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

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
Pursuant to Rule 13a-16 or 15d-16 under the
Securities Exchange Act of 1934**

For the month of August 2026

Commission File Number: 001-40461

monday.com Ltd.
(Translation of registrant's name into English)

**6 Yitzhak Sadeh Street,
Tel Aviv, 6777506 Israel
(Address of principal executive office)**

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

Form 20-F ☒ Form 40-F ☐

Explanatory Note

On August 10, 2026, monday.com Ltd. (the “**Company**”) issued a press release titled “monday.com Announces Second Quarter 2026 Results”. A copy of this press release is attached to this Form 6-K as Exhibit 99.1.

The Company’s Unaudited Condensed Consolidated Financial Statements as of and for the six months ended June 30, 2026 are attached hereto as Exhibit 99.2, and Management’s Discussion and Analysis of Financial Condition and Results of Operations for the six months ended June 30, 2026 is attached hereto as Exhibit 99.3.

Exhibit 99.2 and Exhibit 99.3 to this Report of Foreign Private Issuer on Form 6-K are incorporated by reference into the Company’s Registration Statements on Form S-8 (File Nos. 333-256964, 333-263614, 333-270515, 333-277913, and 333-285845) and Registration Statement on Form F-3 (File No. 333-277915), filed with the U.S. Securities and Exchange Commission, to be a part thereof from the date on which this Report of Foreign Private Issuer is submitted, to the extent not superseded by documents or reports subsequently filed or furnished.

SIGNATURE

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

MONDAY.COM LTD.

By: /s/ Shiran Nawi

Name: Shiran Nawi

Title: Chief People and Legal Officer

Date: August 10, 2026

EXHIBIT INDEX

Exhibit	Description
<u>99.1</u>	<u>Press release, dated August 10, 2026</u>
<u>99.2</u>	<u>Unaudited Condensed Consolidated Financial Statements as of and for the six months ended June 30, 2026</u>
<u>99.3</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations for the Six Months Ended June 30, 2026</u>



monday.com Announces Second Quarter 2026 Results

*Second quarter revenue of \$364.6 million grew 22% year-over-year
ARR from AI products doubled from Q1, representing 17% of net new ARR
Record net adds of customers with more than \$100,000 and \$500,000 in ARR
Achieved record non-GAAP operating income*

New York / Tel Aviv, August 10, 2026 -- monday.com (NASDAQ: MNDY), the AI work platform that turns strategy into execution, at scale, today reported financial results for its second quarter ended June 30, 2026.

Management Commentary:

"Q2 reinforced our conviction that our strategy is working and that it was time to move faster. We made the difficult decision to restructure our organization, sharpen our product portfolio, and commit fully to the AI Work Platform in order to capture the largest opportunity we have ever seen in software," said monday.com co-founders and co-CEOs Roy Mann and Eran Zinman. "The early results reinforce our conviction. ARR from AI products doubled from Q1, representing 17% of net new ARR in Q2, and customer response to our new direction continues to exceed our expectations. We are building a faster, flatter company with clearer priorities, and we are just getting started."

"Our Q2 results demonstrate the underlying strength of the business as we continue to execute on our strategy. Revenue grew 22% year-over-year, and non-GAAP operating income was at record-levels, reflecting the improved focus of our cost structure," said Eliran Glazer, monday.com CFO.

Second Quarter Fiscal 2026 Financial Highlights:

- Revenue was \$364.6 million, an increase of 22% year-over-year, including an approximately 110 basis point favorable impact from FX.
- GAAP operating loss was \$1.5 million, compared to a loss of \$11.6 million in the second quarter of 2025; GAAP operating margin was negative 0%, compared to negative 4% in the second quarter of 2025.
- Non-GAAP operating income was \$61.1 million, compared to \$45.1 million in the second quarter of 2025. Non-GAAP operating margin was 17%, compared to 15% in the second quarter of 2025, despite an approximately 210 basis point negative impact from FX.
- GAAP basic and diluted net income per share was \$0.08, compared to GAAP basic and diluted net income per share of \$0.03 in the second quarter of 2025; non-GAAP basic and diluted net income per share was \$1.50 and \$1.48, respectively, compared to non-GAAP basic and diluted net income per share of \$1.13 and \$1.09, respectively, in the second quarter of 2025.
- Net cash provided by operating activities was \$55.4 million, with \$52.3 million of adjusted free cash flow, compared to net cash provided by operating activities of \$66.8 million and \$64.1 million of adjusted free cash flow in the second quarter of 2025.

Recent Business Highlights:

- Net dollar retention rate was 109%.
- Net dollar retention rate for customers with more than 10 users was 113%.
- Net dollar retention rate for customers with more than \$50,000 in ARR was 115%.
- Net dollar retention rate for customers with more than \$100,000 in ARR was 115%.
- The number of paid customers with more than 10 users was 65,783, up 6% from 61,803 as of June 30, 2025.
- The number of paid customers with more than \$50,000 in ARR was 4,834, up 31% from 3,702 as of June 30, 2025.
- The number of paid customers with more than \$100,000 in ARR was 2,019, up 37% from 1,472 as of June 30, 2025.
- The number of paid customers with more than \$500,000 in ARR was 114, up 68% from 68 as of June 30, 2025.
- Customers with more than 10 users now represent 82% of ARR, up from 80% as of June 30, 2025.
- Customers with more than \$50,000 in ARR now represent 43% of ARR, up from 38% as of June 30, 2025.
- Customers with more than \$100,000 in ARR now represent 30% of ARR, up from 26% as of June 30, 2025.
- Customers with more than \$500,000 in ARR now represent 7% of ARR, up from 5% as of June 30, 2025.
- Total remaining performance obligations (RPOs) were \$937 million, up 34% from \$699 million as of June 30, 2025.
- Current remaining performance obligations (cRPOs) were \$750 million, up 27% from \$588 million as of June 30, 2025.
- The company repurchased approximately 2,333,000 of its ordinary shares for approximately \$182 million as part of its share repurchase program. As of the end of Q2, the entire \$870 million authorized was utilized and no shares are available for future share repurchases under the program.
- The monday.com Board of Directors has approved a donation of 196,829 ordinary shares to the monday.com Foundation, to be executed in Q3 2026, reflecting the company's continued commitment to social impact alongside its business transformation.

Financial Outlook:

For the third quarter of fiscal year 2026, monday.com currently expects:

- Total revenue of \$368 million to \$370 million, representing year-over-year growth of 16% to 17%.
- Non-GAAP operating income of \$57 million to \$59 million and operating margin of approximately 16%, assuming a negative FX impact of 100 to 200 basis points.

For the full year 2026, monday.com currently expects:

- Total revenue of \$1,466 million to \$1,474 million, representing year-over-year growth of 19% to 20%.
- Non-GAAP operating income of \$230 million to \$234 million and operating margin of approximately 16%, assuming a negative FX impact of 100 to 200 basis points.
- Adjusted free cash flow of \$280 million to \$290 million and adjusted free cash flow margin of 19% to 20%, assuming a negative FX impact of 100 to 200 basis points.

Non-GAAP Financial Measures:

This press release and the accompanying tables contain the following non-GAAP financial measures: non-GAAP gross profit, non-GAAP gross margin, non-GAAP sales and marketing expenses, non-GAAP research and development expenses, non-GAAP general and administrative expenses, non-GAAP operating income, non-GAAP operating margin, non-GAAP net income, non-GAAP net income per share, adjusted free cash flow, which is defined as free cash flow plus costs associated with the build-out of our corporate headquarters, and adjusted free cash flow margin. Certain of these non-GAAP financial measures exclude share-based compensation and restructuring costs.

monday.com believes that these non-GAAP financial measures provide useful information to management and investors regarding certain financial and business trends relating to monday.com's financial condition and results of operations. monday.com management uses these non-GAAP measures to compare monday.com performance to that of prior periods, for trend analysis and for budgeting and planning purposes. monday.com believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing monday.com financial results to the results of other software companies, many of which present similar non-GAAP financial measures to investors. The non-GAAP financial information is presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP and may be different from similarly titled non-GAAP measures used by other companies.

Management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in monday.com financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these non-GAAP financial measures.

Reconciliation tables of the most directly comparable GAAP financial measures to the non-GAAP financial measures used in this press release are included with the financial tables at the end of this release. monday.com urges investors to review these reconciliation tables and not to rely on any single financial measure to evaluate the monday.com business. Management is not able to forecast GAAP operating income (loss) on a forward-looking basis without unreasonable efforts due to the high variability and difficulty in predicting share-based compensation expense, the amounts of which may be significant in future periods. Management is not able to forecast GAAP net cash provided by operating activities on a forward-looking basis without unreasonable efforts due to the high variability and difficulty in predicting property and equipment purchases and capitalized software costs, the amounts of which may be significant in future periods.

Definitions of Business Key Performance Indicators

Net Dollar Retention Rate

We calculate Net Dollar Retention Rate as of a period end by starting with the ARR from customers as of the 12 months prior to such period end ("Prior Period ARR"). We then calculate the ARR from these customers as of the current period end ("Current Period ARR"). The calculation of Current Period ARR includes any upsells, contraction and attrition. We then divide the total Current Period ARR by the total Prior Period ARR to arrive at the Net Dollar Retention Rate. For the trailing 12-month calculation, we take a weighted average of this calculation of our quarterly Net Dollar Retention Rate for the four quarters ending with the most recent quarter.

Annual Recurring Revenue

Annual Recurring Revenue ("ARR") is defined to mean, as of the measurement date, the annualized value of our customer subscription plans assuming that any contract that expires during the next 12 months is renewed on its existing terms.

Remaining Performance Obligations

Remaining Performance Obligations (RPOs) are the aggregate amount of transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the reporting date, including both deferred revenues and non-invoiced amounts expected to be billed and recognized in the future.

Current Remaining Performance Obligations

Current Remaining Performance Obligations (cRPOs) are the aggregate amount of transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the reporting date, including both deferred revenues and non-invoiced amounts expected to be billed and recognized in the next 12 months.

Forward-Looking Statements:

This press release contains “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding our financial outlook and market positioning. These forward-looking statements are made as of the date they were first issued and were based on current expectations, estimates, forecasts and projections as well as the beliefs and assumptions of management. Words such as “outlook,” “guidance,” “expect,” “anticipate,” “should,” “believe,” “hope,” “target,” “project,” “plan,” “goals,” “estimate,” “potential,” “predict,” “may,” “will,” “might,” “could,” “intend,” “shall” and variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond monday.com’s control. monday.com’s actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to our ability to effectively manage the scope and complexity of our business following years of rapid growth, increasing operating expenses, and our ability to maintain profitability; foreign currency exchange rate fluctuations; the fact that we continue to derive a majority of revenue from monday work management; fluctuations in operating results; real or perceived errors, failures, vulnerabilities or bugs in our platform, products or third-party applications offered on our app marketplace or interruptions or performance problems associated with the technology or infrastructure underlying our platform; risks related to artificial intelligence (“AI”) and machine learning; our ability to attract customers, grow our retention rates, expand usage within organizations, including cross-selling and upselling and sell subscription plans; risks related to our subscription-based business model; our sales efforts may require considerable time and expense and the use of differing sales strategies may extend our sales cycles; changes in sizes or types of business that purchase our platform and products; our ability to offer high-quality customer support and direct sales capabilities; that our restructuring plan may not achieve the expected benefits or that the costs may exceed our expectations; maintenance of corporate culture; risks related to international operations and compliance with laws and regulations applicable to our global operations; risks related to acquisitions, strategic investments, partnerships, or alliances; risks associated with scrutiny related to environmental and social matters; our dependence on founders and other key employees and ability to attract and retain highly skilled employees; our ability to raise additional capital or generate cash flows necessary to expand our operations and invest in new technologies; uncertain global economic conditions and inflation; changes and competition in the market and software categories in which we participate; our ability to introduce new products, features, integrations, capabilities, and enhancements; the ability of our platform to interoperate with a variety of software applications; our reliance on third-party application stores to distribute our mobile application; our successful strategic relationships with, and our dependence on third parties; our reliance on web search engines, both traditional and AI generated, to direct traffic to our website; interruptions or delays in service from third parties or our inability to plan and manage interruptions; risks related to security incidents and unauthorized access to our or our third-party vendors’ systems, networks or data or the data of users and organizations on our platform; evolving privacy protection and data security laws, regulations, industry standards, policies, contractual obligations, and cross-border data transfer or localization restrictions; new legislation and regulatory obligations regulating AI; changes in tax law and regulations or if we were to be classified as a passive foreign investment company; our ability to realize deferred tax assets or requirements to collect sales or other indirect taxes; our ability to maintain, protect or enforce our intellectual property rights or risks related to intellectual property infringement claims; risks related to our use of open-source software; risks related to our founder share that provides certain veto rights; risks related to our status as a foreign private issuer incorporated and located in Israel, including risks related to conflicts in the region and escalations thereof; our expectation not to pay dividends for the foreseeable future; risks related to our repurchase program, including an inability to guarantee the amount of repurchases of our ordinary shares that will occur, if any, or that our repurchase program will enhance long-term shareholder value; risks related to our Digital Lift Initiative and the monday.com Foundation; risks related to legal and regulatory matters; and other factors described in “Risk Factors” in our Annual Report on Form 20-F for the year ended December 31, 2025, filed with the SEC on March 13, 2026. Further information on potential risks that could affect actual results will be included in the subsequent filings that monday.com makes with the Securities and Exchange Commission from time to time.

Past performance is not necessarily indicative of future results. The forward-looking statements included in this press release represent monday.com’s views as of the date of this press release. monday.com anticipates that subsequent events and developments will cause its views to change. monday.com undertakes no intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. These forward-looking statements should not be relied upon as representing monday.com’s views as of any date subsequent to the date of this press release.

Earnings Webcast:

monday.com will hold a public webcast at 8:30 a.m. ET today to discuss the results for its second quarter fiscal year 2026 and financial outlook. The live call may also be accessed via telephone at +1 (646) 968-2525 or +1 (888) 596-4144 (toll-free). Please reference conference ID: 1347415. An archived webcast can be accessed from the News & Events section of monday.com’s Investor Relations website following the call.

Investor Presentation Details:

An investor presentation providing additional information can be found at <http://ir.monday.com>.

About monday.com:

monday.com is the AI work platform that not only helps manage and orchestrate work, but also does the work for you. Around 250,000 customers worldwide use monday.com to bring people, workflows, and AI agents together on one flexible platform, where AI doesn’t just assist, it executes. From work management and CRM to service and dev, every monday.com product runs on the same AI layer, automating tasks, running workflows, and helping teams deliver exponentially more with less effort.

CONTACTS

Investor Relations:

Byron Stephen
byron@monday.com

Media Relations:

Or Elmaliah
ore@monday.com

MONDAY.COM LTD
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(U.S. dollars in thousands, except share and per share data)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2026	2025	2026	2025
	(unaudited)		(unaudited)	
Revenue	\$ 364,621	\$ 299,014	\$ 715,886	\$ 581,264
Cost of revenue	42,661	31,173	80,785	59,978
Gross profit	321,960	267,841	635,101	521,286
Operating expenses:				
Research and development	99,307	87,039	191,327	156,424
Sales and marketing	162,402	152,590	327,797	294,310
General and administrative	40,359	39,763	76,331	72,307
Restructuring charges	21,436	—	21,436	—
Total operating expenses	323,504	279,392	616,891	523,041
Operating income (loss)	(1,544)	(11,551)	18,210	(1,755)
Financial income, net	6,960	14,102	17,336	31,749
Income before income taxes	5,416	2,551	35,546	29,994
Income tax expense	(1,956)	(978)	(4,052)	(996)
Net income	\$ 3,460	\$ 1,573	\$ 31,494	\$ 28,998
Net income per share attributable to ordinary shareholders, basic	\$ 0.08	\$ 0.03	\$ 0.69	\$ 0.57
Net income per share attributable to ordinary shareholders, diluted	\$ 0.08	\$ 0.03	\$ 0.67	\$ 0.55
Weighted-average ordinary shares used in calculating net income per ordinary share, basic	43,697,057	51,385,862	45,898,551	51,196,507
Weighted-average ordinary shares used in calculating net income per ordinary share, diluted	44,441,875	53,271,524	46,752,399	53,149,561

MONDAY.COM LTD
CONDENSED CONSOLIDATED BALANCE SHEETS

(U.S. dollars in thousands)

	June 30, 2026	December 31, 2025
	(unaudited)	(audited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 853,402	\$ 1,503,149
Marketable securities	219,353	162,308
Accounts receivable, net	32,888	30,552
Prepaid expenses and other current assets	104,578	93,055
Total current assets	<u>1,210,221</u>	<u>1,789,064</u>
LONG-TERM ASSETS:		
Property and equipment, net	50,299	53,888
Goodwill and intangible assets, net	13,079	—
Operating lease right-of-use assets	202,865	149,149
Deferred tax assets, net	54,273	58,682
Other long-term assets	89,182	55,817
Total long-term assets	<u>409,698</u>	<u>317,536</u>
Total assets	<u>\$ 1,619,919</u>	<u>\$ 2,106,600</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 62,934	\$ 45,001
Accrued expenses and other current liabilities	247,845	234,377
Deferred revenue, current	451,577	409,677
Operating lease liabilities, current	27,512	25,819
Total current liabilities	<u>789,868</u>	<u>714,874</u>
LONG-TERM LIABILITIES:		
Operating lease liabilities, non-current	209,976	142,948
Deferred revenue, non-current	2,100	1,942
Total long-term liabilities	<u>212,076</u>	<u>144,890</u>
Total liabilities	<u>1,001,944</u>	<u>859,764</u>
SHAREHOLDERS' EQUITY:		
Other comprehensive income	6,862	18,097
Share capital and additional paid-in capital	1,012,909	1,662,029
Accumulated deficit	(401,796)	(433,290)
Total shareholders' equity	<u>617,975</u>	<u>1,246,836</u>
Total liabilities and shareholders' equity	<u>\$ 1,619,919</u>	<u>\$ 2,106,600</u>

MONDAY.COM LTD
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(U.S. dollars in thousands)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
	(unaudited)		(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	\$ 3,460	\$ 1,573	\$ 31,494	\$ 28,998
<u>Adjustments to reconcile net income to net cash provided by operating activities:</u>				
Depreciation and amortization	3,967	3,375	7,815	6,625
Restructuring charges	21,436	—	21,436	—
Share-based compensation	41,218	56,645	70,501	87,603
Amortization of discount and accretion of interest on marketable securities	778	580	(1,693)	(95)
<u>Changes in operating assets and liabilities:</u>				
Accounts receivable, net	1,482	(9,760)	(2,336)	(10,392)
Prepaid expenses and other assets	(30,834)	(16,987)	(47,251)	(26,757)
Deferred taxes	1,598	—	3,848	—
Accounts payable	10,923	10,068	11,359	6,224
Accrued expenses and other liabilities, net	4,866	2,941	22,810	24,098
Deferred revenue	(3,540)	18,402	42,058	62,503
Net cash provided by operating activities	55,354	66,837	160,041	178,807
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of property and equipment	(3,790)	(5,884)	(6,237)	(9,571)
Purchase of marketable securities	(43,792)	—	(112,915)	(10,049)
Maturities of marketable securities	37,670	—	55,917	—
Acquisition of a business operation	(13,200)	—	(13,200)	—
Purchase of securities of privately held companies	(1,000)	—	(6,000)	—
Investment in affiliated company	—	—	(4,332)	—
Capitalized software development costs	(1,106)	(924)	(1,590)	(1,703)
Net cash used in investing activities	(25,218)	(6,808)	(88,357)	(21,323)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from exercise of share options and employee share purchase plan	8,329	12,365	15,369	26,501
Receipt (repayment) of tax advance relating to exercises of share options and RSUs, net	161	(9,484)	(1,829)	(5,072)
Repurchase of ordinary shares	(182,359)	—	(734,971)	—
Net cash provided by (used in) financing activities	(173,869)	2,881	(721,431)	21,429
INCREASE (DECREASE) IN CASH, AND CASH EQUIVALENTS	(143,733)	62,910	(649,747)	178,913
CASH AND CASH EQUIVALENTS - Beginning of period	997,135	1,527,605	1,503,149	1,411,602
CASH AND CASH EQUIVALENTS - End of period	\$ 853,402	\$ 1,590,515	\$ 853,402	\$ 1,590,515

MONDAY.COM LTD
Reconciliation of GAAP to Non-GAAP Financial Information

(U.S. dollars in thousands)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
	(unaudited)		(unaudited)	
Reconciliation of gross profit and gross margin				
GAAP gross profit	\$ 321,960	\$ 267,841	\$ 635,101	\$ 521,286
Share-based compensation	2,262	2,272	3,311	3,406
Non-GAAP gross profit	\$ 324,222	\$ 270,113	\$ 638,412	\$ 524,692
GAAP gross margin	88%	90%	89%	90%
Non-GAAP gross margin	89%	90%	89%	90%
Reconciliation of operating expenses				
GAAP research and development	\$ 99,307	\$ 87,039	\$ 191,327	\$ 156,424
Share-based compensation	(16,304)	(27,806)	(29,911)	(43,347)
Non-GAAP research and development	\$ 83,003	\$ 59,233	\$ 161,416	\$ 113,077
GAAP sales and marketing	\$ 162,402	\$ 152,590	\$ 327,797	\$ 294,310
Share-based compensation	(12,958)	(13,367)	(20,172)	(19,205)
Non-GAAP sales and marketing	\$ 149,444	\$ 139,223	\$ 307,625	\$ 275,105
GAAP general and administrative	\$ 40,359	\$ 39,763	\$ 76,331	\$ 72,307
Share-based compensation	(9,694)	(13,200)	(17,107)	(21,645)
Non-GAAP general and administrative	\$ 30,665	\$ 26,563	\$ 59,224	\$ 50,662
Reconciliation of operating income (loss)				
GAAP operating income (loss)	\$ (1,544)	\$ (11,551)	\$ 18,210	\$ (1,755)
Share-based compensation	41,218	56,645	70,501	87,603
Restructuring charges ⁽¹⁾	21,436	—	21,436	—
Non-GAAP operating income	\$ 61,110	\$ 45,094	\$ 110,147	\$ 85,848
GAAP operating margin	(0)%	(4)%	3%	(0)%
Non-GAAP operating margin	17%	15%	15%	15%
Reconciliation of net income				
GAAP net income	\$ 3,460	\$ 1,573	\$ 31,494	\$ 28,998
Share-based compensation	41,218	56,645	70,501	87,603
Restructuring charges ⁽¹⁾	21,436	—	21,436	—
Tax expense (benefit) related to share-based compensation ⁽²⁾	(479)	\$ 78	\$ (1,792)	\$ 78
Non-GAAP net income	\$ 65,635	\$ 58,296	\$ 121,639	\$ 116,679
Reconciliation of weighted average number of shares outstanding				
Weighted-average ordinary shares used in calculating GAAP and Non-GAAP net income per ordinary share, basic	43,697,057	51,385,862	45,898,551	51,196,507
Effect of dilutive shares	744,818	1,885,662	853,848	1,953,054
Weighted-average ordinary shares used in calculating GAAP and Non-GAAP net income per ordinary share, diluted	44,441,875	53,271,524	46,752,399	53,149,561
GAAP net income per share, basic	\$ 0.08	\$ 0.03	\$ 0.69	\$ 0.57
GAAP net income per share, diluted	\$ 0.08	\$ 0.03	\$ 0.67	\$ 0.55
Non-GAAP net income per share, basic	\$ 1.50	\$ 1.13	\$ 2.65	\$ 2.28
Non-GAAP net income per share, diluted	\$ 1.48	\$ 1.09	\$ 2.60	\$ 2.20

(1) In connection with the Company's broader restructuring plan, the Company recognized restructuring charges of \$21.4 million in the second quarter of 2026, consisting of non-cash impairment charges related to operating lease right-of-use assets, leasehold improvements, and other fixed assets for office space in Israel that was originally secured to support planned workforce expansion.

(2) The tax expense (benefit) related to share-based compensation was excluded in calculating non-GAAP net income and non-GAAP net income per basic and diluted share. The Company believes that excluding the tax benefit enables investors to see the full effect that excluding share-based compensation expenses had on the operating results.

MONDAY.COM LTD
Reconciliation of net cash provided by operating activities to adjusted free cash flow
(U.S. dollars in thousands)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
	(unaudited)		(unaudited)	
Net cash provided by operating activities	\$ 55,354	\$ 66,837	\$ 160,041	\$ 178,807
Purchase of property and equipment	(3,790)	(5,884)	(6,237)	(9,571)
Capitalized software development costs	(1,106)	(924)	(1,590)	(1,703)
Purchase of property and equipment related to build-out of our corporate headquarters ⁽¹⁾	1,886	4,064	2,908	6,092
Adjusted free cash flow	\$ 52,344	\$ 64,093	\$ 155,122	\$ 173,625
Adjusted free cash flow margin	14%	21%	22%	30%

(1) For the three months ended June 30, 2026 and March 31, 2026, mainly represent renovation costs at an office space in Israel that were capitalized prior to the Company's decision to vacate that space in Q2 2026. Although the related leasehold improvements were subsequently impaired as part of the restructuring charges excluded from non-GAAP operating income, the adjusted free cash flow add-back reflects cash previously paid for the renovation project — a distinct event from the non-cash impairment — and is included because it represents a one-time, non-recurring capital outlay not reflective of our ongoing capital expenditures.

MONDAY.COM LTD. AND SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2026

UNAUDITED

U.S. DOLLARS IN THOUSANDS

INDEX

	Page
Condensed Consolidated Balance Sheets	F - 2
Condensed Consolidated Statements of Operations	F - 3
Condensed Consolidated Statements of Comprehensive Income	F - 4
Condensed Consolidated Statements of Shareholders' Equity	F - 5
Condensed Consolidated Statements of Cash Flows	F - 6
Notes to Condensed Consolidated Financial Statements	F-7 – F-31

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

U.S. dollars in thousands (except share data)

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 853,402	\$ 1,503,149
Marketable securities	219,353	162,308
Accounts receivable - net of allowance for credit losses of \$390 and \$889 as of June 30, 2026 (unaudited) and December 31, 2025, respectively	32,888	30,552
Prepaid expenses and other current assets	104,578	93,055
Total current assets	1,210,221	1,789,064
Property and equipment, net	50,299	53,888
Operating lease right-of-use assets	202,865	149,149
Deferred tax assets, net	54,273	58,682
Other long-term assets	89,182	55,817
Goodwill	9,851	-
Intangible assets, net	3,228	-
Total long-term assets	409,698	317,536
Total assets	\$ 1,619,919	\$ 2,106,600
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 62,934	\$ 45,001
Accrued expenses and other current liabilities	247,845	234,377
Deferred revenue, current	451,577	409,677
Operating lease liabilities, current	27,512	25,819
Total current liabilities	789,868	714,874
Operating lease liabilities, non-current	209,976	142,948
Deferred revenue, non-current	2,100	1,942
Total long-term liabilities	212,076	144,890
Total liabilities	1,001,944	859,764
COMMITMENTS AND CONTINGENCIES (NOTE 12)		
SHAREHOLDERS' EQUITY:		
Ordinary shares, no par value – Authorized: 99,999,999 shares as of June 30, 2026 (unaudited) and December 31, 2025; Issued and Outstanding: 42,274,119 and 51,160,822 as of June 30, 2026 (unaudited) and December 31, 2025, respectively	-	-
Founders' shares no par value: Authorized: 1 share as of June 30, 2026 (unaudited), and December 31, 2025; Issued and Outstanding: 1 share as of June 30, 2026 (unaudited), and December 31, 2025	-	-
Additional paid-in capital	1,012,909	1,662,029
Accumulated other comprehensive income	6,862	18,097
Accumulated deficit	(401,796)	(433,290)
Total shareholders' equity	617,975	1,246,836
Total liabilities and shareholders' equity	\$ 1,619,919	\$ 2,106,600

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

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

U.S. dollars in thousands (except share and per share data)

	Six months ended June 30,	
	2026	2025
	(Unaudited)	
Revenue	\$ 715,886	\$ 581,264
Cost of revenue	80,785	59,978
Gross profit	635,101	521,286
OPERATING EXPENSES		
Research and development	191,327	156,424
Sales and marketing	327,797	294,310
General and administrative	76,331	72,307
Restructuring charges	21,436	-
Total operating expenses	616,891	523,041
Operating income (loss)	18,210	(1,755)
Financial income, net	17,336	31,749
Income before income taxes	35,546	29,994
Income tax expense	(4,052)	(996)
Net income	\$ 31,494	\$ 28,998
Net income per share attributable to ordinary shareholders, basic	\$ 0.69	\$ 0.57
Net income per share attributable to ordinary shareholders, diluted	\$ 0.67	\$ 0.55
Weighted-average ordinary shares used in calculating net income per ordinary share, basic	45,898,551	51,196,507
Weighted-average ordinary shares used in calculating net income per ordinary share, diluted	46,752,399	53,149,561

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

U.S. dollars in thousands

	Six months ended June 30,	
	2026	2025
	(Unaudited)	
Net income	\$ 31,494	\$ 28,998
Other comprehensive income (loss):		
<u>Change in unrealized losses on marketable securities</u>		
Unrealized losses arising during the period, net of tax	(1,448)	(46)
Losses (gains) reclassified into earnings	-	-
<u>Change in unrealized gains on cash flow hedges</u>		
Unrealized gains arising during the period, net of tax	12,024	24,004
Gains reclassified into earnings	(21,811)	(4,163)
Net current-period other comprehensive income (loss)	(11,235)	19,795
Comprehensive income	<u>\$ 20,259</u>	<u>\$ 48,793</u>

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

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)

U.S. dollars in thousands (except share and per share data)

	Number of Founders' Shares	Number of Ordinary shares	Additional Paid-in- Capital	Accumulated Other Comprehensive Income (*)	Accumulated Deficit	Shareholders' equity
Balance as of January 1, 2026	1	51,160,822	\$ 1,662,029	\$ 18,097	\$ (433,290)	\$ 1,246,836
Exercise of options	-	140,338	1,772	-	-	1,772
Issuance of ordinary shares upon vesting of restricted share units	-	362,312	-	-	-	-
Issuance of ordinary shares under employee share purchase plan	-	212,941	13,146	-	-	13,146
Share-based compensation	-	-	70,933	-	-	70,933
Repurchase of ordinary shares	-	(9,602,294)	(734,971)	-	-	(734,971)
Other comprehensive loss	-	-	-	(11,235)	-	(11,235)
Net income	-	-	-	-	31,494	31,494
Balance as of June 30, 2026 (unaudited)	1	42,274,119	\$ 1,012,909	\$ 6,862	\$ (401,796)	\$ 617,975
Balance as of January 1, 2025	1	50,773,337	\$ 1,579,074	\$ 3,189	\$ (552,032)	\$ 1,030,231
Exercise of options	-	415,101	16,134	-	-	16,134
Issuance of ordinary shares upon vesting of restricted share units	-	325,163	-	-	-	-
Issuance of ordinary shares under employee share purchase plan	-	37,861	8,562	-	-	8,562
Share-based compensation	-	-	88,658	-	-	88,658
Other comprehensive income	-	-	-	19,795	-	19,795
Net income	-	-	-	-	28,998	28,998
Balance as of June 30, 2025 (unaudited)	1	51,551,462	\$ 1,692,428	\$ 22,984	\$ (523,034)	\$ 1,192,378

(*) As of June 30, 2026, January 1, 2026, and June 30, 2025, accumulated other comprehensive income is comprised of unrealized gains on derivatives of \$7,963, \$17,747 and \$22,823, respectively, and unrealized gains (losses) on marketable securities of (\$1,098), \$350, and \$161, respectively.

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

U.S. dollars in thousands

	Six months ended June 30,	
	2026	2025
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 31,494	\$ 28,998
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,815	6,625
Share-based compensation	70,501	87,603
Restructuring charges	21,436	-
Amortization of discount and accretion of interest on marketable securities	(1,693)	(95)
Changes in operating assets and liabilities:		
Accounts receivable, net	(2,336)	(10,392)
Prepaid expenses and other assets	(47,251)	(26,757)
Deferred taxes	3,848	-
Accounts payable	11,359	6,224
Accrued expenses and other liabilities	22,810	24,098
Deferred revenue	42,058	62,503
Net cash provided by operating activities	160,041	178,807
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(6,237)	(9,571)
Capitalized software development costs	(1,590)	(1,703)
Acquisition of a business operation	(13,200)	-
Purchase of securities of privately held companies	(6,000)	-
Investment in affiliated company	(4,332)	-
Purchase of marketable securities	(112,915)	(10,049)
Maturities of marketable securities	55,917	-
Net cash used in investing activities	(88,357)	(21,323)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from exercise of share options and employee share purchase plan	15,369	26,501
Repayment of tax advance relating to exercises of share options and RSUs, net	(1,829)	(5,072)
Repurchase of ordinary shares	(734,971)	-
Net cash provided by (used in) financing activities	(721,431)	21,429
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(649,747)	178,913
CASH AND CASH EQUIVALENTS - Beginning of period	1,503,149	1,411,602
CASH AND CASH EQUIVALENTS - End of period	\$ 853,402	\$ 1,590,515
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Non-cash purchases of property and equipment	\$ -	\$ -
Capitalized share-based compensation costs	\$ 432	\$ 1,055
Right-of-use asset recognized with corresponding lease liability	\$ 76,354	\$ 27,111
Deferred payment in connection with an acquisition of a business operation	900	-

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands**NOTE 1:- ORGANIZATION AND DESCRIPTION OF BUSINESS****a. General:**

monday.com Ltd. ("monday.com" and together with its subsidiaries collectively, "the Company") was incorporated under the laws of Israel and commenced operations in 2012. The Company operates an artificial intelligence ("AI") Work Platform that consists of modular building blocks that can be easily used and assembled to create software applications and work management tools and serves as a connective layer to integrate with other systems and applications across an organization. On top of the platform, the Company has built a product suite to address the needs of specific industries and use cases. By using the Company's AI Work Platform and products, customers can simplify and accelerate their digital transformation, enhance organizational agility, create a unifying workspace across departments, and increase operational efficiency and productivity through AI-powered workflows.

monday.com has ten wholly owned subsidiaries: monday.com Inc. (the "U.S. Subsidiary"), incorporated in the United States in 2016, monday.com UK 2020 Ltd., incorporated under the laws of England in 2020, monday.com Pty Ltd., incorporated in Australia in 2020, monday.com Ltda., incorporated in Brazil in 2021, monday.com K.K., incorporated in Japan in 2021, monday.com Sp.z o.o., incorporated in Poland in 2022, monday.com Pte Ltd., incorporated in Singapore in 2022, monday.com SAS, incorporated in France in 2024, monday.com GmbH, incorporated in Germany in 2024, and monday.com, S.A. DE C.V., incorporated in Mexico in 2025. The subsidiaries primarily engage in providing business development, presale, and customer success services to the Company's existing and potential customers.

b. Acquisition of OneAI:

On May 11, 2026 (the "Acquisition Date"), the Company acquired substantially all of the assets of One AI Ltd. and OneAI Inc. (collectively, "OneAI") pursuant to an asset purchase agreement (the "Acquisition"). The acquired set of assets and activities was determined to constitute a business as defined under ASC Topic 805, *Business Combinations* ("ASC 805"), and accordingly the transaction has been accounted for as a business combination. The Acquisition was completed to accelerate the Company's go-to-market timeline for native voice AI capabilities.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 1:- ORGANIZATION AND DESCRIPTION OF BUSINESS (cont.)

The total consideration transferred was \$14,100 (unaudited), paid entirely in cash, comprising (i) \$12,600 (unaudited) paid to the seller entity and (ii) \$1,500 (unaudited) paid to a departing founder.

The following table summarizes the preliminary allocation of the purchase price to the fair values of the identifiable assets acquired as of the Acquisition Date:

	Fair value (Unaudited)
Acquired technology, net	\$ 3,368
Goodwill	9,851
Deferred tax asset	881
Total consideration	<u>\$ 14,100</u>

The purchase price allocation is preliminary and subject to revision as additional information becomes available during the measurement period (up to one year from the Acquisition Date). Any adjustments identified during the measurement period will be recognized in the period in which they are determined.

Goodwill arising from the Acquisition represents the excess of consideration transferred over the fair value of net identifiable assets acquired. It is attributable primarily to (i) the time-to-market premium — the value of immediately deploying production-ready voice AI capabilities (ii) the assembled workforce with specialized expertise in enterprise voice AI, and (iii) anticipated synergies from integrating native voice capabilities into the Company's AI Work Platform. Goodwill is expected to be deductible for tax purposes over 10 years.

The acquired technology was valued using the replacement cost method, measuring the estimated cost to recreate technology of equivalent utility through internal development, including direct developer compensation costs, associated overhead, and entrepreneurial profit. This approach was selected as the most appropriate measure of value given that the primary driver of the Acquisition was the avoidance of internal build time and recruitment effort rather than the income-generating capacity of the existing product.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands**NOTE 1:- ORGANIZATION AND DESCRIPTION OF BUSINESS (cont.)**

The acquired technology is being amortized on a straight-line basis over its estimated useful life of three years, commencing on the Acquisition Date.

A deferred tax asset of \$881 (unaudited) was recognized at the Acquisition Date, representing the excess of the tax basis of the acquired technology over its book basis, measured at the Company's applicable tax rate.

In connection with the Acquisition, the Company entered into retention-based grants with the continuing founders and key employees of OneAI with an aggregate grant-date fair value of \$9,421 (of which \$6,050 is in restricted share units ("RSUs") and \$3,371 in cash) (unaudited), vesting over four years subject to continued employment. These arrangements have been excluded from the consideration transferred as they are forfeitable upon termination of employment and represent post-combination compensation expense recognized over the requisite service periods.

Revenue and net income attributable to OneAI from the Acquisition Date through June 30, 2026 (unaudited) were not material to the Company's consolidated results. Pro forma disclosures have been omitted as the transaction is not material to the Company's consolidated financial statements.

NOTE 2:- BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying condensed consolidated financial statements, which are prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), reflect the application of the significant accounting policies described below and elsewhere in the notes to the consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands**NOTE 2:- BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (cont.)****a. Unaudited Interim Condensed Consolidated Financial Information**

The accompanying condensed consolidated balance sheet as of June 30, 2026, the condensed consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for the six months ended June 30, 2026 and June 30, 2025, and the related notes to such condensed consolidated financial statements are unaudited.

These unaudited condensed consolidated financial statements have been prepared in accordance with US GAAP and are presented in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") and do not include all disclosures normally required in annual consolidated financial statements prepared in accordance with US GAAP.

In management's opinion, the unaudited condensed consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and reflect all adjustments, which include only normal recurring adjustments necessary for the fair presentation of the Company's financial position as of June 30, 2026 and the Company's consolidated results of operations and cash flows for the six months ended June 30, 2026 and June 30, 2025.

The significant accounting policies referenced in the annual consolidated financial statements of the Company as of December 31, 2025 have been applied consistently in these unaudited condensed consolidated financial statements, except as disclosed in Notes 2c, 2d and 2e below. In the opinion of management, all adjustments considered necessary for a fair presentation have been recorded within the accompanying consolidated financial statements, consisting of normal, recurring adjustments, and all intercompany balances and transactions have been eliminated in the consolidation.

The results for the six months ended June 30, 2026 are not necessarily indicative of the results to be expected for the full year ending December 31, 2026, or any other future interim or annual period. The accompanying unaudited condensed consolidated financial statements and related financial information should be read in conjunction with the audited consolidated financial statements and the related notes contained in the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2025, as filed with the SEC on March 13, 2026 (the "Annual Report").

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands**NOTE 2:- BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (cont.)****b. Use of Estimates**

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company bases its estimates on historical experience and on assumptions that management considers to be reasonable. The Company assesses these estimates on a regular basis; however, actual results could differ from these estimates.

c. Business Combinations

The Company accounts for business combinations in accordance with ASC 805. Under ASC 805, the acquisition method of accounting is used for all business combinations. The Company applies the acquisition method regardless of whether the acquired set of assets and activities was transferred through a share purchase or an asset purchase agreement. The Company determines whether an acquired set constitutes a business by assessing whether the set includes, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Under the acquisition method, the identifiable assets acquired and liabilities assumed are recognized at their fair values as of the acquisition date. The excess of the total consideration transferred over the net fair value of identifiable assets acquired and liabilities assumed is recorded as goodwill. Transaction costs associated with business combinations are expensed as incurred and are included within general and administrative expense in the consolidated statements of operations.

Compensation arrangements entered into in connection with a business combination are evaluated to determine whether they represent consideration transferred to the seller or post-combination compensation expense. Arrangements that are contingent on continued employment and forfeitable upon termination are accounted for as post-combination compensation expense and recognized over the requisite service period.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands**NOTE 2:- BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (cont.)**

Deferred taxes arising from business combinations are recognized as part of the acquisition accounting in accordance with ASC 805-740. A deferred tax asset or liability is established for the difference between the assigned fair values and the tax bases of assets acquired and liabilities assumed. Deferred tax balances are measured using the tax rate expected to apply when the temporary differences reverse. No deferred tax liability is recognized for the excess of the book basis of goodwill over its tax-deductible amount at the date of a business combination where goodwill is not amortizable for book purposes, in accordance with the initial recognition exception under ASC 740-10-25-3(e).

d. Goodwill

Goodwill represents the excess of the total consideration transferred over the fair value of net identifiable assets acquired in a business combination.

Goodwill is not amortized but is tested for impairment annually as of December 31 of each fiscal year, or more frequently if events or circumstances indicate that the carrying value may not be recoverable. The Company operates as a single reporting unit.

The Company first performs a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying value ("Step 0"). If Step 0 indicates that a quantitative test is required, the Company compares the fair value of the reporting unit to its carrying value. An impairment charge is recognized for the amount by which the carrying amount exceeds the reporting unit's fair value, not to exceed the total amount of goodwill. No goodwill impairment has been recognized from the Acquisition Date through June 30, 2026.

e. Intangible Assets Acquired in Business Combinations

Intangible assets acquired in business combinations are recognized separately from goodwill and are recorded at fair value at the acquisition date. Finite-lived intangible assets, which include acquired technology, are amortized on a straight-line basis over their estimated useful lives.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 2:- BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (cont.)

The Company determines useful lives based on the period over which the assets are expected to contribute to future cash flows, taking into consideration the expected use of the asset, historical experience, and relevant market information.

Acquired technology is amortized over its estimated useful life of three years (unaudited) and amortization is included within cost of revenue in the consolidated statements of operations. The Company reviews finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

f. Accounting Pronouncements Not Yet Effective

In December 2025, the Financial Accounting Standards Board ("FASB") issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements* ("ASU 2025-11"), to amend the guidance in "Interim Reporting" (Topic 270). The update provides clarifications intended to improve the consistency and usability of interim disclosure requirements, including a comprehensive listing of required interim disclosures and a new disclosure principle for reporting material events occurring after the most recent annual period. The amendments do not change the underlying objectives of interim reporting but are designed to enhance clarity in application. The guidance is effective for annual and interim periods beginning January 1, 2028. The Company is currently evaluating the impact the adoption of ASU 2025-11 will have on its consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU 2025-06, *Intangibles - Goodwill and Other - Internal-Use Software* (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software ("ASU 2025-06"), which requires software capitalization to begin when both of the following occur: (1) management has authorized and committed to funding the software project; and (2) it is probable that the project will be completed and the software will be used to perform the function intended. ASU 2025-06 is effective for the first annual and interim reporting periods beginning January 1, 2028, with early adoption permitted. The provisions of ASU 2025-06 allow for a prospective, modified, or retrospective transition approach. The Company is currently evaluating the impact the adoption of ASU 2025-06 will have on its consolidated financial statements and related disclosures.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 2:- BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (cont.)

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* (“ASU 2024-03”), which requires the disaggregation of certain expenses in the financial statements notes, to provide enhanced transparency into the expense captions presented on the face of the consolidated statement of operations. ASU 2024-03 is effective for annual reporting periods beginning January 1, 2027 and interim periods beginning January 1, 2028 and may be applied either prospectively or retrospectively. The Company is currently evaluating the impact that ASU 2024-03 will have on its related disclosures, and which transition method it will apply.

NOTE 3:- REVENUE RECOGNITION

Deferred Revenue and Remaining Performance Obligations

The Company generates revenues from the sale of subscriptions to customers to access its AI Work platform in accordance with ASC 606. The Company recognized \$324,860 and \$291,230 of revenue during the six months ended June 30, 2026 (unaudited) and June 30, 2025 (unaudited), respectively, that were included in the deferred revenue balances as of January 1, 2026 and 2025, respectively.

As of June 30, 2026 (unaudited), the Company's remaining performance obligations from contracts with customers were \$937,274 of which the Company expects to recognize approximately 80% as revenues over the next 12 months and the remainder thereafter.

Deferred Contract Acquisition Costs

Deferred contract acquisition costs are amortized over a period of benefit of three years. The period of benefit was estimated by considering factors such as historical customer attrition rates, the useful life of the Company's technology, and other factors.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 3:- REVENUE RECOGNITION (cont.)

The following table summarizes the activity of deferred contract acquisition costs:

	Six months ended June 30,	
	2026	2025
	(Unaudited)	
Beginning balance	\$ 85,808	\$ 20,522
Capitalization of deferred contract costs	62,753	34,787
Amortization	(22,034)	(9,090)
Ending balance	<u>\$ 126,527</u>	<u>\$ 46,219</u>

	June 30,	December 31,
	2026	2025
	(Unaudited)	
Deferred contract costs, current	\$ 54,476	\$ 36,775
Deferred contract costs, noncurrent	72,051	49,033
Total deferred contract costs	<u>\$ 126,527</u>	<u>\$ 85,808</u>

Deferred contract costs, current is presented within prepaid expenses and other current assets in the condensed consolidated balance sheets. Deferred contract costs, noncurrent is presented within other long-term assets in the condensed consolidated balance sheets.

NOTE 4:- CASH, CASH EQUIVALENTS AND MARKETABLE SECURITIES

	June 30,	December 31,
	2026	2025
	(Unaudited)	
<u>Cash and cash equivalents:</u>		
Cash	\$ 207,113	\$ 132,131
U.S. Treasury bills	9,895	
Bank deposits	426,704	331,370
Money market funds	209,690	1,039,648
Total cash and cash equivalents	<u>853,402</u>	<u>1,503,149</u>
<u>Marketable securities:</u>		
U.S. Treasury bills	219,353	162,308
Total marketable securities	<u>219,353</u>	<u>162,308</u>
Total cash and cash equivalents and marketable securities	<u>\$ 1,072,755</u>	<u>\$ 1,665,457</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 4:- CASH, CASH EQUIVALENTS AND MARKETABLE SECURITIES (cont.)

The following is a summary of available-for-sale marketable securities as of June 30, 2026 (unaudited), and December 31, 2025, excluding securities classified within cash and cash equivalents on the consolidated balance sheet:

	June 30, 2026			
	(Unaudited)			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Contractual maturity:				
Within one year	\$ 98,208	\$ -	\$ (166)	\$ 98,042
After one year through five years	122,391	-	(1,080)	121,311
Total	<u>\$ 220,599</u>	<u>\$ -</u>	<u>\$ (1,246)</u>	<u>\$ 219,353</u>

	December 31, 2025			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Contractual maturity:				
Within one year	\$ 92,048	\$ 141	\$ (3)	\$ 92,186
After one year through five years	69,862	262	(2)	70,122
Total	<u>\$ 161,910</u>	<u>\$ 403</u>	<u>\$ (5)</u>	<u>\$ 162,308</u>

As of June 30, 2026 (unaudited) and December 31, 2025, interest receivable on marketable securities amounted to \$2,298 and \$690, respectively, and are included within marketable securities in the consolidated balance sheets.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 5:- PREPAID EXPENSES AND OTHER CURRENT ASSETS

	June 30, 2026 (Unaudited)	December 31, 2025
Prepaid expenses	\$ 23,177	\$ 21,619
Related parties' receivable	-	109
Government institutions	10,997	8,760
Derivative instruments	12,024	20,168
Interest receivable	1,593	3,918
Short-term vendor deposits	814	558
Deferred contract costs	54,476	36,775
Other current assets	1,497	1,148
Total prepaid expenses and other current assets	<u>\$ 104,578</u>	<u>\$ 93,055</u>

NOTE 6:- ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	June 30, 2026 (Unaudited)	December 31, 2025
Accrued employee compensation and benefits	\$ 127,600	\$ 132,264
Accrued expenses	96,492	76,481
Advances from customers	8,783	5,735
Income and indirect taxes payable	14,970	19,897
Total	<u>\$ 247,845</u>	<u>\$ 234,377</u>

NOTE 7:- OTHER LONG-TERM ASSETS

	June 30, 2026 (Unaudited)	December 31, 2025
Deferred contract costs	\$ 72,051	\$ 49,033
Investment in affiliated company	10,332	6,000
Investment in privately held companies	6,000	-
Other long-term assets	799	784
Total	<u>\$ 89,182</u>	<u>\$ 55,817</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 8:- FAIR VALUE MEASUREMENTS

The following table presents information about the Company's financial assets that have been measured at fair value on a recurring basis, as of June 30, 2026 (unaudited), and December 31, 2025, and indicates the fair value hierarchy of the valuation inputs utilized to determine such fair value:

	As of June 30, 2026			As of December 31, 2025		
	Level 1	Level 2	Total	Level 1	Level 2	Total
	(Unaudited)					
Cash equivalents:						
Money market funds	\$ 209,690	\$ -	\$ 209,690	\$1,039,648	\$ -	\$1,039,648
U.S. Treasury bills	9,895	-	9,895	-	-	-
Marketable securities:						
U.S. Treasury bills	219,353	-	219,353	162,308	-	162,308
Foreign currency derivative contracts:						
Foreign exchange contracts	-	12,024	12,024	-	20,168	20,168
Total	\$ 438,938	\$ 12,024	\$ 450,962	\$1,201,956	\$ 20,168	\$1,222,124

The Company classifies its highly liquid money market funds and marketable securities within Level 1 of the fair value hierarchy because they are valued based on quoted market prices in active markets. Foreign currency derivative contracts are classified within Level 2 as the valuation inputs are based on quoted prices and market observable data of similar instruments.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 9:- DERIVATIVES AND HEDGING

The Company uses derivative instruments primarily to manage exposures to foreign currency exchange rate and to reduce the volatility of earnings and cash flows associated with changes in foreign currency exchange rates. The fair values of derivative instruments and the line items to which they were recorded are summarized as follows:

Balance sheet line item		June 30, 2026 (Unaudited)	December 31, 2025
<u>Derivatives designated as hedging instruments:</u>			
Foreign exchange contracts	Prepaid expenses and other current assets	\$ 12,024	\$ 20,168
		<u>12,024</u>	<u>20,168</u>
<u>Derivatives not designated as hedging instruments:</u>			
		-	-
Total		<u>\$ 12,024</u>	<u>\$ 20,168</u>

The effect of derivative instruments on cash flow hedging, as well as the effect of instruments not designated as hedge and the relationship between income and other comprehensive income (loss) for the six months ended June 30, 2026 (unaudited) and June 30, 2025 (unaudited) are summarized below:

	Gain (Loss) Recognized in Other Comprehensive Income (Loss) on Effective- Portion of Derivative, net		Realized gains on Derivative Reclassified from Accumulated Other Comprehensive Income (*)		Amount Excluded from Effectiveness Testing Recognized in Income (Loss)	
	Six months ended June 30		Six months ended June 30		Six months ended June 30	
	2026	2025	2026	2025	2026	2025
	(Unaudited)					
<u>Derivatives</u>						
<u>designated as</u>						
<u>hedging</u>						
<u>instruments:</u>						
Foreign exchange						
contracts	\$ 12,024	\$ 24,004	\$ 21,811	\$ 4,163	\$ (1,719)	\$ (182)
Total	\$ 12,024	\$ 24,004	\$ 21,811	\$ 4,163	\$ (1,719)	\$ (182)

(*) Classified in operating expenses in the condensed consolidated statements of operations.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 9:- DERIVATIVES AND HEDGING (cont.)

	Gain (Loss) Recognized in Other Comprehensive Income (Loss) on Effective- Portion of Derivative, net		Realized gains on Derivative Reclassified from Accumulated Other Comprehensive Income		Amount Excluded from Effectiveness Testing Recognized in Income (Loss)	
	Six months ended June 30		Six months ended June 30		Six months ended June 30	
	2026	2025	2026	2025	2026	2025
	(Unaudited)					
Derivatives not designated as hedging instruments:						
Foreign exchange contracts	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The notional amounts of the outstanding derivatives are summarized as follows:

	June 30, 2026 (Unaudited)	December 31, 2025
Derivatives designated as hedging instruments:		
Foreign exchange contracts:		
NIS	\$ 195,769	\$ 188,088
Total	\$ 195,769	\$ 188,088

NOTE 10:- LEASES

The Company has entered into various non-cancelable operating leases for its offices expiring between fiscal 2026 and 2036. Certain lease agreements contain an option for the Company to extend the lease term or an option to terminate a lease early. The Company considers these options, which may be elected at the Company's sole discretion, in determining the lease term on a lease-by-lease basis. Additionally, the Company entered into certain cancelable monthly lease agreements for short-term periods of up to one year.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 10:- LEASES (cont.)

The following is a schedule, by years, of maturities of lease liabilities as of June 30, 2026 (unaudited):

	<u>Amount</u>
The remainder of 2026	\$ 13,181
2027	35,618
2028	42,129
2029	39,998
2030	39,657
Thereafter	110,022
Total undiscounted cash flows	<u>\$ 280,605</u>
Less: Imputed interest	<u>\$ (43,117)</u>
Present value of lease liabilities	<u>\$ 237,488</u>

During the six months ended June 30, 2026 (unaudited), following the Company's decision to vacate one of its leased office spaces in Israel, the Company reassessed the lease term and determined that the five-years renewal option, previously assessed as reasonably certain to be exercised, is no longer reasonably certain. Accordingly, the Company remeasured the lease liability and right-of-use asset, resulting in a decrease of \$16,476 to each, with no significant impact on the consolidated statement of operations. Following the remeasurement, the Company tested the right-of-use asset for impairment under ASC 360 and recognized an impairment charge of \$10,678, included as part of the restructuring charges in the consolidated statements of operations. Additionally, the Company derecognized fixed assets and leasehold improvements associated with the leased space in the amount of \$10,758. As of June 30, 2026, the remaining lease liability of \$18,233, representing the primary lease term obligations, is included in the consolidated balance sheet and in the table above, as the Company had not yet been legally released from its remaining primary lease term obligations.

Supplemental balance sheet information related to leases is as follows:

	<u>June 30, 2026</u> (Unaudited)	<u>December 31, 2025</u>
Weighted-average remaining lease term	<u>7.7 years</u>	<u>5.8 years</u>
Weighted-average discount rate	<u>4.14%</u>	<u>4.0%</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 11:- GOODWILL AND INTANGIBLE ASSETS

a. Goodwill

The following table presents the changes in the carrying amount of goodwill for the six-month period ended June 30, 2026 (unaudited):

	Amount
Balance as of January 1, 2026	\$ -
Acquired through business combination (Note 1)	9,851
Measurement period adjustments	-
Balance as of June 30, 2026	<u>\$ 9,851</u>

Goodwill is not amortized and is tested for impairment annually or when a triggering event occurs. No impairment indicators were identified during the six-month period ended June 30, 2026.

b. Intangible Assets

The following table presents the components of intangible assets as of June 30, 2026 (unaudited):

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Estimated Useful Life
Acquired technology	\$ 3,368	\$ (140)	\$ 3,228	3 years
Total intangible assets, net	<u>\$ 3,368</u>	<u>\$ (140)</u>	<u>\$ 3,228</u>	

NOTE 12:- COMMITMENTS AND CONTINGENCIES

a. Guarantees

As of June 30, 2026 (unaudited) and December 31, 2025, the Company has provided a bank guarantee in the amount of \$16,407 and \$19,793, respectively, to secure its lease agreements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands**NOTE 12:- COMMITMENTS AND CONTINGENCIES (cont.)****b. Indemnifications**

The Company enters into standard indemnification provisions in the ordinary course of business, including certain customers, business partners and the Company's officers and directors.

Pursuant to these provisions, the Company has agreed to indemnify and defend the indemnified party against claims and related losses suffered or incurred by the indemnified party from actual or threatened third-party claims because of the Company's activities or non-compliance with certain representations and warranties made by the Company.

It is not possible to determine the maximum potential loss under these indemnification provisions due to the Company's limited history of prior indemnification claims and the unique facts and circumstances involved in each particular provision. To date, losses recorded in the Company's consolidated statements of operations in connection with the indemnification provisions have not been material. There are no claims pending as of June 30, 2026 related to indemnification agreements.

The Company has entered into service-level agreements with some of its enterprise customers defining levels of uptime reliability and performance and permitting those customers to receive credits for prepaid amounts related to unused subscription services if the Company fails to meet the defined levels of uptime in a certain calendar month. To date, the Company has not experienced any significant failures to meet defined levels of uptime reliability and performance. In addition, since the calculation is performed on a monthly basis, for each calendar month, there is no uncertainty at the end of the reporting period. Therefore, the Company has not accrued any liabilities related to these agreements in the consolidated financial statements.

c. Legal Contingencies

On March 10, 2026, an individual shareholder filed a putative class action asserting claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, concerning certain of the Company's forward-looking earnings guidance.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

NOTE 12:- COMMITMENTS AND CONTINGENCIES (cont.)

The case is pending in the U.S. District Court for the Southern District of New York and asserts claims against the Company and certain of its directors and officers. The case is currently in a preliminary stage. The Company believes the claims are without merit and intends to vigorously defend against them.

d. Other Commitments

Other commitments include payments to third-party vendors for services related mainly to hosting-related services, software licenses and services. Future minimum payments under the Company's other commitments, as of June 30, 2026 (unaudited), are as follows:

	Amount
The remainder of 2026	\$ 36,655
2027	28,235
2028	3,966
2029	-
Total contractual obligations	<u>\$ 68,856</u>

The table above excludes amounts associated with the Company's restructuring plan which was approved subsequent to the balance sheet date. See note 18.

NOTE 13:- FINANCIAL INCOME, NET

	Six months ended June 30,	
	2026	2025
	(Unaudited)	
<u>Financial expenses:</u>		
Bank charges and other	\$ 836	\$ 278
Exchange rate expense, net	5,817	-
Total financial expenses	<u>6,653</u>	<u>278</u>
<u>Financial income:</u>		
Exchange rate income, net	-	556
Interest income on deposits, money market funds and marketable securities	22,654	31,326
Accretion of discount on marketable securities	1,335	145
Total financial income	<u>23,989</u>	<u>32,027</u>
Financial income, net	<u>\$ 17,336</u>	<u>\$ 31,749</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

NOTE 14:- RELATED PARTIES

There were no material related party transactions during the six months ended June 30, 2026 (unaudited) or June 30, 2025 (unaudited).

NOTE 15:- SHAREHOLDERS' EQUITY

a. Ordinary shares

The holders of ordinary shares are entitled to one vote per share, to dividends as decided by the board of directors ("the Board") and in the event of the Company's liquidation, to the surplus assets of the Company. The Company has the following ordinary shares reserved for future issuance:

	June 30, 2026 (Unaudited)	December 31, 2025
Ordinary shares	42,274,119	51,160,822
Outstanding share options and RSUs	3,755,167	2,653,964
Shares available for future grants under the 2021 plan	11,797,025	10,841,262
Shares available for future grants under the 2024 Foundation plan	12,923	14,498
Shares subject to the employee share purchase plan	835,694	1,048,635
Total	58,674,928	65,719,181

b. Share-based compensation

Share option activity for the six months ended June 30, 2026 (unaudited) is as follows:

	Number of Options	Weighted- Average Exercise Price	Weighted Average Remaining Contractual life	Aggregate Intrinsic Value
			(Unaudited)	
Outstanding — January 1, 2026 (*)	1,257,067	\$ 70.64	5.17	\$ 111,600
Granted (*)	95,135	\$ 0.01		
Exercised	(140,338)	\$ 12.23		
Expired and forfeited	(61,544)	\$ 141.80		
Outstanding — June 30, 2026	1,150,320	\$ 68.12	5.21	\$ 43,467
Exercisable — June 30, 2026 (*)	979,853	\$ 76.06	4.63	\$ 33,462

(*) Includes 73,074 performance options granted to the Company's Co-CEOs in 2022, 74,108 in 2023, 22,481 in 2024, 20,217 in 2025, and 66,595 in 2026, as applicable.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

NOTE 15:- SHAREHOLDERS' EQUITY (cont.)

The aggregate intrinsic value was calculated as the difference between the exercise price of the share options and the fair value of the underlying ordinary shares as of June 30, 2026 and January 1, 2026. The intrinsic value of options exercised in the six months ended June 30, 2026 (unaudited) and June 30, 2025 (unaudited) was approximately \$12,171 and \$109,427, respectively. The weighted-average grant-date fair value of options granted during the six months ended June 30, 2026 (unaudited) and June 30, 2025 (unaudited) was \$73.57 and \$252.64, respectively.

The following table summarizes the activity for the Company's RSUs for the six months ended June 30, 2026 (unaudited):

	Number of Units	Weighted- Average Fair Value
	(Unaudited)	
Balance at January 1, 2026 (*)	1,396,897	\$ 221.68
Granted (*)	1,783,617	\$ 75.47
Vested	(362,312)	\$ 178.92
Canceled	(213,355)	\$ 199.23
Balance at June 30, 2026 (*)	<u>2,604,847</u>	<u>\$ 129.35</u>

(*) Includes 22,928 performance shares granted to the Company's Co-CEOs in 2023, 48,129, 62,211 and 258,656 performance shares granted to the Company's Co-CEOs and several executives in 2024, 2025 and 2026, respectively.

As of June 30, 2026 (unaudited) and June 30, 2025 (unaudited) there was \$194,798 and \$230,702 of total unrecognized compensation cost related to unvested RSUs, respectively, which is expected to be recognized over a weighted-average period of 1.82 and 1.89 years, respectively.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

NOTE 15:- SHAREHOLDERS' EQUITY (cont.)

Share-based compensation expense for the six months ended June 30, 2026 (unaudited) and June 30, 2025 (unaudited), is as follows:

	Six months ended June 30,	
	2026	2025
	(Unaudited)	
Cost of revenue	\$ 3,311	\$ 3,406
Research and development	29,911	43,347
Sales and marketing	20,172	19,205
General and administrative	17,107	21,645
Share-based compensation, net of amounts capitalized	\$ 70,501	\$ 87,603
Capitalized share-based compensation expense	432	1,055
Total share-based compensation	<u>\$ 70,933</u>	<u>\$ 88,658</u>

As of June 30, 2026 (unaudited) and June 30, 2025 (unaudited), unamortized share-based compensation expense was \$204,008 and \$241,268, respectively, which is expected to be recognized over weighted-average periods of 1.82 and 1.88 years, respectively.

The following table summarizes the Black-Scholes assumptions used at the grant dates:

	Six months ended June 30,	
	2026	2025
	(Unaudited)	
Risk-free interest rate	3.89%-4.02%	3.74%-4.10%
Expected dividend yield	0%	0%
Expected term (in years)	5.5-7	2-7
Expected volatility	62.83%	57.02%-59.32%

c. Employee Share Purchase Plan

During the six months ended June 30, 2026 (unaudited) and June 30, 2025 (unaudited) employees purchased 212,941 and 37,861 ordinary shares, respectively, under the monday.com Ltd. 2021 Employee Share Purchase Plan (the "ESPP") at average prices of \$61.74 and \$226.01 per share, respectively. The ESPP is compensatory and, as such, results in recognition of compensation cost.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

NOTE 15:- SHAREHOLDERS' EQUITY (cont.)

d. Share Repurchases

In September 2025, the Company's Board authorized a share repurchase program of the Company's ordinary shares in an aggregate amount of up to \$870,000 and with no expiration date. The repurchases commenced in November 2025.

During the six months ended June 30, 2026, the Company repurchased and subsequently retired 9,602,294 shares for an aggregate amount of \$734,971 under its existing share repurchase program. The repurchases were executed in open market transactions. As of June 30, 2026, the program has been fully utilized, and no shares are available for future share repurchases under the program.

NOTE 16:- EARNINGS PER SHARE

The following table presents the calculation of basic and diluted net income per share:

	Six months ended June 30,	
	2026	2025
	(Unaudited)	
Numerator:		
Net income attributable to ordinary shareholders, basic and diluted	\$ 31,494	\$ 28,998
Denominator:		
Weighted-average ordinary shares outstanding, basic	45,898,551	51,196,507
Dilutive effect		
Employee stock options, RSUs and PSUs	853,848	1,953,054
Weighted-average ordinary shares outstanding, diluted	46,752,399	53,149,561
Net income per share attributable to ordinary shareholders, basic	\$ 0.69	\$ 0.57
Net income per share attributable to ordinary shareholders, diluted	\$ 0.67	\$ 0.55

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

NOTE 16:- EARNINGS PER SHARE (cont.)

The potential ordinary shares that were excluded from the computation of diluted net income per share attributable to ordinary shareholders for the periods presented because including them would have been anti-dilutive are as follows:

	Six months ended June 30,	
	2026	2025
	(Unaudited)	
Options	447,067	-
RSUs	710,045	29,176
Total	<u>1,157,112</u>	<u>29,176</u>

NOTE 17:- SEGMENT REPORTING

The Company's chief operating decision maker ("CODM") uses consolidated net income to monitor period-over-period results and decides where to allocate and invest additional resources within the business to continue growth.

The following is a summary of the significant expense categories and consolidated net income details provided to the CODM:

	Six months ended June 30,	
	2026	2025
Total revenues	\$ 715,886	\$ 581,264
Share-based compensation	(70,501)	(87,603)
Tax benefit (expense) related to share-based compensation	1,791	(78)
Restructuring charges	(21,436)	-
Other segment items (*)	(594,246)	(464,585)
Net income	<u>\$ 31,494</u>	<u>\$ 28,998</u>

(*) Other segment expense items included within net income include payroll, financial income, net, advertising and marketing activities, overhead and depreciation, travel and entertainment, income taxes, information technology and communication, sales commissions and other miscellaneous expenses.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 17:- SEGMENT REPORTING (cont.)

Revenues are attributed to geographic areas based on location of the end customers as follows:

	Six months ended June 30,	
	2026	2025
	(Unaudited)	
United States	\$ 356,872	\$ 293,324
EMEA (*)	152,620	124,902
United Kingdom	82,053	62,300
Rest of the world	124,341	100,738
Total	\$ 715,886	\$ 581,264

(*) excluding the United Kingdom.

Long-lived assets, acquired technology and operating lease right-of-use assets by geographical areas were as follows:

	As of June 30, 2026	As of December 31, 2025
	(Unaudited)	
Israel	\$ 86,895	\$ 89,123
United States	118,565	59,618
United Kingdom	46,399	49,548
Rest of the world	4,533	4,748
Total	\$ 256,392	\$ 203,037

NOTE 18:- SUBSEQUENT EVENTS

- On July 1, 2026, the Company's Board approved the cancellation of 10,875,000 unissued ordinary shares previously reserved under the 2021 share incentive plan. The cancellation has no effect on any outstanding equity awards.
- On July 22, 2026, the Company announced a restructuring plan (the "2026 Restructuring Plan") designed to align its organizational structure with its strategic focus on the AI Work Platform, support a leaner operating model, and accelerate investment in its AI-driven growth strategy.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

NOTE 18:- SUBSEQUENT EVENTS (cont.)

Workforce Reduction

The 2026 Restructuring Plan includes a reduction of approximately 20% of the Company's current workforce, a majority of which is not in customer-facing roles. On July 22, 2026, affected employees were notified of their termination. As the notifications occurred subsequent to the balance sheet date, no severance costs have been recognized as of June 30, 2026.

Facility Exit — Israel Office

During the second quarter of 2026, prior to and independent of the Board's subsequent approval of the 2026 Restructuring Plan, the Company recognized restructuring charges of \$21,436 in the six months ended June 30, 2026 (unaudited), related to the exit of office space in Israel originally secured to support planned workforce expansion.

These charges consist of impairment of operating lease right-of-use assets (amounting to \$10,678) and an impairment of leasehold improvements, and other fixed assets (amounting to \$10,758). See also Note 10.

The Company expects the 2026 Restructuring Plan to be substantially complete by the end of 2026.

- c. On August 5, 2026, the Company donated 196,829 ordinary shares to the monday.com Foundation. The contribution will be recognized as a non-cash general and administrative expense on the contribution date at the fair value of the shares on that date in an estimated amount of \$18,000. This donation is made pursuant to the Company's intention disclosed since its initial public offering, to contribute up to 10% of its equity to the monday.com Foundation over a ten-year period.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**As of June 30, 2026 and for the six-month period then ended****Special note regarding forward-looking statements**

Certain information included herein may be deemed to be "forward-looking statements." Forward-looking statements are often characterized by the use of forward-looking terminology such as "may," "might," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "seek," "believe," "estimate," "predict," "potential," "continue," "contemplate," "possible," or the negative of these terms or similar expressions, but are not the only way these statements are identified.

We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to:

- our ability to effectively manage the scope and complexity of our business following years of rapid growth, increasing operating expenses and our ability to maintain profitability;
- foreign currency exchange rate fluctuations;
- the fact that we continue to derive a majority of revenues from monday work management;
- fluctuations in operating results;
- real or perceived errors, failures, vulnerabilities or bugs in our platform, products, or third-party applications offered on our app marketplace or interruptions or performance problems associated with the technology or infrastructure underlying our platform;
- risks related to artificial intelligence ("AI") and machine learning ("ML");
- our ability to attract customers, grow our retention rates, expand usage within organizations, including cross-selling and upselling and sell subscription plans;
- risks related to our subscription-based business model;
- our sales efforts may require considerable time and expense and the use of differing sales strategies may extend our sales cycles;
- changes in sizes or types of business that purchase our platform and products;
- our ability to offer high-quality customer support and direct sales capabilities;
- that our restructuring plan may not achieve the expected benefits or that the costs may exceed our expectations;
- maintenance of corporate culture;

- risks related to international operations and compliance with laws and regulations applicable to our global operations;
 - risks related to acquisitions, strategic investments, partnerships, or alliances;
 - risks associated with scrutiny related to environmental and social matters;
 - our dependence on founders and other key employees and ability to attract and retain highly skilled employees;
 - our ability to raise additional capital or generate cash flows necessary to expand our operations and invest in new technologies;
 - uncertain global economic conditions and inflation;
 - changes and competition in the market and software categories in which we participate;
 - our ability to introduce new products, features, integrations, capabilities, and enhancements;
 - the ability of our platform to interoperate with a variety of software applications;
 - our reliance on third-party application stores to distribute our mobile application;
 - our successful strategic relationships with, and our dependence on third parties;
 - our reliance on web search engines, both traditional and AI-generated, to direct traffic to our website;
 - interruption or delays in service from third parties or our inability to plan and manage interruptions;
 - risks related to security incidents and unauthorized access to our or our third-party vendors' systems, networks or data or the data of users and organizations on our platform;
 - evolving privacy protection and data security laws, regulations, industry standards, policies, contractual obligations, and cross-border data transfer or localization restrictions;
 - new legislation and regulatory obligations regulating AI;
 - changes in tax law and regulations or if we were to be classified as a passive foreign investment company;
 - our ability to realize deferred tax assets or requirements to collect sales or other indirect taxes;
 - our ability to maintain, protect or enforce our intellectual property rights or risks related to intellectual property infringement claims;
 - risks related to our use of open-source software;
 - risks related to our founder share that provides certain veto rights;
 - risks related to our status as a foreign private issuer incorporated and located in Israel, including risks related to conflicts in the region and escalations thereof;
 - our expectation not to pay dividends for the foreseeable future;
 - risks related to our repurchase program, including an inability to guarantee the amount of repurchases of our ordinary shares that will occur, if any, or that our repurchase program will enhance long-term shareholder value;
-

- risks related to our Digital Lift Initiative and the monday.com Foundation; and
- risks related to legal and regulatory matters.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. The estimates and forward-looking statements contained herein speak only as of the date thereof. Except as required by applicable law, we undertake no obligation to publicly update or revise any estimates or forward-looking statements whether as a result of new information, future events or otherwise, or to reflect the occurrence of unanticipated events.

The foregoing list is intended to identify only certain of the principal factors that could cause actual results to differ. For a more detailed description of the risks and uncertainties affecting our company, reference is made to our Annual Report on Form 20-F for the year ended December 31, 2025, which was filed with the Securities and Exchange Commission, or the SEC, on March 13, 2026 (hereafter: “Annual Report”), and the other risk factors discussed from time to time by our company in reports filed or furnished to the SEC.

Introduction

Unless indicated otherwise by the context, all references in this report to “monday.com,” “we,” “us” or “our” are to monday.com Ltd. When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below:

- “dollars” or “\$” means United States dollars; and
- “NIS” means New Israeli Shekels.

You should read the following discussion and analysis in conjunction with our unaudited condensed consolidated financial statements for the six months ended June 30, 2026 and notes thereto, and together with our audited consolidated financial statements for the year ended December 31, 2025 and notes thereto filed with the SEC as part of our Annual Report.

monday.com H1-26 overview in numbers



(1) For a definition of Net Dollar Retention Rate see “Key Business Metrics” below.

Growth at scale

We have experienced rapid growth since we launched our product in 2014.

- **Revenue:** Our revenue was \$715.9 million and \$581.3 million for the six months ended June 30, 2026 and June 30, 2025, respectively.
- **Year over Year Revenue Growth:** Our revenue growth was 23% and 28% for the six months ended June 30 2026, and June 30, 2025, respectively.
- **Net Income:** Our net income was \$31.5 million and \$29.0 million for the six months ended June 30, 2026 and June 30, 2025, respectively.
- **Net Cash Provided by Operating Activities:** Our net cash provided by operating activities was \$160.0 million and \$178.8 million for the six months ended June 30, 2026 and June 30, 2025, respectively.
- **Adjusted Free Cash Flow:** Our adjusted free cash flow was \$155.1 million and \$173.6 million for the six months ended June 30, 2026 and June 30, 2025, respectively.

Key Business Metrics

We believe that our growth and financial performance are dependent upon many factors, including the key factors described below.

A Large and Diversified Customer Base

We are focused on expanding within our existing customer base by increasing the number of users within the organization, upgrading to higher tiers and offering additional add-on services and products, including our AI-powered capabilities. Our operating results and growth opportunities depend, in part, on our ability to expand relationships with existing customers and attract new larger customers. We believe we have significant greenfield opportunities among addressable customers worldwide and we will continue to invest in our research and development to differentiate our products and AI offerings from competitive products and services. We will also continue to invest in our sales and marketing to help us take advantage of this opportunity.

We define “customer” to mean a unique web domain-based account that is on a paid subscription plan, which could include an organization, educational or government institution, or distinct business unit of an organization. With approximately 250,000 customers, we are not reliant on any specific customer, as no single customer accounts for more than 1% of our revenues, and our top 100 customers accounted for less than 10% of our revenues for the six months ended June 30, 2026 and 2025.

Consistent Growth of Enterprise Customers

Our ability to successfully move upmarket is demonstrated by the consistent growth in the number of our enterprise customers. We grew the number of enterprise customers, which we define as customers with more than \$50,000 in Annual Recurring Revenue (“ARR”) (defined below), on our platform by 31% from 3,702 customers as of June 30, 2025 to 4,834 customers as of June 30, 2026. The ARR from such enterprise customers grew by 37% from June 30, 2025 to June 30, 2026, outpacing our overall ARR growth. As of June 30, 2026 and June 30, 2025, such enterprise customers accounted for 43% and 38% of our ARR, respectively. In addition, such enterprise customers are significantly more likely to adopt multiple products of ours.

Customers with more than \$100,000 in ARR grew by 37% during the 12 months ended on June 30, 2026, from 1,472 customers as of June 30, 2025 to 2,019 customers as of June 30, 2026. The ARR from such enterprise customers grew by 43% from June 30, 2025 to June 30, 2026. As of June 30, 2026 and June 30, 2025, such enterprise customers accounted for 30% and 26% of our ARR, respectively.

Customers with more than \$500,000 in ARR grew by 68% during the 12 months ended on June 30, 2026, from 68 customers as of June 30, 2025 to 114 customers as of June 30, 2026. The ARR from such enterprise customers grew by 66% from June 30, 2025 to June 30, 2026. As of June 30, 2026, and June 30, 2025, such enterprise customers accounted for 7% and 5% of our ARR, respectively. “Annual Recurring Revenue” or “ARR” is defined to mean, as of the measurement date, the annualized value of our customer subscriptions plan, assuming that any contract that expires during the next 12 months is renewed on its existing terms. We believe ARR illustrates the improvements we have made to our products to increase the value we deliver to our customers over time. We expect the percentage of ARR attributable to customers with more than \$50,000, \$100,000 and \$500,000 in ARR to increase.

Net Dollar Retention Rate

We expect to derive a significant portion of our revenue growth from expansion within our customer base, where we have an opportunity to expand adoption of our products across teams, departments, and organizations. We believe our dollar-based net retention rate (“Net Dollar Retention Rate”) underscores the significant opportunity to further expand within our customer base, particularly those that generate high annual revenue. We calculate Net Dollar Retention Rate as of a period end by starting with the ARR from customers as of the 12 months prior to such period end (“Prior Period ARR”). We then calculate the ARR from these customers as of the current period end (“Current Period ARR”). The calculation of Current Period ARR includes any upsells, contraction and attrition. We then divide the total Current Period ARR by the total Prior Period ARR to arrive at the Net Dollar Retention Rate. For the trailing 12-month calculation, we take a weighted average of this calculation of our quarterly Net Dollar Retention Rate for the four quarters ending with the most recent quarter.

Our Net Dollar Retention Rate may fluctuate due to a number of factors, including the level of penetration within our customer base, expansion of products and features, the introduction of new offerings, pricing adjustments or changes in packaging, and our ability to retain our customers.

Our Net Dollar Retention Rate for all of our customers was 109% and 111% for the three months ended June 30, 2026 and June 30, 2025, respectively. Net Dollar Retention Rate for customers with more than \$50,000 in ARR was 115% and 116% for the three months ended June 30, 2026 and June 30, 2025, respectively. Net Dollar Retention Rate for customers with more than \$100,000 in ARR was 115% and 117% for the three months ended June 30, 2026 and June 30, 2025, respectively. Our Net Dollar Retention Rate for the three months ended June 30, 2026 reflects continued seat and product expansion within our existing customer base, partially offset by the anniversary of pricing adjustments implemented during 2024 and the first half of 2025. The decline in Net Dollar Retention Rate compared to the prior year period is primarily attributable to the lapping of those pricing adjustments, which had a favorable impact on the comparable period.

A. Operating Results

Components of Results of Operations

The following briefly describes the components of revenue and expenses as presented in our consolidated statements of operations.

Revenue

We derive revenue mainly from monthly or annual subscription agreements with our customers for access to our AI Work Platform and products. Our customers do not have the ability to take possession of our software.

Cost of Revenue

Cost of revenue consists of merchant and credit card processing fees, hosting and cloud infrastructure fees (including costs associated with AI compute, model usage and data processing), amortization of capitalized software development costs, subcontractor costs, salaries and related expenses, share-based compensation, software license fees, and allocated overhead costs.

Gross Profit and Gross Margin

Gross profit, or revenue less cost of revenue, and gross margin, or gross profit as a percentage of revenue, has been, and will continue to be, affected by various factors, including the timing of our acquisition of new customers, renewals of and follow-on sales to existing customers, costs associated with operating our cloud-based products, and the extent to which we expand our operations and customer support organizations. As adoption of our AI-powered offerings increases, we expect associated infrastructure and compute costs to increase. As a result, we expect our gross margin to decline modestly in the mid-term, before stabilizing over the long term as we drive efficiencies and scale.

Operating Expenses

Our operating expenses consist of research and development, sales and marketing, general and administrative expenses, and restructuring charges. Sales and marketing expenses are the most significant component of our operating expenses and consist of marketing and advertising expenses and commissions paid. In addition, personnel-related expenses are a substantial component of our operating expenses and consist of salaries, benefits, and share-based compensation expenses. Operating expenses also include an allocation of overhead costs for facilities and shared IT-related expenses, including depreciation expenses.

Research and Development Expenses

Research and development expenses include salaries and related expenses, share-based compensation, subcontractor costs and allocated overhead costs. As we continue to focus our research and development efforts on enhancing our AI Work Platform, expanding our AI-powered capabilities, and building new products, we expect our research and development expenses to contribute to our long-term growth. For each of the six months ended June 30, 2026 and June 30, 2025, our research and development expenses as a percentage of revenue were approximately 27%.

We expect full year 2026 research and development expenses to decline as a percentage of revenue compared to the first half of 2026, to the low-20s as a percentage of revenue, as savings from the 2026 restructuring plan (the “Plan”) and newly enacted Israeli research and development tax benefits (“The Encouragement and Incentivization of Research and Development Law, 5786-2026”) are realized in the second half of the year.

In the long term, as we continue to invest in our AI Work Platform and expand our product capabilities, we anticipate research and development expenses as a percentage of revenue will remain in the low-20s.

Sales and Marketing Expenses

Sales and marketing expenses consist primarily of compensation expenses for our employees, including share-based compensation, online and offline marketing and advertising expenses, commissions, and allocated overhead costs. Our sales related commissions as a percentage of revenue were approximately 2% for each of the six months ended June 30, 2026 and June 30, 2025. For the six months ended June 30, 2026 and June 30, 2025, our sales and marketing expenses as a percentage of revenue were approximately 46% and 51%, respectively.

As part of our ongoing go-to-market evolution, we are increasingly allocating resources toward enterprise sales efforts, including expanding our direct sales capacity and brand marketing initiatives. This has included rebalancing investments away from certain online marketing channels toward initiatives that we believe support long-term customer relationships and higher value contracts.

We expect full year 2026 sales and marketing expenses to remain broadly stable as a percentage of revenue as continued investment in go-to-market initiatives is largely offset by cost savings from the Plan. In the long term, as our business scales through customer expansion, market awareness, and the operational efficiencies expected from our AI-driven operating model, we anticipate a slight decline in sales and marketing expenses as a percentage of revenue from current levels.

General and Administrative Expenses

General and administrative expenses consist of salaries and related expenses, share-based compensation, charitable contributions to the monday.com Foundation, professional service fees and allocated overhead costs. For the six months ended June 30, 2026 and June 30, 2025, our general and administrative expenses as a percentage of revenue were approximately 11% and 12%, respectively.

We expect full year 2026 general and administrative expenses to increase in absolute dollar terms and as a percentage of revenue compared to the first half of 2026, primarily due to a non-cash contribution of 196,829 ordinary shares to the monday.com Foundation, to be recognized at the fair value of the shares on August 5, 2026 of approximately \$18.0 million.

This donation is made pursuant to the Company's intention, disclosed since its initial public offering, to contribute up to 10% of its equity to the monday.com Foundation over a ten-year period to support social impact initiatives. The timing and size of individual contributions are episodic and will vary based on the share price at the time of contribution. This charge will be excluded from non-GAAP general and administrative expenses and non-GAAP operating income.

In the long term, excluding the impact of non-cash charitable contributions to the monday.com Foundation, we expect general and administrative expenses as a percentage of total revenue to remain broadly stable, reflecting operating leverage as our business scales.

Restructuring Charges

Restructuring charges represent costs associated with our Plan, announced on July 22, 2026 to align our organizational structure with our strategic focus on the AI Work Platform and support a leaner, more focused operating model. Charges recognized in the six months ended June 30, 2026 consist of non-cash impairment charges related to an operating lease right-of-use asset, leasehold improvements, and other fixed assets for office space in Israel originally secured to support planned workforce expansion.

The non-cash impairment charges discussed above were recognized based on a decision made during the second quarter of 2026, prior to and independent of the board of directors' (the "Board") approval of the Plan, to vacate a specific office space in Israel. These charges are presented as restructuring charges in our consolidated statement of operations for the six months ended June 30, 2026 because they reflect the same shift toward a leaner, AI-focused operating model that the Plan later formalized, notwithstanding that the facility decision was made and executed independently of the Plan's approval.

The Plan also includes a reduction of approximately 20% of our current workforce, a majority of which is not in customer-facing roles; the Company expects to continue hiring in key strategic areas throughout 2026. For the six months ended June 30, 2026 and June 30, 2025, restructuring charges as a percentage of revenue were approximately 3% and 0%, respectively.

We estimate total net charges under the Plan of approximately \$45–\$55 million for the full year 2026, consisting of approximately \$30–\$35 million of future net charges related to severance payments, employee benefits and related costs, and approximately \$30–\$35 million in charges related to the impairment of certain office spaces, partially offset by approximately \$15 million in non-cash credits related to the forfeiture of unvested share-based compensation awards by departing employees.

The majority of these charges are expected to be recognized in the second half of 2026, with a portion of up to approximately \$5 million potentially recognized in the first quarter of 2027 depending on the timing of execution of certain elements of the Plan. The Plan is expected to be substantially complete by the end of 2026. We do not expect to incur material restructuring charges after the first quarter of 2027.

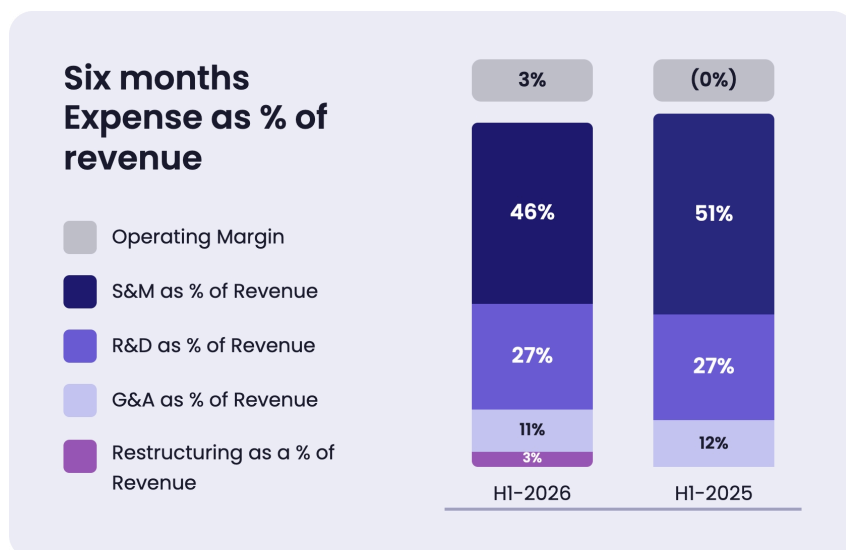
Financial Income, Net

Financial income, net, consists primarily of interest generated by our money market funds, bank deposits and marketable securities, amortization of discount on marketable securities and foreign exchange gains and losses, offset by bank charges and interest expenses.

Income Tax Expenses

Income tax expenses consist of current taxes, including those related to our international activities, and deferred taxes arising from temporary differences between the accounting and tax bases of assets and liabilities.

Comparison of Period-to-Period Results of Operations



The following tables set forth the consolidated statements of operations in U.S. dollars and as a percentage of revenue for the period presented.

	Six months ended June 30,	
	2026	2025
	(in thousands)	
Revenue	\$ 715,886	\$ 581,264
Cost of revenue ⁽¹⁾	80,785	59,978
Gross profit	635,101	521,286
<u>Operating expenses:</u>		
Research and development ⁽¹⁾	191,327	156,424
Sales and marketing ⁽¹⁾	327,797	294,310
General and administrative ⁽¹⁾	76,331	72,307
Restructuring charges	21,436	-
Total operating expenses	616,891	523,041
Operating income (loss)	18,210	(1,755)
Financial income, net	17,336	31,749
Income before income taxes	35,546	29,994
Income tax expenses	(4,052)	(996)
Net income	\$ 31,494	\$ 28,998

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

	Six months ended June 30,	
	2026	2025
	(in thousands)	
Cost of revenue	\$ 3,311	\$ 3,406
Research and development	29,911	43,347
Sales and marketing	20,172	19,205
General and administrative	17,107	21,645
Total share-based compensation	\$ 70,501	\$ 87,603

	Six months ended June 30, (*)	
	2026	2025
Revenue	100%	100%
Cost of revenue	11	10
Gross profit	89	90
Operating Expenses:		
Research and development	27	27
Sales and marketing	46	51
General and administrative	11	12
Restructuring charges	3	-
Total operating expenses	87	90
Operating income (loss)	2	(-)
Financial income, net	2	5
Income before income taxes	5	5
Income tax expenses	(1)	(-)
Net income	4%	5%

(*) Amounts may not sum to 100% due to rounding

Comparison of the Six Months Ended June 30, 2026 and 2025

Revenue

	Six months ended June 30,			
	2026	2025	Change	%
	(in thousands)			
Revenue	\$ 715,886	\$ 581,264	\$ 134,622	23%

Revenue was \$715.9 million for the six months ended June 30, 2026, an increase of \$134.6 million, or 23%, compared to \$581.3 million for the six months ended June 30, 2025.

This increase was driven primarily by a combination of deferred revenue and open sales orders from prior periods' transactions in the amount of \$105.7 million and new business activity from the current period of \$28.9 million. Specifically, out of the \$715.9 million of revenue for the six months ended June 30, 2026, \$461.1 million was associated with performance obligations from prior periods and \$254.8 million was derived from current period activity, including contract renewals, expansions, and new client acquisitions. The overall growth was driven by: (i) strong retention and renewals, successfully maintaining our core revenue base through consistent contract renewals; (ii) upselling and expansion efforts, including increased seat penetration, multi-product adoption, and broader adoption of AI capabilities, all of which significantly contributed to growth from existing customer transactions; and (iii) new client acquisition, securing new contracts and further expanding our market reach.

Cost of Revenue and Gross Profit

	Six months ended June 30,		Change	% change
	2026	2025 (in thousands)		
Cost of revenue	\$ 80,785	\$ 59,978	\$ 20,807	35%
Gross profit	89%	90%		

Cost of revenue was \$80.8 million for the six months ended June 30, 2026, an increase of \$20.8 million, or 35%, compared to \$60.0 million for the six months ended June 30, 2025. This increase was directly related to the growth and scale of our business and was primarily driven by an increase of \$11.2 million in hosting expenses, an increase of \$5.4 million in salaries and related expenses, an increase of \$2.3 million in third-party consulting costs, an increase of \$2.0 million in processing fees, and an increase in allocated overhead costs of \$1.0 million as a result of increased overall costs to support our business growth and related infrastructure, partially offset by a decrease in indirect taxes of \$1.5 million.

Operating Expenses

	Six months ended June 30,		Change	%
	2026	2025 (in thousands)		
Research and development	\$ 191,327	\$ 156,424	\$ 34,903	22%
Sales and marketing	327,797	294,310	33,487	11%
General and administrative	76,331	72,307	4,024	6%
Restructuring charges	21,436	-	21,436	-%
Total operating expenses	\$ 616,891	\$ 523,041	\$ 93,850	18%

Research and Development Expenses

Research and development expenses were \$191.3 million for the six months ended June 30, 2026, an increase of \$34.9 million, or 22%, compared to \$156.4 million for the six months ended June 30, 2025. This increase was directly related to the growth and scale of our business and was primarily driven by an increase of \$35.2 million in salaries and related expenses due to an increase in the number of employees, an increase of \$6.1 million in allocated overhead costs as a result of increased overall costs to support our business growth and related infrastructure, an increase of \$3.6 million in hosting costs, and an increase of \$2.5 million in software and security costs, partially offset by a decrease of \$13.4 million in share-based compensation expenses associated with a decrease in the share price of our ordinary shares.

Sales and Marketing Expenses

Sales and marketing expenses were \$327.8 million for the six months ended June 30, 2026, an increase of \$33.5 million, or 11%, compared to \$294.3 million for the six months ended June 30, 2025. This increase was directly related to the growth and scale of our business and was primarily driven by an increase of \$22.6 million in salaries and related expenses, an increase of \$6.2 million in amortization of partners commission costs, and an increase of \$4.4 million in allocated overhead costs to support our business growth and related infrastructure.

General and Administrative Expenses

General and administrative expenses were \$76.3 million for the six months ended June 30, 2026, an increase of \$4.0 million, or 6%, compared to \$72.3 million for the six months ended June 30, 2025. This increase was directly related to the growth and scale of our business and was primarily driven by an increase of \$9.5 million in salaries and related expenses due to an increase in the number of employees, an increase of \$1.1 million in depreciation expenses, an increase of \$4.5 million in rent and related expenses mainly due to our global office expansion prior to the restructuring, an increase of \$2.5 million in software expenses, an increase of \$1.4 million in employee benefits, an increase of \$0.9 million in property tax, partially offset by a decrease of \$11.6 million in overhead allocation and a decrease of \$4.5 million in share-based compensation expenses associated with a decrease in the share price of our ordinary shares.

Restructuring Charges

Restructuring charges were \$21.4 million for the six months ended June 30, 2026, compared to nil for the six months ended June 30, 2025. In connection with our Plan announced on July 22, 2026, the Company determined it would vacate leased office space in Israel originally secured to support planned workforce expansion that is no longer required under its revised operating model, reflecting the Company's adoption of AI-driven productivity tools and a resulting revision to its long-term hiring plans. The charges comprise non-cash impairment of operating lease right-of-use assets, leasehold improvements and other fixed assets. All charges recognized in the six months ended June 30, 2026 are non-cash as of June 30, 2026. The Plan also includes a reduction of approximately 20% of our current workforce; the related severance and employee costs are expected to be recognized in subsequent periods as employees are notified. We exclude restructuring charges from non-GAAP operating income as they are directly attributable to a discrete, defined restructuring plan and are not indicative of our ongoing operating performance. See Note 18 to the condensed consolidated financial statements for further details.

Operating Income and Operating Margin

GAAP operating income was \$18.2 million for the six months ended June 30, 2026, representing a GAAP operating margin of approximately 3%, compared to a GAAP operating loss of \$1.8 million, or a nominal operating loss of less than 1% of revenue, for the six months ended June 30, 2025. This improvement reflects the continued scaling of our business and operating leverage across our cost structure, partially offset by \$21.4 million of restructuring charges recognized in the six months ended June 30, 2026 in connection with Plan.

Financial Income, Net

	Six months ended June 30,			
	2026	2025	Change	%
	(in thousands)			
Financial income, net	\$ 17,337	\$ 31,749	\$ (14,412)	45%

Financial income, net, was an income of \$17.3 million for the six months ended June 30, 2026, a decrease of \$14.4 million, or 45%, compared to an income of \$31.7 million for the six months ended June 30, 2025. This decrease was mainly driven by a decrease in our cash and cash equivalents balances in order to finance the repurchase of our ordinary shares (\$735 million used for share repurchases during the six months ended June 30, 2026).

Income Tax Expenses

	Six months ended June 30,			
	2026	2025	Change	%
	(in thousands)			
Income tax expenses	\$ 4,053	\$ 996	\$ 3,057	307%

Income tax expenses were \$4.1 million for the six months ended June 30, 2026, an increase of \$3.1 million, or 307%, compared to \$1.0 million for the six months ended June 30, 2025. The increase was primarily attributable to deferred tax expense recognized in the six months ended June 30, 2026 as a result of three factors: (i) the utilization of net operating loss carryforwards against taxable income, reducing deferred tax asset balances recognized following the release of the valuation allowance in the second half of 2025; (ii) the vesting and exercise of share-based awards originally granted at significantly higher prices, resulting in tax deductions at settlement that were lower than the related book compensation expense, and reducing the associated deferred tax asset; and (iii) new share-based awards granted in the six months ended June 30, 2026 at lower grant-date fair values, which will result in smaller deferred tax assets accumulating over their vesting periods relative to prior grant cohorts. No comparable deferred tax expense was recorded in the six months ended June 30, 2025, as the valuation allowance was still in place during that period, and accordingly no deferred tax assets or liabilities were being recognized.

Non-GAAP Financial Measures

We regularly review several financial measures, including non-GAAP operating income and adjusted free cash flow, to evaluate our business, measure our performance, identify trends in our business, prepare financial forecasts and make strategic decisions. We believe these non-GAAP financial measures are useful in evaluating our performance in addition to our financial results prepared in accordance with GAAP. You should read these non-GAAP measures in conjunction with our unaudited condensed consolidated financial statements for the six months ended June 30, 2026 and notes thereto, and together with our audited consolidated financial statements for the year ended December 31, 2025 included in our Annual Report.

Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as substitutes for financial information presented under GAAP. For example, other companies in our industry may calculate these non-GAAP financial measures differently or may use other measures to evaluate their performance. Investors are encouraged to review the reconciliations of these non-GAAP financial measures to their most directly comparable GAAP financial measures and to not rely on any single financial measure to evaluate our business.

The following table sets forth our non-GAAP operating income and adjusted free cash flow for the six months ended June 30, 2026 and June 30, 2025:

	Six months ended June	
	30,	
	2026	2025
	(in thousands)	
Non-GAAP operating income	\$ 110,147	\$ 85,848
Adjusted free cash flow	\$ 155,122	\$ 173,625

Non-GAAP Operating Income

We define non-GAAP operating income as GAAP operating income (loss), adjusted for (i) share-based compensation expenses, (ii) restructuring charges, and (iii) non-cash charitable contributions of our ordinary shares to the monday.com Foundation. We exclude these items because we believe they do not reflect our ongoing operational performance and may not be comparable across periods.

We exclude share-based compensation because it is a non-cash expense not considered indicative of ongoing operational performance. We exclude restructuring charges because they are directly attributable to a discrete, defined restructuring plan and are not reflective of our core ongoing operating performance.

We exclude non-cash charitable contributions to the monday.com Foundation because they are non-cash transfers to a philanthropic entity that do not arise from or relate to our core revenue-generating operations and are not indicative of our ongoing operating performance.

Although we intend to contribute up to 10% of the Company's equity to the monday.com Foundation over a ten-year period as described in our registration statement at the time of our initial public offering, the timing, size, and frequency of individual contributions are irregular and episodic, and the amounts vary significantly based on the share price at the time of each contribution. Accordingly, we do not consider these charges indicative of our period-to-period operational results.

Management uses non-GAAP operating income to evaluate our financial performance and for planning and forecasting purposes. Non-GAAP operating income should not be considered as an alternative to GAAP operating income (loss) or net income as an indicator of operating performance.

The following table provides a reconciliation of GAAP operating income (loss) to non-GAAP operating income for the periods indicated (*):

	Six months ended June	
	30,	
	2026	2025
	(in thousands)	
Operating income (loss)	\$ 18,210	\$ (1,755)
Share-based compensation expenses	70,501	87,603
Restructuring charges (1)(2)	21,436	-
Non-GAAP operating income	\$ 110,147	\$ 85,848

- (1) We expect the non-GAAP restructuring add-back for the full year 2026 to be partially offset by approximately \$15 million in credits related to the forfeiture of unvested equity awards by departing employees, which will reduce the total restructuring add-back in the period in which those forfeitures are recognized.
- (2) In connection with the Plan, the Company recognized restructuring charges of \$21.4 million in the six months ended June 30, 2026, consisting of non-cash impairment charges related to operating lease right-of-use assets, leasehold improvements, and other fixed assets for office space in Israel that was originally secured to support planned workforce expansion.

* No charitable contributions of ordinary shares to the monday.com Foundation were made in either period presented

Adjusted Free Cash Flow

We define adjusted free cash flow as net cash provided by operating activities, less cash used for purchases of property and equipment and capitalized software development costs, plus costs associated with the build-out of our corporate headquarters.

We believe that adjusted free cash flow is a useful indicator of liquidity that provides information to management and investors, even if negative, about the amount of cash used in our operations and for investments in property and equipment and capitalized software development costs. However, we caution that adjusted free cash flow does not reflect our future contractual commitments and the total increase or decrease of our cash balance for a given period. The following table provides a reconciliation of net cash provided by operating activities to adjusted free cash flow for the periods indicated:

	Six months ended June 30,	
	2026	2025
	(in thousands)	
Net cash provided by operating activities	\$ 160,041	\$ 178,807
Purchase of property and equipment	(6,237)	(9,571)
Capitalized software development costs	(1,590)	(1,703)
Purchase of property and equipment related to build-out of our corporate headquarters (1)	2,908	6,092
Adjusted free cash flow	\$ 155,122	\$ 173,625

- (1) For the six months ended June 30, 2026 includes mainly purchases of property and equipment related to the renovation of an Israeli office space, capitalized in periods prior to the Company's decision in the second quarter of 2026 to vacate that space in connection with the Plan. The cash outflows reflected in this add-back were incurred before the restructuring decision was made and represent a discrete, non-recurring capital investment. We note that the leasehold improvements capitalized at this location were subsequently impaired as part of the \$21.4 million restructuring charge excluded from non-GAAP operating income; however, the adjusted free cash flow add-back and the non-GAAP impairment exclusion represent distinct adjustments — the former reflects actual cash paid in prior periods for a capital project, and the latter reflects a non-cash write-down of the remaining book value. The Company does not expect to incur material capital expenditures of this nature in future periods.

B. Liquidity and Capital Resources

As of June 30, 2026, we had \$853.4 million in cash and cash equivalents and \$219.4 million in short-term investments consisting of marketable securities. In the six months ended June 30, 2026, we generated net cash provided by operating activities, and we have also generated net cash provided by operating activities each year since our initial public offering in June 2021.

Excluding capital raises, our principal sources of funds are from our deferred revenue, which is included in the liabilities section of our consolidated balance sheet. Deferred revenue consists of payments received in advance of revenue recognition, excluding amounts subject to right of return, and is recognized as revenue recognition criteria are met. We generally invoice our customers in advance of services being provided. The majority of our deferred revenue is expected to be recognized as revenue during the succeeding 12-month period, provided all other revenue recognition criteria have been met. As of June 30, 2026, and December 31, 2025, we had deferred revenue of \$453.7 million and \$411.6 million, respectively. We had an accumulated deficit of \$401.8 million and \$433.3 million as of June 30, 2026 and December 31, 2025, respectively, reflecting losses from operations in prior periods. Our future capital requirements will depend on many factors, including revenue growth and costs incurred to support customer usage and growth in our customer base, increased research and development expenses to support the growth of our business and related infrastructure, and general and administrative expenses to support being a publicly traded company.

We assess our liquidity primarily through our cash on hand as well as the projected timing of billings under contract with our paying customers and related collection cycles. We believe that our current cash and cash equivalents will be sufficient to meet our working capital and capital expenditure requirements for at least the next 12 months and for the foreseeable future.

The Company's material cash requirements include the following contractual obligations:

Leases

The Company has lease arrangements for offices. As of June 30, 2026, the Company had fixed lease payment obligations of \$280.6 million, with \$13.2 million payable during the remainder of 2026.

Other Purchase Obligations

The Company's other purchase obligations primarily consist of noncancelable obligations related to supplier arrangements, licensed intellectual property, and hosting. As of June 30, 2026, the Company had other purchase obligations of \$68.9 million, with \$62.9 million payable within 12 months.

Share Repurchase Program

In addition to its contractual cash requirements, the Company authorized a share repurchase program in September 2025 in the amount of up to \$870.0 million with no expiration date. The program does not obligate the Company to acquire a minimum amount of its ordinary shares. As of June 30, 2026, the Company repurchased 10,486,207 of its ordinary shares in the total amount of \$870.0 million (9,602,294 during the six months ended June 30, 2026). All repurchases were made using cash resources. As of June 30, 2026, the share repurchase program was fully utilized and no shares are available for future share repurchases under the program.

Cancellation of Shares

On July 1, 2026, the Company's Board approved the cancellation of 10,875,000 unissued ordinary shares previously reserved under the 2021 share incentive plan. The cancellation has no effect on any outstanding equity awards and involves no cash consideration.

monday.com Foundation — Subsequent Contribution

In August 2026, the Company donated 196,829 ordinary shares to the monday.com Foundation. The terms of the donation include certain caps on annual sales of the donated shares by the monday.com Foundation. The contribution will be recognized as a non-cash general and administrative expense on the contribution date at the fair value of the shares on August 5, 2026 of approximately \$18.0 million. This donation is made pursuant to the Company's intention, disclosed since its initial public offering, to contribute up to 10% of its equity to the monday.com Foundation over a ten-year period. The Company expects to make additional contributions to the Foundation in future periods; the timing and size of individual contributions are episodic and will vary based on the share price at the time of each contribution. This charge will be excluded from non-GAAP general and administrative expenses and non-GAAP operating income in the third quarter of 2026.

Cash Flows

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

	Six months ended June 30,	
	2026	2025
	(in thousands)	
Net cash provided by operating activities	\$ 160,041	\$ 178,807
Net cash used in investing activities	\$ (88,357)	\$ (21,323)
Net cash provided by (used in) financing activities	\$ (721,431)	\$ 21,429

Operating Activities

Cash provided by operating activities for the six months ended June 30, 2026 of \$160.0 million was primarily related to our net income of \$31.5 million, adjusted for non-cash charges of \$98.1 million and net cash inflows of \$30.4 million resulting from changes in our operating assets and liabilities. Non-cash charges primarily consisted of share-based compensation of \$70.5 million, non-cash restructuring charges of \$21.4 million (comprising impairment of operating lease right-of-use assets, leasehold improvements, and other fixed assets in connection with our Plan), depreciation and amortization of property and equipment and amortization of discount and accretion of discount on our marketable securities.

The main drivers of the changes in operating assets and liabilities were a \$42.1 million increase in deferred revenue reflecting strong billings activity, a \$22.8 million increase in accrued expenses and other current liabilities, an \$11.4 million increase in accounts payable, and a \$3.8 million decrease in deferred tax assets partially offset by a \$47.3 million increase in prepaid expenses and other assets and a \$2.3 million increase in accounts receivable, net.

Cash provided by operating activities for the six months ended June 30, 2025 of \$178.8 million was primarily related to our net income of \$29.0 million, adjusted for non-cash charges of \$94.1 million and net cash inflows of \$55.7 million resulting from changes in our operating assets and liabilities. Non-cash charges primarily consisted of share-based compensation, depreciation and amortization of property and equipment and amortization of discount and accretion of discount on our marketable securities.

The main drivers of the changes in operating assets and liabilities were a \$62.5 million increase in deferred revenue, resulting primarily from increased billings for subscriptions, a \$24.1 million increase in accrued expenses and other liabilities, and a \$6.2 million increase in accounts payable primarily driven by payments timing differences, partially offset by a \$26.8 million increase in prepaid expenses and other assets, primarily associated with the revaluation of a foreign currency hedging asset, and a \$10.4 million increase in accounts receivable, net.

Investing Activities

Cash used in investing activities during the six months ended June 30, 2026 was \$88.4 million, primarily as a result of a \$112.9 million purchase of marketable securities, a \$13.2 million acquisition of OneAI, which expands monday.com's AI Work Platform with native voice capabilities, \$10.3 million in investments made through monday ventures, our \$50 million corporate venture fund focused on backing early to growth-stage companies building AI-powered enterprise work solutions, including a \$6.0 million purchase of securities of privately held companies under the cost method and a \$4.3 million investment in an affiliated company, and \$7.8 million of purchases of property and equipment and capitalized software development costs, offset by maturities of marketable securities in the amount of \$55.9 million.

Cash used in investing activities during the six months ended June 30, 2025 was \$21.3 million, primarily as a result of purchases of marketable securities in the amount of \$10 million and \$11.3 million of purchases of property and equipment and capitalized software development costs.

Financing Activities

Cash used in financing activities for the six months ended June 30, 2026 was \$721.4 million, primarily as a result of repurchases of our ordinary shares in the amount of \$735.0 million, and repayments of \$1.8 million relating to exercises of share options and RSUs, net, partially offset by proceeds of \$15.4 million from exercise of share options and purchases under the employee share purchase plan.

Cash provided by financing activities for the six months ended June 30, 2025 was \$21.4 million, primarily as a result of proceeds of \$26.5 million from exercise of share options and purchases under the employee share purchase plan, partially offset by repayments of \$5.1 million relating to exercises of share options and RSUs, net.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, as defined by applicable regulations of the SEC, that are reasonably likely to have a current or future material effect on our financial condition, results of operations, liquidity, capital expenditures or capital resources.

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

A comprehensive discussion of our research and development, patents and licenses, etc., is included in “Part 1 - Who We Are” and “Part 4 - Operating and Financial Review and Prospects - Operating Results” sections in our Annual Report.

D. Trend Information

Other than the Plan described under “Operating Results” above, and the charitable contribution to the monday.com Foundation described under “Liquidity and Capital Resources” above, and as disclosed in our Annual Report, we are not aware of any trends, uncertainties, demands, commitments or events since June 30, 2026 that are reasonably likely to have a material adverse effect on our net revenue, income, profitability, liquidity or capital resources, or that caused the disclosed financial information to be not necessarily indicative of future operating results or financial condition.

E. Critical Accounting Estimates

We describe our significant accounting policies more fully in Note 2 to our unaudited condensed consolidated financial statements for the six months ended June 30, 2026. There have been no material changes to our critical accounting policies since we filed our Annual Report. Please see “Part 4– Operating and Financial Review and Prospects – E. Critical Accounting Estimates” section in our Annual Report.

F. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk in the ordinary course of our business.

Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of foreign currency exchange rates and interest rates, which are discussed in detail below.

Foreign Currency Risk

The U.S. dollar is our functional currency. The majority of our revenue was denominated in U.S. dollars for the six months ended June 30, 2026 and June 30, 2025; however, certain expenses comprising our cost of revenue and operating expenses were denominated in NIS, mainly payroll and rent.

This foreign currency exposure gives rise to market risk associated with exchange rate movements of the U.S. dollar against the NIS. Furthermore, we anticipate that a material portion of our expenses will continue to be denominated in NIS.

A decrease of 5% in the U.S. dollar to NIS exchange rate would have increased our cost of revenue and operating expenses by approximately 1% during each of the six months ended June 30, 2026 and June 30, 2025. If the NIS fluctuates significantly against the U.S. dollar, it may have a negative impact on our results of operations.

To reduce the impact of foreign exchange risks associated with forecasted future cash flows and the volatility in our consolidated statements of operations, we have established a hedging program as further described in Note 2 to our audited consolidated financial statements included in our Annual Report. Foreign currency contracts are generally utilized in this hedging program. Our foreign currency contracts are short-term in duration. We do not enter into derivative instruments for trading or speculative purposes.

We account for our derivative instruments as either assets or liabilities and carry them at fair value in the consolidated balance sheets. The accounting for changes in the fair value of the derivative depends on the intended use of the derivative and the resulting designation. Our hedging program reduces but does not eliminate the impact of currency exchange rate movements.

Our derivatives expose us to credit risk to the extent that the counterparties may be unable to meet the terms of the agreement. We seek to mitigate such risk by limiting our counterparties to major financial institutions and by spreading the risk across a number of major financial institutions. However, failure of one or more of these financial institutions is possible and could result in incurred losses.

As of June 30, 2026, the notional amount of our outstanding foreign exchange contracts was \$195.8 million, all of which met the requirements of hedge accounting.

The table below provides information regarding our derivative instruments held in order to limit the exposure to exchange rate fluctuation as of June 30, 2026 (in thousands of dollars):

Derivatives designated as hedging instruments:	Maturity in 2026-2027
Foreign exchange contracts:	
NIS	\$ 195,769
Total	<u>\$ 195,769</u>

Interest Rate Risk

We believe that we have no significant exposure to interest rate risk, as we have no long-term loans. However, our future interest income may fall short of expectations due to changes in market interest rates.