | Three Months Ended<br>December 31, |                   | Year Ended<br>December 31, |                     |
|-----------------------------|------------------------------------|-------------------|----------------------------|---------------------|
|                             | 2019                               | 2020              | 2019                       | 2020                |
|                             | (unaudited)                        |                   | (unaudited)                |                     |
| Revenues                    | \$ 204,588                         | \$ 282,534        | \$ 761,088                 | \$ 988,760          |
| Change in deferred revenues | 22,095                             | 23,847            | 71,397                     | 113,271             |
| <b>Collections</b>          | <b>\$ 226,683</b>                  | <b>\$ 306,381</b> | <b>\$ 832,485</b>          | <b>\$ 1,102,031</b> |

|   | Three Months Ended<br>December 31, |                   | Year Ended<br>December 31, |                   |
|---|------------------------------------|-------------------|----------------------------|-------------------|
|   | 2019                               | 2020              | 2019                       | 2020              |
|   | (unaudited)                        |                   | (unaudited)                |                   |
| Creative Subscriptions Revenue            | \$ 171,355                         | \$ 213,745        | \$ 644,491                 | \$ 783,456        |
| Change in deferred revenues               | 19,450                             | 22,675            | 67,272                     | 107,784           |
| <b>Creative Subscriptions Collections</b> | <b>\$ 190,805</b>                  | <b>\$ 236,420</b> | <b>\$ 711,763</b>          | <b>\$ 891,240</b> |

|                                       | Three Months Ended<br>December 31, |                  | Year Ended<br>December 31, |                   |
|---------------------------------------|------------------------------------|------------------|----------------------------|-------------------|
|                                       | 2019                               | 2020             | 2019                       | 2020              |
|                                       | (unaudited)                        |                  | (unaudited)                |                   |
| Business Solutions Revenue            | \$ 33,233                          | \$ 68,789        | \$ 116,597                 | \$ 205,304        |
| Change in deferred revenues           | 2,645                              | 1,172            | 4,125                      | 5,487             |
| <b>Business Solutions Collections</b> | <b>\$ 35,878</b>                   | <b>\$ 69,961</b> | <b>\$ 120,722</b>          | <b>\$ 210,791</b> |

Wix.com Ltd.  
TOTAL ADJUSTMENTS GAAP TO NON-GAAP  
(In thousands)

|   | Three Months Ended<br>December 31, |                  | Year Ended<br>December 31, |                   |
|---|------------------------------------|------------------|----------------------------|-------------------|
|   | 2019                               | 2020             | 2019                       | 2020              |
|   | (unaudited)                        |                  | (unaudited)                |                   |
| (1) Share based compensation expenses:                    |                                    |                  |                            |                   |
| Cost of revenues  | \$ 1,582                           | \$ 3,172         | \$ 5,854                   | \$ 9,127          |
| Research and development                                  | 14,900                             | 22,170           | 56,161                     | 76,883            |
| Selling and marketing                                     | 4,614                              | 6,774            | 18,458                     | 22,845            |
| General and administrative                                | 7,377                              | 10,590           | 28,864                     | 38,458            |
| <b>Total share based compensation expenses</b>            | <b>28,473</b>                      | <b>42,706</b>    | <b>109,337</b>             | <b>147,313</b>    |
| (2) Amortization  | 2,385                              | 619              | 4,588                      | 2,577             |
| (3) Acquisition related expenses                          | 1,868                              | 1,686            | 2,485                      | 5,811             |
| (4) Amortization of debt discount and debt issuance costs | 5,353                              | 11,411           | 20,938                     | 29,954            |
| (5) Sales tax accrual and other G&A expenses (income)     | 2,135                              | 2,810            | 5,309                      | 4,299             |
| (6) Non-operating foreign exchange expenses (income)      | 1,257                              | 1,925            | 2,905                      | 2,352             |
| <b>Total adjustments of GAAP to Non GAAP</b>              | <b>\$ 41,471</b>                   | <b>\$ 61,157</b> | <b>\$ 145,562</b>          | <b>\$ 192,306</b> |

Wix.com Ltd.  
RECONCILIATION OF GAAP TO NON-GAAP GROSS PROFIT  
(In thousands)

|                                   | Three Months Ended<br>December 31, |                | Year Ended<br>December 31, |                |
|-----------------------------------|------------------------------------|----------------|----------------------------|----------------|
|                                   | 2019                               | 2020           | 2019                       | 2020           |
|                                   | (unaudited)                        |                | (unaudited)                |                |
| Gross Profit                      | \$ 147,353                         | \$ 179,227     | \$ 564,181                 | \$ 673,061     |
| Share based compensation expenses | 1,582                              | 3,172          | 5,854                      | 9,127          |
| Acquisition related expenses      | -                                  | 260            | -                          | 765            |
| Amortization                      | 1,526                              | 90             | 1,951                      | 316            |
| Non GAAP Gross Profit             | <u>150,461</u>                     | <u>182,749</u> | <u>571,986</u>             | <u>683,269</u> |
| Non GAAP Gross margin             | 74%                                | 65%            | 75%                        | 69%            |

|  | Three Months Ended<br>December 31, |                | Year Ended<br>December 31, |                |
|--|------------------------------------|----------------|----------------------------|----------------|
|  | 2019                               | 2020           | 2019                       | 2020           |
|  | (unaudited)                        |                | (unaudited)                |                |
| Gross Profit - Creative Subscriptions          | \$ 137,935                         | \$ 163,467     | \$ 523,586                 | \$ 615,917     |
| Share based compensation expenses              | 1,334                              | 2,386          | 4,994                      | 7,140          |
| Non GAAP Gross Profit - Creative Subscriptions | <u>139,269</u>                     | <u>165,853</u> | <u>528,580</u>             | <u>623,057</u> |
| Non GAAP Gross margin - Creative Subscriptions | 81%                                | 78%            | 82%                        | 80%            |

|  | Three Months Ended<br>December 31, |               | Year Ended<br>December 31, |               |
|--|------------------------------------|---------------|----------------------------|---------------|
|  | 2019                               | 2020          | 2019                       | 2020          |
|  | (unaudited)                        |               | (unaudited)                |               |
| Gross Profit - Business Solutions          | \$ 9,418                           | \$ 15,760     | \$ 40,595                  | \$ 57,144     |
| Share based compensation expenses          | 248                                | 786           | 860                        | 1,987         |
| Acquisition related expenses               | -                                  | 260           | -                          | 765           |
| Amortization                               | 1,526                              | 90            | 1,951                      | 316           |
| Non GAAP Gross Profit - Business Solutions | <u>11,192</u>                      | <u>16,896</u> | <u>43,406</u>              | <u>60,212</u> |
| Non GAAP Gross margin - Business Solutions | 34%                                | 25%           | 37%                        | 29%           |

Wix.com Ltd.  
RECONCILIATION OF OPERATING LOSS TO NON-GAAP OPERATING LOSS  
(In thousands)

|   | Three Months Ended<br>December 31, |                   | Year Ended<br>December 31, |                    |
|---|------------------------------------|-------------------|----------------------------|--------------------|
|   | 2019                               | 2020              | 2019                       | 2020               |
|   | (unaudited)                        |                   | (unaudited)                |                    |
| Operating loss                                    | \$ (17,692)                        | \$ (55,460)       | \$ (80,250)                | \$ (197,342)       |
| Adjustments:                                      |                                    |                   |                            |                    |
| Share based compensation expenses                 | 28,473                             | 42,706            | 109,337                    | 147,313            |
| Amortization                                      | 2,385                              | 619               | 4,588                      | 2,577              |
| Sales tax accrual and other G&A expenses (income) | 2,135                              | 2,810             | 5,309                      | 4,299              |
| Acquisition related expenses                      | 1,868                              | 1,686             | 2,485                      | 5,811              |
| Total adjustments                                 | <u>\$ 34,861</u>                   | <u>\$ 47,821</u>  | <u>\$ 121,719</u>          | <u>\$ 160,000</u>  |
| Non GAAP operating income (loss)                  | <u>\$ 17,169</u>                   | <u>\$ (7,639)</u> | <u>\$ 41,469</u>           | <u>\$ (37,342)</u> |

Wix.com Ltd.  
RECONCILIATION OF NET LOSS TO NON-GAAP NET INCOME (LOSS) AND NON-GAAP NET INCOME (LOSS) PER SHARE  
(In thousands, except per share data)

|  | Three Months Ended<br>December 31, |                   | Year Ended<br>December 31, |                    |
|--|------------------------------------|-------------------|----------------------------|--------------------|
|  | 2019                               | 2020              | 2019                       | 2020               |
|  | (unaudited)                        |                   | (unaudited)                |                    |
| Net loss   | \$ (21,573)                        | \$ (62,789)       | \$ (86,414)                | \$ (216,520)       |
| Share based compensation expense and other Non GAAP adjustments                      | 41,471                             | 61,157            | 145,562                    | 192,306            |
| Non-GAAP net income (loss)   | <u>\$ 19,898</u>                   | <u>\$ (1,632)</u> | <u>\$ 59,148</u>           | <u>\$ (24,214)</u> |
| Basic Non GAAP net income (loss) per share   | <u>\$ 0.39</u>                     | <u>\$ (0.03)</u>  | <u>\$ 1.17</u>             | <u>\$ (0.44)</u>   |
| Weighted average shares used in computing basic Non GAAP net income (loss) per share | <u>51,321,155</u>                  | <u>55,809,471</u> | <u>50,504,698</u>          | <u>54,425,056</u>  |

Wix.com Ltd.  
RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW  
(In thousands)

|   | Three Months Ended<br>December 31, |                  | Year Ended<br>December 31, |                   |
|---|------------------------------------|------------------|----------------------------|-------------------|
|   | 2019                               | 2020             | 2019                       | 2020              |
|   | (unaudited)                        |                  | (unaudited)                |                   |
| Net cash provided by operating activities | \$ 41,237                          | \$ 28,550        | \$ 149,564                 | \$ 148,049        |
| Capital expenditures, net                 | (3,766)                            | (5,380)          | (22,066)                   | (18,853)          |
| Free Cash Flow                            | <u>\$ 37,471</u>                   | <u>\$ 23,170</u> | <u>\$ 127,498</u>          | <u>\$ 129,196</u> |

|   |                  |                  |                   |                   |
|---|------------------|------------------|-------------------|-------------------|
| Capex related to future Wix HQ office build-out                           | -                | 792              | -                 | 2,462             |
| Free Cash Flow, excluding capex related to future Wix HQ office build-out | <u>\$ 37,471</u> | <u>\$ 23,962</u> | <u>\$ 127,498</u> | <u>\$ 131,658</u> |

Wix.com Ltd.

RECONCILIATION OF BASIC WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING AND THE DILUTED WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING

|   | Three Months Ended |                   | Year Ended        |                   |
|---|--------------------|-------------------|-------------------|-------------------|
|   | December 31,       |                   | December 31,      |                   |
|   | 2019               | 2020              | 2019              | 2020              |
|   | (unaudited)        |                   | (unaudited)       |                   |
| Basic and diluted weighted average number of shares outstanding   | <u>51,321,155</u>  | <u>55,809,471</u> | <u>50,504,698</u> | <u>54,425,056</u> |
| The following items have been excluded from the diluted weighted average number of shares outstanding because they are anti-dilutive: |                    |                   |                   |                   |
| Stock options   | 7,447,519          | 4,621,780         | 7,447,519         | 4,621,780         |
| Restricted share units  | 2,125,440          | 2,078,427         | 2,125,440         | 2,078,427         |
| Convertible Notes (if-converted)  | <u>3,104,251</u>   | <u>4,428,999</u>  | <u>3,104,251</u>  | <u>4,428,999</u>  |
|   | <u>63,998,365</u>  | <u>66,938,677</u> | <u>63,181,908</u> | <u>65,554,262</u> |

Wix.com Ltd.

RECONCILIATION OF PROJECTED REVENUES TO PROJECTED COLLECTIONS  
(In thousands)

|                                       | Three Months Ended |                   | Year Ended          |                     |
|---------------------------------------|--------------------|-------------------|---------------------|---------------------|
|                                       | March 31, 2021     |                   | December 31, 2021   |                     |
|                                       | Low                | High              | Low                 | High                |
| Projected revenues                    | 291,000            | 296,000           | 1,272,000           | 1,286,000           |
| Projected change in deferred revenues | 49,000             | 54,000            | 163,000             | 169,000             |
| Projected Collections                 | <u>\$ 340,000</u>  | <u>\$ 350,000</u> | <u>\$ 1,435,000</u> | <u>\$ 1,455,000</u> |