

Cellebrite Announces Second-Quarter 2024 Results

August 15, 2024 at 7:05 AM EDT

Revenue of \$95.7 million, 25% year-over-year increase primarily due to 27% growth in subscription revenue; ARR of \$345.9 million, up 26% year-over-year; Adjusted EBITDA of \$21.6 million, 22.6% adjusted EBITDA margin; Company increases 2024 outlook for revenue and adjusted EBITDA, and raises midpoint for ARR

TYSONS CORNER, Va. and PETAH TIKVA, Israel, Aug. 15, 2024 (GLOBE NEWSWIRE) -- Cellebrite (NASDAQ: CLBT), a global leader in Digital Intelligence ("DI") solutions for the public and private sectors, today announced financial results for the three and six months ending June 30, 2024.

"Our outstanding second-quarter 2024 performance was highlighted by significant strategic progress and strong growth in ARR, revenue and adjusted EBITDA," said Yossi Carmil, Cellebrite's CEO. "During the past several months, we delivered against our top strategic priorities while advancing important initiatives to expand our relationship with the U.S. federal government, drive AI-powered innovation across our Case to Closure platform, and improve our capital structure and trading liquidity. We are pleased to see that our Case to Closure platform is resonating with both public sector agencies and corporations around the world, enabling us to deliver on our brand promise of Justice Accelerated and, in the process, help make our world a better, safer place. As a result of our first-half 2024 financial performance and the opportunities we see over the next two quarters, we have increased our full-year 2024 outlook and believe that we are positioned to deliver an ARR growth rate and an adjusted EBITDA margin that will achieve or surpass 'Rule of 45' for the second straight year."

Second-Quarter 2024 Financial Highlights

- Revenue of \$95.7 million, up 25% year-over-year
- Subscription revenue was \$85.4 million, up 27% year-over-year
- Annual Recurring Revenue (ARR) of \$345.9 million, up 26% year-over-year
- Recurring revenue dollar-based net retention rate of 124%
- GAAP gross profit and gross margin of \$79.5 million and 83.0%, respectively; Non-GAAP gross profit and gross profit margin of \$80.1 million and 83.7%, respectively
- GAAP net loss of \$23.8 million; Non-GAAP net income of \$22.9 million
- GAAP diluted loss per share of \$(0.12); Non-GAAP diluted EPS of \$0.10
- Adjusted EBITDA and adjusted EBITDA margin of \$21.6 million and 22.6%, respectively

Second-Quarter 2024 and Recent Business & Operational Highlights

TAM Expansion – U.S. Federal Marketplace

• On July 17, 2024, Cellebrite formed Cellebrite Federal Solutions and acquired Cyber Technology Services, Inc. These are key steps in the Company's plans to broaden and elevate its relationships with the U.S. federal government. These actions complement and augment an ongoing investment to achieve FedRAMP authorization for Cellebrite's software-as-a-service offerings. As a result, Cellebrite moves forward better positioned to directly participate in a broader range of new programs and projects with U.S. federal customers over the longer term.

Innovation and Go-to-Market

 On July 30, 2024, Cellebrite and Relativity jointly announced a strategic technology and go-to-market partnership that delivers cutting-edge solutions for mobile device collection, processing and review. The new solutions drastically increase efficiency by streamlining workflow while improving accessibility and usability of mobile evidence in legal data use cases. The collaboration focuses on the development and offering of a <u>RelativityOne</u> and Cellebrite Remote Mobile Collection and Conversion, in which Relativity is the only e-discovery provider to have direct integrations with <u>Cellebrite Endpoint</u> Inspector and Cellebrite Endpoint Mobile Now.

Go-to-Market

• On June 26, 2024, Cellebrite announced that Endpoint Inspector SaaS, the Company's real-time, consent-based data access, collection and analysis solution, is now available on Amazon Web Services (AWS) Marketplace. As a result, AWS customers can quickly and easily deploy Endpoint Inspector SaaS, through the AWS Marketplace Management Portal. The AWS Marketplace also allows customers to automate billing and track payments through AWS.

- On August 14, 2024, Cellebrite announced that Troy Richardson had joined its board of directors, effective August 13, 2024. Mr. Richardson is a seasoned technology executive with more than 30 years of experience in leading, scaling and transforming global organizations. With the appointment of Troy Richardson, Cellebrite's Board of Directors now consists of 10 directors.
- On August 1, 2024, Cellebrite announced that Sigalit Shavit has joined the Company as Chief Information Officer, bringing more than 30 years of experience to Cellebrite's information technology and security team. Shavit will focus on ensuring that Cellebrite's information technology and security organizations continue supporting the day-to-day needs of the business, respond decisively to ever-evolving cyber threats, leverage AI and accelerate innovation.

Capital Markets

- Cellebrite's efforts to drive value creation for shareholders underpinned two major milestones:
 - Cellebrite announced today that it is calling for redemption all of the Company's outstanding warrants to purchase ordinary shares, comprising 20.0 million public warrants (NASDAQ: CLBTW) and approximately 9.7 million private warrants after the last reported sale price of the Company's ordinary shares was equal to or greater than \$10.00 per share for 20 days within a 30 trading-day period.
 - Earlier today, Cellebrite also disclosed that 5.0 million Price Adjustment Shares will be issued and 3.0 million Restricted Sponsored Shares vested after the dollar volume-weighted average price of the Company's ordinary shares was greater than or equal to \$12.50 per share for the 20th trading day within a 30 trading-day period.

Supplemental financial information can be found on the Investor Relations section of our website at <u>https://investors.cellebrite.com/financial-information/quarterly-results</u>.

Financial Outlook

Dana Gerner, Cellebrite's CFO, stated, "Cellebrite's strong top-line results in the second quarter of 2024 primarily reflect our ongoing success in increasing our wallet share with existing customers. Our Q224 revenue growth and disciplined management of our cost structure supported another quarter of increased profitability. We expect to build on our first-half 2024 performance as we move into the seasonally stronger second half of our fiscal year. Accordingly, we have updated our 2024 outlook, increasing Cellebrite's full-year revenue and adjusted EBITDA targets and raising the mid-point of our full-year ARR expectations. In addition, we believe that today's separate announcement to redeem nearly 30 million outstanding warrants, combined with the upcoming issuance of 5 million Price Adjustment Shares and recent vesting of 3 million Restricted Sponsor Shares, further validates our strategic and financial progress over the past 18 months and advances our long-standing objectives of supporting healthy trading liquidity, optimizing our capital structure and simplifying our financial reporting."

The Company's updated 2024 expectations are as follows:

	Third-Quarter 2024 Expectations (as of 8/15/24)	Full-Year 2024 Expectations (as of 8/15/24)
ARR	\$366 million - \$374 million	\$388 million - \$400 million
Annual Growth	24% - 27%	23% - 27%
Revenue	\$100 million - \$104 million	\$390 million - \$398 million
Annual Growth	19% - 24%	20% - 22%
Adjusted EBITDA	\$25 million - \$29 million	\$90 million - \$95 million
Adjusted EBITDA margin	25% - 28%	23% - 24%

Conference Call Information

Cellebrite will host a live conference call and webcast later this morning to review the Company's financial second-quarter 2024 results and discuss its full-year 2024 outlook. Pertinent details include:

Date:	Thursday, August 15, 2024
Time:	8:30 a.m. ET
Call-In Number:	203-518-9708
Conference ID:	CLBTQ224
Event URL:	https://investors.cellebrite.com/events/event-details/cellebrite-g2-2024-financial-results-investor-call-webcast
Webcast URL:	https://edge.media-server.com/mmc/p/gwesq4xv

In conjunction with the conference call and webcast, historical financial tables and supplemental data will be available on the quarterly results section of Company's investor relations website at https://investors.cellebrite.com/financial-information/quarterly-results. A transcript of the call will be added to this page along with access to the replay of the call later in the day.

Non-GAAP Financial Information and Key Performance Indicators

This press release includes non-GAAP financial measures. Cellebrite believes that the use of non-GAAP cost of revenue, non-GAAP gross profit, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income, non-GAAP EPS and Adjusted EBITDA is helpful to investors.

These measures, which the Company refers to as our non-GAAP financial measures, are not prepared in accordance with GAAP.

The Company believes that the non-GAAP financial measures provide a more meaningful comparison of its operational performance from period to period, and offer investors and management greater visibility to the underlying performance of its business. Mainly:

- Share-based compensation expenses utilize varying available valuation methodologies, subjective assumptions and a variety of equity instruments that can impact a company's non-cash expenses;
- Acquired intangible assets are valued at the time of acquisition and are amortized over an estimated useful life after the
 acquisition, and acquisition-related expenses are unrelated to current operations and neither are comparable to the prior
 period nor predictive of future results;
- To the extent that the above adjustments have an effect on tax (income) expense, such an effect is excluded in the non-GAAP adjustment to net income;
- Tax expense, depreciation and amortization expense vary for many reasons that are often unrelated to our underlying performance and make period-to-period comparisons more challenging; and
- Financial instruments are remeasured according to GAAP and vary for many reasons that are often unrelated to the Company's current operations and affect financial income.

Each of our non-GAAP financial measures is an important tool for financial and operational decision making and for evaluating our own operating results over different periods of time. The non-GAAP financial measures do not represent our financial performance under U.S. GAAP and should not be considered as alternatives to operating income or net income or any other performance measures derived in accordance with GAAP. Non-GAAP measures should not be considered in isolated from, or as an alternative to, financial measures determined in accordance with GAAP. Non-GAAP financial measures may not provide information that is directly comparable to that provided by other companies in our industry, as other companies in our industry may calculate non-GAAP financial results differently, particularly related to non-recurring, unusual items. In addition, there are limitations in using non-GAAP financial measures because the non-GAAP financial measures are not prepared in accordance with GAAP, and exclude expenses that may have a material impact on our reported financial results. Further, share-based compensation expense has been, and will continue to be for the foreseeable future, significant recurring expenses in our business and an important part of the compensation provided to our employees. In addition, the amortization of intangible assets is expected recurring expense over the estimated useful life of the underlying intangible asset and acquisition-related expenses will be incurred to the extent acquisitions are made in the future. Furthermore, foreign exchange rates may fluctuate from one period to another, and the Company does not estimate movements in foreign currencies.

A reconciliation of each of these non-GAAP financial measures to their most comparable GAAP measure is set forth in a table included at the end of this press release, which is also available on our website at https://investors.cellebrite.com.

In regard to forward-looking non-GAAP guidance, we are not able to reconcile the forward-looking Adjusted EBITDA measure to the closest corresponding GAAP measure without unreasonable efforts because we are unable to predict the ultimate outcome of certain significant items including, but not limited to, fair value movements, share-based payments for future awards, tax expense, depreciation and amortization expense, and certain financing and tax items.

Key Performance Indicators

This press release also includes key performance indicators, including annual recurring revenue and dollar-based retention rate.

Annual recurring revenue ("ARR") is defined as the annualized value of active term-based subscription license contracts and maintenance contracts related to perpetual licenses in effect at the end of that period. Subscription license contracts and maintenance contracts for perpetual licenses are annualized by multiplying the revenue of the last month of the period by 12. The annualized value of contracts is a legal and contractual determination made by assessing the contractual terms with our customers. The annualized value of maintenance contracts is not determined by reference to historical revenue, deferred revenue or any other GAAP financial measure over any period. ARR is not a forecast of future revenues, which can be impacted by contract start and end dates and renewal rates.

Dollar-based net retention rate ("NRR") is calculated by dividing customer recurring revenue by base revenue. We define base revenue as recurring revenue we recognized from all customers with a valid license at the last quarter of the previous year period, during the four quarters ended one year prior to the date of measurement. We define our customer revenue as the recurring revenue we recognized during the four quarters ended on the date of measurement from the same customer base included in our measure of base revenue, including recurring revenue resulting from additional sales to those customers.

About Cellebrite

Cellebrite's (Nasdaq: CLBT) mission is to enable its customers to protect and save lives, accelerate justice and preserve privacy in communities around the world. We are a global leader in Digital Investigative solutions for the public and private sectors, empowering organizations in mastering the complexities of legally sanctioned digital investigations by streamlining intelligence processes. Trusted by thousands of leading agencies and companies worldwide, Cellebrite's Digital Investigation platform and solutions transform how customers collect, review, analyze and manage data in legally sanctioned investigations. To learn more visit us at www.cellebrite.com, https://investors.cellebrite.com, or follow us on Twitter at @Cellebrite.

Caution Regarding Forward Looking Statements

This document includes "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward looking statements may be identified by the use of words such as "forecast," "intend," "seek," "target," "anticipate," "will," "appear," "approximate," "foresee," "might," "possible," "potential," "believe," "could," "predict," "should," "could," "continue," "expect," "estimate," "may," "plan," "outlook," "future" and "project" and other similar expressions that predict, project or indicate future events or trends or that are not statements of historical matters. Such forward-looking statements include estimated financial information for the third quarter of 2024 and full year 2024 and certain statements related to increasing our full-year 2024 outlook and being positioned to deliver an ARR growth rate and an adjusted EBITDA margin that will achieve or surpass 'Rule of 45' for the second straight year; our expectation to build on our first-half 2024 performance as we

move into the seasonally stronger second half of our fiscal year; and we have updated our 2024 outlook, increasing Cellebrite's full-year revenue and adjusted EBITDA targets and raising the mid-point of our full-year ARR expectations. Such forward-looking statements including those with respect to 2024 third-quarter and full year revenue, annual recurring revenue (ARR) and adjusted EBITDA, as well as commentary associated with future performance, strategies, prospects, and other aspects of Cellebrite's business are based on current expectations that are subject to risks and uncertainties. A number of factors could cause actual results or outcomes to differ materially from those indicated by such forward-looking statements. These factors include, but are not limited to: Cellebrite's ability to keep pace with technological advances and evolving industry standards; Cellebrite's material dependence on the purchase, acceptance and use of its solutions by law enforcement and government agencies; real or perceived errors, failures, defects or bugs in Cellebrite's solutions; Cellebrite's failure to maintain the productivity of sales and marketing personnel, including relating to hiring, integrating and retaining personnel; intense competition in all of Cellebrite's markets; the inadvertent or deliberate misuse of Cellebrite's solutions; failure to manage its growth effectively; Cellebrite's ability to introduce new solutions and add-ons; its dependency on its customers renewing their subscriptions; the low volume of business Cellebrite conducts via e-commerce; risks associated with the use of artificial intelligence; the risk of requiring additional capital to support the growth of its business; risks associated with higher costs or unavailability of materials used to create its hardware product components; fluctuations in foreign currency exchange rates; lengthy sales cycle for some of Cellebrite's solutions; near term declines in new or renewed agreements; risks associated with inability to retain qualified personnel and senior management; the security of Cellebrite's operations and the integrity of its software solutions; risks associated with the negative publicity related to Cellebrite's business and use of its products; risks related to Cellebrite's intellectual property; the regulatory constraints to which Cellebrite is subject; risks associated with Cellebrite's operations in Israel, including the ongoing Israel-Hamas war and the risk of a greater regional conflict; risks associated with different corporate governance requirements applicable to Israeli companies and risks associated with being a foreign private issuer and an emerging growth company; market volatility in the price of Cellebrite's shares; changing tax laws and regulations; risks associated with joint ventures, partnerships and strategic initiatives; risks associated with Cellebrite's significant international operations; risks associated with Cellebrite's failure to comply with anti-corruption, trade compliance, anti-money-laundering and economic sanctions laws and regulations; risks relating to the adequacy of Cellebrite's existing systems, processes, policies, procedures, internal controls and personnel for Cellebrite's current and future operations and reporting needs; and other factors, risks and uncertainties set forth in the section titled "Risk Factors" in Cellebrite's annual report on Form 20-F filed with the SEC on March 21, 2024 and as amended on April 12, 2024, and in other documents filed by Cellebrite with the U.S. Securities and Exchange Commission ("SEC"), which are available free of charge at www.sec.gov. You are cautioned not to place undue reliance upon any forward-looking statements, which speak only as of the date made, in this communication or elsewhere. Cellebrite undertakes no obligation to update its forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws.

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Cellebrite DI Ltd. Second Quarter 2024 Results Summary (U.S Dollars in thousands)

	For the three m June		For the six months ended June 30,				
	2024	2023	2024	2023			
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)			
Revenue	95,714	76,684	185,296	147,918			
Gross profit	79,453	63,653	155,771	122,481			
Gross margin	83.0%	83.0%	84.1%	82.8%			
Operating income	12,487	4,623	21,734	4,759			
Operating margin	13.0%	6.0%	11.7%	3.2%			
Net loss	(23,811)	(32,348)	(95,183)	(72,953)			
Cash flow from operating activities	14,513	16,576	24,554	29,052			
Non-GAAP Financial Data:							
Operating income	19,806	9,395	35,685	15,048			
Operating margin	20.7%	12.3%	19.3%	10.2%			
Net income	22,925	10,715	39,791	17,614			
Adjusted EBITDA	21,618	11,124	39,250	18,428			
Adjusted EBITDA margin	22.6%	14.5%	21.2%	12.5%			

Cellebrite DI Ltd. Condensed Consolidated Balance Sheets (U.S. Dollars in thousands)

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Marketable securities 60,652 28,859 Deferred tax assets, net 8,806 7,024 Property and equipment, net 15,806 15,896 Intangible assets, net 9,807 10,594 Goodwill 26,829 26,829 Operating lease right-of-use assets, net 11,708 141,832 Total non-current assets 111,080 142,800 Total assets \$ 556,583 \$ 532,885 Labilities and shareholders' (deficiency) equity	Non-current assets				
Deferred tax assets, net 8,806 7,024 Property and equipment, net 15,806 15,896 Intangible assets, net 9,807 10,594 Goodwill 26,829 226,829 Operating lease right-of-use assets, net 11,708 14,280 Total non-current assets 141,832 110,603 Total assets \$ 566,593 \$ 532,885 Liabilities and shareholders' (deficiency) equity Tate payables \$ 6,510 \$ 8,282 Other accounts payable and accrued expenses 24,259 44,445 24,259 44,445 Deferred revenues 183,938 195,725 0perating lease liabilities 4,422 4,972 Total current liabilities 4,4221 4,972 253,824 4,972 Conderter revenues 183,938 195,725 0perating lease liabilities 4,521 4,972 Condertern liabilities 0,492 5,515 0,515 0,515 Deferred revenues 6,492 5,515 0,517 Deferred revenues 13,4758 81,715 <	Other non-current assets		8,224		7,341
Property and equipment, net 15,806 15,896 Intangible assets, net 9,807 10,594 Goodwill 26,829 26,829 Operating lease right-of-use assets, net 11,708 14,832 Total non-current assets 11,803	Marketable securities		60,652		28,859
Intangible assets, net 9,807 10,544 Goodwill 26,829 26,829 26,829 Operating lease right-of-use assets, net 11,706 14,260 Total non-current assets 141,832 110,803 Total assets \$ 556,583 \$ 5532,885 Liabilities and shareholders' (deficiency) equity Current Liabilities \$ 6,510 \$ 8,282 Other accounts payable and accrued expenses 42,259 44,845 Deferred revenues 183,933 195,725 Operating lease liabilities 4,521 4,972 Total ong term liabilities 237,228 253,824 Long-term liabilities 6,492 5,515 Deferred revenues 6,492 5,515 Deferred revenues 4,2686 47,088 Restricted Sponsor Shares liability 75,230 47,247 Price Adjustment Shares liability 134,758 81,175 Warrant liabilities 7,155 9,157 Total long-term liabilities 7,155 9,157 Total long-term liabilities 7,155 9,157 Total long-term li	Deferred tax assets, net		8,806		7,024
Goodwill 26,829 26,829 26,829 Operating lease right-of-use assets, net 11,708 14,860 Total non-current assets 1141,832 110,803 Total assets \$ 556,583 \$ 532,885 Liabilities and shareholders' (deficiency) equity Current Liabilities \$ 6,510 \$ 8,282 Trade payable and accrued expenses 42,259 44,845 Deferred revenues 44,521 4,972 Total current liabilities 4,521 4,972 Total current liabilities 43,538 195,725 Operating lease liabilities 4,521 4,972 Total current liabilities 6,492 5,515 Deferred revenues 42,369 47,098 Restricted Sponsor Shares liability 134,758 81,715 Deferred revenues 7,155 9,157 Total liabilities 7,155 9,157 Total liabilities 7,155 9,157 Total liabilities 7,155 9,157 Total liabilities \$ 596,742	Property and equipment, net		15,806		15,896
Operating lease right-of-use assets, net 11,708 14,280 Total non-current assets 141,832 110,803 Total assets \$ 556,683 \$ 553,885 Liabilities and shareholders' (deficiency) equity Current Liabilities \$ 6,510 \$ 8,282 Trade payables \$ 42,255 44,845 Deferred revenues 183,938 195,725 Operating lease liabilities 4,521 4,972 Total orgetrm liabilities 6,492 5,515 Deferred revenues 6,492 5,515 Deferred revenues 6,492 5,515 Deferred revenues 42,369 47,098 Restricted Sponsor Shares liability 75,230 47,247 Price Adjustment Shares liability 93,510 54,117 Operating lease liabilities 7,155 9,157 Total long-term liabilities 359,514 244,849 Total long-term liabilities 7,155 9,157 Total long-term liabilities 7,155 9,157 Total long-term liabilities 5 <td>Intangible assets, net</td> <td></td> <td>9,807</td> <td></td> <td>10,594</td>	Intangible assets, net		9,807		10,594
Total non-current assets 141,832 110,803 Total assets \$ 556,583 \$ 532,885 Liabilities and shareholders' (deficiency) equity \$ 556,583 \$ 532,885 Current Liabilities \$ 6,510 \$ 8,282 Other accounts payable and accrued expenses \$ 42,259 \$ 44,845 Deferred revenues 183,938 195,725 Operating lease liabilities 4,521 4.972 Total ourrent liabilities 6,492 5,515 Deferred revenues 42,369 47,088 Chrei forg term liabilities 6,492 5,515 Deferred revenues 42,369 47,088 Restricted Sponsor Shares liability 134,758 81,715 Varrant liabilities 6,492 5,515 Operating lease liabilities 7,155 9,157 Total long-term liabilities 7,155 9,157 Total long-term liabilities 359,514 244,849 Total long-term liabilities 7,155 9,157 Total long-term liabilities 5,596,742 498,673 Shareholders	Goodwill		26,829		26,829
Total assets Image: Signal State	Operating lease right-of-use assets, net		11,708		14,260
Liabilities and shareholders' (deficiency) equity Current Liabilities Trade payables \$ 6.510 \$ 8.282 Other accounts payable and accrued expenses 42.259 44.845 Deferred revenues 183.938 195.725 Operating lease liabilities 4.521 4.972 Total current liabilities 237.228 253.824 Long-term liabilities 6.492 5.515 Deferred revenues 6.492 5.515 Deferred revenues 42.369 47.098 Restricted Sponsor Shares liability 75.230 47.247 Price Adjustment Shares liability 134.758 81.715 Varrant liabilities 7.155 9.157 Total liabilities 7.155 9.157 Total liabilities 7.155 9.157 Total liabilities 359.514 244.849 Total liabilities 7.155 9.157 Shareholders' (deficiency) equity (64.284) (84.896) Treasury share, NIS 0.00001 par value; 41,776 ordinary shares (85) (85) Accumulated other comprehensive income 1.250 1.050	Total non-current assets		141,832		110,803
Liabilities and shareholders' (deficiency) equity Current Liabilities Trade payables \$ 6.510 \$ 8.282 Other accounts payable and accrued expenses 42.259 44.845 Deferred revenues 183.938 195.725 Operating lease liabilities 4.521 4.972 Total current liabilities 237.228 253.824 Long-term liabilities 6.492 5.515 Deferred revenues 6.492 5.515 Deferred revenues 42.369 47.098 Restricted Sponsor Shares liability 75.230 47.247 Price Adjustment Shares liability 134.758 81.715 Varrant liabilities 7.155 9.157 Total liabilities 7.155 9.157 Total liabilities 7.155 9.157 Total liabilities 359.514 244.849 Total liabilities 7.155 9.157 Shareholders' (deficiency) equity (64.284) (84.896) Treasury share, NIS 0.00001 par value; 41,776 ordinary shares (85) (85) Accumulated other comprehensive income 1.250 1.050		<u>_</u>	550 500	<u>^</u>	500.005
Current Liabilities \$ 6,510 \$ 8,282 Other accounts payable and accrued expenses 42,259 44,845 Deferred revenues 183,938 195,725 Operating lease liabilities 4,521 4,972 Total current liabilities 237,228 253,824 Long-term liabilities 6,492 5,515 Deferred revenues 6,492 5,515 Deferred revenues 42,369 47,098 Restricted Sponsor Shares liability 75,230 47,247 Price Adjustment Shares liability 134,758 81,715 Warrant liabilities 7,155 9,157 Total long-term liabilities 359,514 244,849 Total liabilities 359,514 244,849 Total liabilities 359,514 244,849 Total liabilities 1 91,577 Total long-term liabilities 1 91,577 Total liabilities 1 91,577 Shareholders' (deficiency) equity (64,284) (84,896) Share capital 1	Total assets	\$	556,583	\$	532,885
Trade payables \$ 6,510 \$ 8,282 Other accounts payable and accrued expenses 42,259 44,845 Deferred revenues 183,938 195,725 Operating lease liabilities 4,521 4,972 Total current liabilities 237,228 253,824 Long-term liabilities 6,492 5,515 Deferred revenues 6,492 5,515 Deferred revenues 42,369 47,098 Restricted Sponsor Shares liability 75,230 47,247 Price Adjustment Shares liability 134,758 81,715 Varrant liabilities 7,155 9,157 Total long-term liabilities 359,514 244,849 Total long-term liabilities 359,514 244,849 Shareholders' (deficiency) equity (64,284) (64,386) Share capital 1 1 1 Additional paid-in capital 1 1 1 Cotal inabilities (85) (85) (85) Accumulated other comprehensive income 1,250 1,050 1,050 Restricted sponsor fares liability 22,960 118,143	Liabilities and shareholders' (deficiency) equity				
Other accounts payable and accrued expenses 42,259 44,845 Deferred revenues 183,938 195,725 Operating lease liabilities 4,521 4,972 Total current liabilities 237,228 253,824 Long-term liabilities 6,492 5,515 Deferred revenues 6,492 5,515 Deferred revenues 42,369 47,098 Restricted Sponsor Shares liability 75,230 47,247 Price Adjustment Shares liability 134,758 81,715 Warrant liabilities 7,155 9,157 Total long-term liabilities 7,155 9,157 Total long-term liabilities 359,514 244,849 Total liabilities 359,514 244,849 Total liabilities \$ 596,742 \$ 498,673 Share capital 1 1 1,250 1,050 Accumulated other comprehensive income 1,250 1,050 1,050 Accumulated other comprehensive income 1,250 1,050 1,050 Retained earnings 22,960 118,1	Current Liabilities				
Deferred revenues 183,938 195,725 Operating lease liabilities 4,521 4,972 Total current liabilities 237,228 253,824 Long-term liabilities 6,492 5,515 Deferred revenues 42,369 47,098 Restricted Sponsor Shares liability 75,230 47,247 Price Adjustment Shares liability 73,351 54,117 Operating lease liabilities 7,155 9,157 Total liabilities 359,514 244,849 Total liabilities 596,742 \$ 498,673 Shareholders' (deficiency) equity (64,284) (84,896) Treasury share, NIS 0.00001 par value; 41,776 ordinary shares (85) (85) Accumulated other comprehensive income 1,250 1,050 Retained earnings 22,960 118,143 Total shareholders' (deficiency) equity	Trade payables	\$	6,510	\$	8,282
Operating lease liabilities 4,521 4,972 Total current liabilities 237,228 253,824 Long-term liabilities 6,492 5,515 Other long term liabilities 6,492 5,515 Deferred revenues 42,369 47,098 Restricted Sponsor Shares liability 75,230 47,247 Price Adjustment Shares liability 134,758 81,715 Warrant liabilities 7,155 9,157 Total long-term liabilities 7,155 9,157 Total liabilities 359,514 244,849 Total liabilities 5,96,742 \$ 498,673 Shareholders' (deficiency) equity (64,284) (84,896) Treasury share, NIS 0.00001 par value; 41,776 ordinary shares (85) (85) Accumulated other comprehensive income 1,250 1,050 Retained earnings 22,960 118,143 34,212 Total shareholders' (deficiency) equity (40,159) 34,212	Other accounts payable and accrued expenses		42,259		44,845
Total current liabilities 237,228 253,824 Long-term liabilities 6,492 5,515 Deferred revenues 42,369 47,098 Restricted Sponsor Shares liability 75,230 47,247 Price Adjustment Shares liability 134,758 81,715 Warrant liabilities 7,155 9,157 Total long-term liabilities 7,155 9,157 Total liabilities 359,514 244,849 Total liabilities \$ 596,742 \$ 498,673 Shareholders' (deficiency) equity \$ 596,742 \$ 498,673 Share capital *) *) *) Treasury share, NIS 0.0001 par value; 41,776 ordinary shares (85) (85) Retained earnings (22,960 118,143 118,143 Total shareholders' (deficiency) equity (40,159) 34,212 -	Deferred revenues		183,938		195,725
Long-term liabilitiesOther long term liabilities6,492Deferred revenues42,369Restricted Sponsor Shares liability75,230Price Adjustment Shares liability134,758Barting lease liabilities7,155Operating lease liabilities7,155Total liabilities359,514Shareholders' (deficiency) equity\$ 596,742Share capital*)*)Additional paid-in capital(64,284)Treasury share, NIS 0.00001 par value; 41,776 ordinary shares(85)Accumulated other comprehensive income1,250Iterating ease liabilities22,960Iterating ease liabilities22,960Shareholders' (deficiency) equity(40,159)Stareholders' (deficiency) equity1,250Shareholders' (deficiency) equity1,250Sharehold	Operating lease liabilities		4,521		4,972
Other long term liabilities 6,492 5,515 Deferred revenues 42,369 47,098 Restricted Sponsor Shares liability 75,230 47,247 Price Adjustment Shares liability 134,758 81,715 Warrant liability 93,510 54,117 Operating lease liabilities 7,155 9,157 Total long-term liabilities 359,514 244,849 Total liabilities 3596,742 \$ 498,673 Shareholders' (deficiency) equity \$ 596,742 \$ 498,673 Share capital *) *) *) Additional paid-in capital (64,284) (84,896) Treasury share, NIS 0.00001 par value; 41,776 ordinary shares (85) (85) Accumulated other comprehensive income 1,250 1,050 Retained earnings 22,960 118,143 704,0159 Total shareholders' (deficiency) equity (40,159) 34,212	Total current liabilities		237,228		253,824
Other long term liabilities 6,492 5,515 Deferred revenues 42,369 47,098 Restricted Sponsor Shares liability 75,230 47,247 Price Adjustment Shares liability 134,758 81,715 Warrant liability 93,510 54,117 Operating lease liabilities 7,155 9,157 Total long-term liabilities 359,514 244,849 Total liabilities 3596,742 \$ 498,673 Shareholders' (deficiency) equity \$ 596,742 \$ 498,673 Share capital *) *) *) Additional paid-in capital (64,284) (84,896) Treasury share, NIS 0.00001 par value; 41,776 ordinary shares (85) (85) Accumulated other comprehensive income 1,250 1,050 Retained earnings 22,960 118,143 704,0159 Total shareholders' (deficiency) equity (40,159) 34,212	Long term lightlities				
Deferred revenues 42,369 47,098 Restricted Sponsor Shares liability 75,230 47,247 Price Adjustment Shares liability 134,758 81,715 Warrant liability 93,510 54,117 Operating lease liabilities 7,155 9,157 Total long-term liabilities 7,155 9,157 Total liabilities 359,514 244,849 Total liabilities \$596,742 \$ 498,673 Shareholders' (deficiency) equity \$164,284) (84,896) Treasury share, NIS 0.00001 par value; 41,776 ordinary shares (85) (85) Accumulated other comprehensive income 1,250 1,050 Retained earnings 22,960 118,143 Total shareholders' (deficiency) equity (40,159) 34,212	-		6 402		5 515
Restricted Sponsor Shares liability 75,230 47,247 Price Adjustment Shares liability 134,758 81,715 Warrant liability 93,510 54,117 Operating lease liabilities 7,155 9,157 Total long-term liabilities 359,514 244,849 Total liabilities \$596,742 \$498,673 Shareholders' (deficiency) equity \$596,742 \$498,673 Share capital *) *) *) Additional paid-in capital (64,284) (84,896) Treasury share, NIS 0.00001 par value; 41,776 ordinary shares (85) (85) Accumulated other comprehensive income 1,250 1,050 Retained earnings 22,960 118,143 Total shareholders' (deficiency) equity (40,159) 34,212	-				
Price Adjustment Shares liability 134,758 81,715 Warrant liability 93,510 54,117 Operating lease liabilities 7,155 9,157 Total long-term liabilities 359,514 244,849 Total liabilities \$596,742 \$ 498,673 Shareholders' (deficiency) equity \$ 596,742 \$ 498,673 Share capital *) *) *) Additional paid-in capital (64,284) (84,896) Treasury share, NIS 0.00001 par value; 41,776 ordinary shares (85) (85) Accumulated other comprehensive income 1,250 1,050 Retained earnings 22,960 118,143 Total shareholders' (deficiency) equity (40,159) 34,212			-		
Warrant liability 93,510 54,117 Operating lease liabilities 7,155 9,157 Total long-term liabilities 359,514 244,849 Total liabilities \$ 596,742 \$ 498,673 Shareholders' (deficiency) equity \$ 596,742 \$ 498,673 Share capital *) *) *) Additional paid-in capital (64,284) (84,896) Treasury share, NIS 0.00001 par value; 41,776 ordinary shares (85) (85) Accumulated other comprehensive income 1,250 1,050 Retained earnings 22,960 1118,143 Total shareholders' (deficiency) equity (40,159) 34,212					
Operating lease liabilities 7,155 9,157 Total long-term liabilities 359,514 244,849 Total liabilities \$ 596,742 \$ 498,673 Shareholders' (deficiency) equity \$ \$ 596,742 \$ 498,673 Share capital *) *) *) Additional paid-in capital (64,284) (84,896) Treasury share, NIS 0.00001 par value; 41,776 ordinary shares (85) (85) Accumulated other comprehensive income 1,250 1,050 Retained earnings 22,960 118,143 Total shareholders' (deficiency) equity 34,212					
Total long-term liabilities359,514244,849Total liabilities\$ 596,742\$ 498,673Shareholders' (deficiency) equity Share capital*)*) (64,284)*) (64,284)Additional paid-in capital Treasury share, NIS 0.00001 par value; 41,776 ordinary shares Accumulated other comprehensive income Retained earnings Total shareholders' (deficiency) equity*) (85)*) (85)Comprehensive income Retained earnings Total shareholders' (deficiency) equity*) (40,159)*) (40,159)*) (40,159)					
Shareholders' (deficiency) equityShare capital*)Additional paid-in capital(64,284)Treasury share, NIS 0.00001 par value; 41,776 ordinary shares(85)Accumulated other comprehensive income1,250Retained earnings22,960Total shareholders' (deficiency) equity(40,159)Additional shareholders' (deficiency) equity1,050					
Shareholders' (deficiency) equityShare capital*)Additional paid-in capital(64,284)Treasury share, NIS 0.00001 par value; 41,776 ordinary shares(85)Accumulated other comprehensive income1,250Retained earnings22,960Total shareholders' (deficiency) equity(40,159)Additional shareholders' (deficiency) equity1,050		\$	506 7/2	¢	408 673
Share capital*)Additional paid-in capital(64,284)(84,896)Treasury share, NIS 0.00001 par value; 41,776 ordinary shares(85)(85)Accumulated other comprehensive income1,2501,050Retained earnings22,960118,143Total shareholders' (deficiency) equity(40,159)34,212	Total habilities	φ	590,742	φ	490,073
Additional paid-in capital(64,284)(84,896)Treasury share, NIS 0.00001 par value; 41,776 ordinary shares(85)(85)Accumulated other comprehensive income1,2501,050Retained earnings22,960118,143Total shareholders' (deficiency) equity(40,159)34,212	Shareholders' (deficiency) equity				
Treasury share, NIS 0.0001 par value; 41,776 ordinary shares(85)(85)Accumulated other comprehensive income1,2501,050Retained earnings22,960118,143Total shareholders' (deficiency) equity(40,159)34,212	Share capital		*)		*)
Accumulated other comprehensive income1,2501,050Retained earnings22,960118,143Total shareholders' (deficiency) equity(40,159)34,212	Additional paid-in capital		(64,284)		(84,896)
Retained earnings22,960118,143Total shareholders' (deficiency) equity(40,159)34,212	Treasury share, NIS 0.00001 par value; 41,776 ordinary shares				(85)
Total shareholders' (deficiency) equity (40,159) 34,212	Accumulated other comprehensive income		1,250		1,050
	Retained earnings		22,960		118,143
Total liabilities and shareholders' (deficiency) equity\$ 556,583\$ 532,885	Total shareholders' (deficiency) equity		(40,159)		34,212
$\frac{1}{2} \frac{1}{2} \frac{1}$	Tetal Kelditian and allowed allowed (definition of a matter	¢	556 500	¢	527 00E
	iotal liabilities and snareholders' (deficiency) equity	φ	000,000	φ	332,000

Cellebrite DI Ltd. Condensed Consolidated Statements of Income (U.S Dollars in thousands, except share and per share data)

	For the three months ended June June 30,			For the six months ended June June 30,				
		2024		2023		2024	0.00	2023
		(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)
Revenue:	۴	05 700	۴	50 540	¢	407.044	¢	07 070
Subscription services	\$	65,738	\$	50,512	\$	127,841	\$	97,879
Term-license		19,630		16,694		36,749		30,609
Total subscription		85,368		67,206		164,590		128,488
Other non-recurring		3,486		1,972		7,054		4,890
Professional services		6,860		7,506		13,652		14,540
Total revenue		95,714		76,684		185,296		147,918
Cost of revenue:								
Subscription services		6,399		4,946		12,197		9,438
Term-license		—		_		_		2
Total subscription		6,399		4,946		12,197		9,440
Other non-recurring		4,826		2,926		7,920		5,907
Professional services		5,036		5,159		9,408		10,090
Total cost of revenue	_	16,261		13,031	_	29,525	_	25,437
Gross profit	\$	79,453	\$	63,653	\$	155,771	\$	122,481
Operating expenses:								
Research and development		23,693		21,053		46,890		42,184
Sales and marketing		32,320		26,745		64,379		54,346
General and administrative		10,953		11,232		22,768		21,192
Total operating expenses	\$	66,966	\$	59,030	\$	134,037	\$	117,722
Operating income	\$	12,487	\$	4,623	\$	21,734	\$	4,759
Financial expense, net		(34,502)		(36,051)		(113,078)		(74,826)
Loss before tax		(22,015)		(31,428)		(91,344)		(70,067)
Tax expense		1,796		920		3,839		2,886
Net loss	\$	(23,811)	\$	(32,348)	\$	(95,183)	\$	(72,953)
Losses per share	¢	(0.40)	¢	(0.47)	¢	(0.40)	¢	(0.07)
Basic	\$	(0.12)	\$	(0.17)	\$	(0.48)	\$	(0.37)
Diluted	\$	(0.12)	\$	(0.17)	\$	(0.48)	\$	(0.37)
Weighted average shares outstanding								
Basic		198,949,594		188,130,294		197,840,662		187,239,136
Diluted		198,949,594		188,130,294		197,840,662		187,239,136
Other comprehensive (loss) income:								
Unrealized (loss) income arising during the period		(326)		70		(850)		26
Unrealized (loss) income on marketable securities		(100)		(51)		(320)		126
Currency translation adjustments		187		(368)		1,370		(966)
Total other comprehensive (loss) income, net of tax		(239)		(349)		200		(814)
Total other comprehensive loss	\$	(24,050)	\$	(32,697)	\$	(94,983)	\$	(73,767)

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

	For the three months e June 30,						months ended ne 30,		
		2024		2023		2024		2023	
		(Unaudited)		(Unaudited)	(Unaudited)		(Unaudited)	
Cash flow from operating activities:		(•••••••)		(0				(011222102)	
Net loss	\$	(23,811)	\$	(32,348)	\$	(95,183)	\$	(72,953)	
Adjustments to reconcile net income to net cash provided by operating activities:									
Share based compensation and RSU's		6,555		4,600		12,251		9,057	
Amortization of premium, discount and accrued interest on		/ \		(22.2)		((
marketable securities		(755)		(290)		(1,302)		(461)	
Depreciation and amortization		2,576		2,569		5,256		5,016	
Interest income from short term deposits		(2,642)		(1,713)		(5,470)		(2,397)	
Deferred tax assets, net		(942)		(98)		(1,568)		462	
Remeasurement of warrant liability		16,806		12,454		39,393		22,263	
Remeasurement of Restricted Sponsor Shares		9,098 12,676		9,051		27,983		20,093	
Remeasurement of Price Adjustment Shares liabilities		-		16,655		53,043 6,021		36,597	
(Increase) decrease in trade receivables (Decrease) increase in deferred revenue		(9,237) (1,649)		8,490 87		(15,055)		18,117 10,555	
Increase in other non-current assets		(1,049)		(135)		(13,033) (883)		(1,062)	
Decrease (increase) in prepaid expenses and other current assets		785		(1,987)		2,752		(5,624)	
Changes in operating lease assets		1,313		1,333		2,641		2,700	
Changes in operating lease liability		(1,273)		(1,400)		(2,542)		(2,962)	
Decrease (increase) in inventories		474		583		1,151		(642)	
(Decrease) increase in trade payables		(449)		117		(1,591)		381	
Increase (decrease) in other accounts payable and accrued		(110)				(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			
expenses		6,114		(862)		(3,320)		(9,741)	
Increase (decrease) in other long-term liabilities		366		(530)		977		(347)	
Net cash provided by operating activities		14,513		16,576		24,554		29,052	
Cash flows from investing activities:									
Purchases of property and equipment		(2,073)		(825)		(3,568)		(1,889)	
Purchase of Intangible assets		(279)		_		(904)		_	
Investment in marketable securities		(30,890)		(10,653)		(99,282)		(27,005)	
Proceeds from maturity of marketable securities		20,391		13,434		35,436		29,507	
Investment in short term deposits		(79,000)		(38,000)		(122,000)		(54,000)	
Redemption of short term deposits		58,587		25,302		75,459		38,581	
Net cash used in investing activities		(33,264)		(10,742)		(114,859)		(14,806)	
Cash flows from financing activities:									
Exercise of options to shares		2,568		5,079		6,887		7,185	
Proceeds from Employee Share Purchase Plan, net		756		610		1,506	·	1,234	
Net cash provided by financing activities		3,324		5,689		8,393		8,419	
Net (decrease) increase in cash and cash equivalents		(15,427)		11,523		(81,912)		22,665	
Net effect of Currency Translation on cash and cash equivalents		(49)		7		(649)		192	
Cash and cash equivalents at beginning of period		122,432		98,972		189,517		87,645	
Cash and cash equivalents at end of period	\$	106,956	\$	110,502	\$	106,956	\$	110,502	
Supplemental cash flow information:									
Income taxes paid	\$	1,766	\$	4,902	\$	2,557	\$	8,527	
Non-cash activities			_						
Operating lease liabilities arising from obtaining right of use assets	\$	126	\$	228	\$	215	\$	1,258	

Cellebrite DI Ltd. Reconciliation of GAAP to Non-GAAP Financial Information (U.S Dollars in thousands, except share and per share data)

	For the three months ended June 30,				For the six months ended June 30,			
		2024		2023		2024		2023
	(Ui	naudited)	(L	Inaudited)	(l	Jnaudited)	(U	naudited)
Cost of revenues	\$	16,261	\$	13,031	\$	29,525	\$	25,437
Less:								
Share based compensation		663		414		1,093		800
Acquisition related costs		_		14		2		27
Non-GAAP cost of revenues	\$	15,598	\$	12,603	\$	28,430	\$	24,610

	For	For the three months ended June 30,					nonths ended e 30,		
	20	24		2023		2024		2023	
	(Unau	dited)	(Uı	naudited)	(U	Inaudited)	(Unaudited)	
Gross profit	\$	79,453	\$	63,653	\$	155,771	\$	122,481	
Share based compensation		663		414		1,093		800	
Acquisition related costs		_		14		2		27	
Non-GAAP gross profit	\$	80,116	\$	64,081	\$	156,866	\$	123,308	

		For the three months ended June 30,					nonths le 30,	nonths ended e 30,		
		2024		2023		2024		2023		
	(1	Jnaudited)		(Unaudited)	(Unaudited)	(L	Jnaudited)		
Operating expenses	\$	66,966	\$	59,030	\$	134,037	\$	117,722		
Less:										
Issuance expenses		—		(345)		—		(345)		
Share based compensation		5,892		4,186		11,158		8,257		
Amortization of intangible assets		764		840		1,691		1,636		
Acquisition related costs		—		(337)		7		(86)		
Non-GAAP operating expenses	\$	60,310	\$	54,686	\$	121,181	\$	108,260		

	F	For the three months ended June 30,					nont ne 30	onths ended e 30,		
		2024	_	2023		2024		2023		
	(Ui	naudited)	(Unaudited)	(L	Jnaudited)		(Unaudited)		
Operating income	\$	12,487	\$	4,623	\$	21,734	\$	4,759		
Issuance expenses		—		(345)		—		(345)		
Share based compensation		6,555		4,600		12,251		9,057		
Amortization of intangible assets		764		840		1,691		1,636		
Acquisition related costs		_		(323)		9		(59)		
Non-GAAP operating income	\$	19,806	\$	9,395	\$	35,685	\$	15,048		

	For the	three m June	onths ended 30,		For the six months ended June 30,			
	2024		2023		2024		2023	
	(Unaudite	ed)	(Unaudited)		(Unaudited)		(Unaudited)	
Net loss	\$ (23	3,811)	\$ (32,348)) \$	(95,183)	\$	(72,953)	
Issuance expenses		_	(345))	—		(345)	
Share based compensation	6	,555	4,600		12,251		9,057	
Amortization of intangible assets		764	840		1,691		1,636	
Acquisition related costs		_	(323))	9		(59)	

Tax expense Finance expense from financial derivatives	<u></u>	837 38,580	<u> </u>	131 38,160	<u> </u>	604 120,419	<u> </u>	1,325 78,953
Non-GAAP net income	\$	22,925	\$	10,715	\$	39,791	\$	17,614
Non-GAAP Earnings per share:								
Basic	\$	0.11	\$	0.05	\$	0.19	\$	0.09
Diluted	\$	0.10	\$	0.05	\$	0.18	\$	0.08
Weighted average shares outstanding:								
Basic		198,949,594		188,130,294		197,840,662		187,239,136
Diluted		211,343,253		199,704,722		210,616,686		199,820,166

	For the three months ended June 30,				For the six months ended June 30,				
	2024 (Unaudited)		2023 (Unaudited)			2024		2023	
					(Unaudited)		(Unaudited)		
Net loss	\$	(23,811)	\$	(32,348)	\$	(95,183)	\$	(72,953)	
Financial expense, net		34,502		36,051		113,078		74,826	
Tax expense		1,796		920		3,839		2,886	
Issuance expenses		—		(345)		—		(345)	
Share based compensation		6,555		4,600		12,251		9,057	
Amortization of intangible assets		764		840		1,691		1,636	
Acquisition related costs		_		(323)		9		(59)	
Depreciation expenses		1,812		1,729		3,565		3,380	
Adjusted EBITDA	\$	21,618	\$	11,124	\$	39,250	\$	18,428	