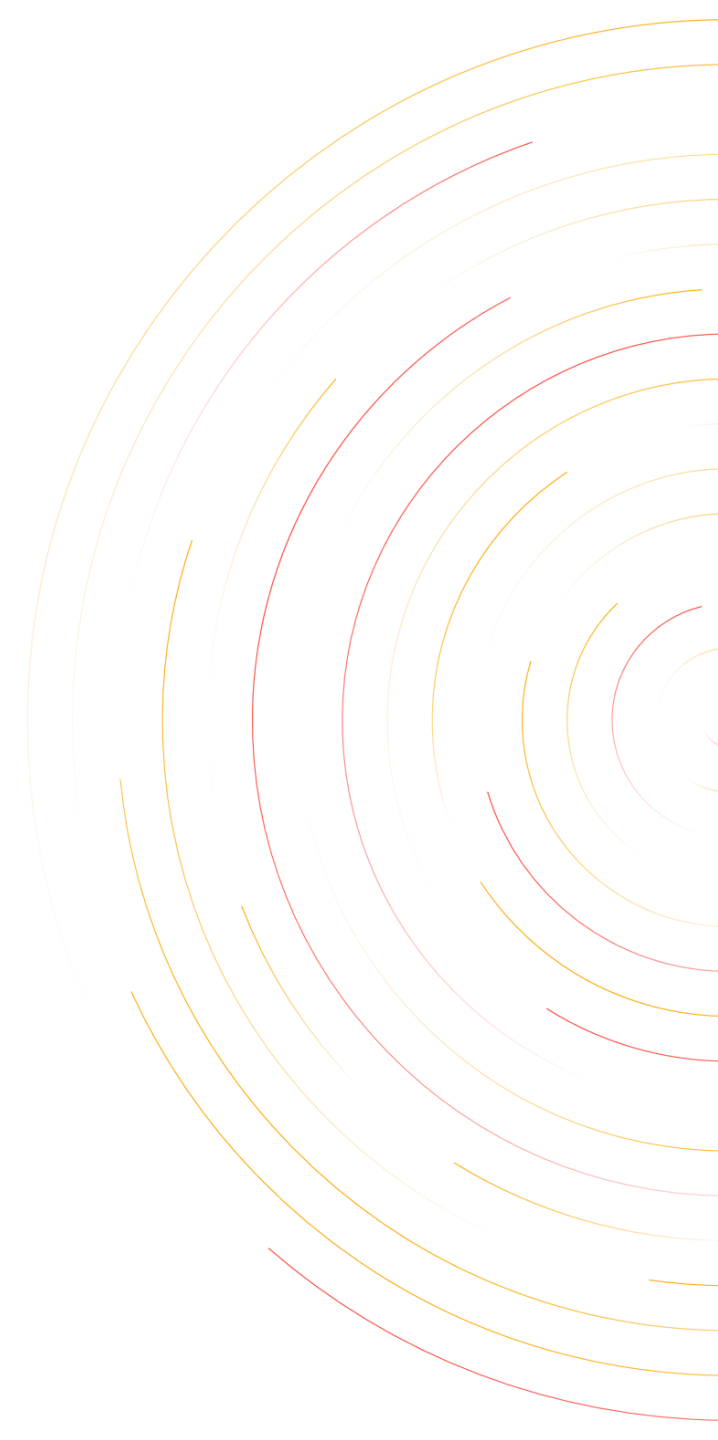**Cellebrite**

Q3 21 Earnings Call

10 November 2021

Disclaimer

Use of Non-GAAP Financial Measures
This Presentation includes non-GAAP financial measures. Cellebrite believes that these non-GAAP measures are useful to investors for two principal reasons. First, Cellebrite believes these measures may assist investors in comparing performance over various reporting periods on a consistent basis by removing from operating results the impact of items that do not reflect core operating performance. Second, these measures are used by Cellebrite's management to assess its performance. Cellebrite 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. These non-GAAP measures should not be considered in isolation from, or as an alternative to, financial measures determined in accordance with GAAP. Other companies may calculate these non-GAAP financial measures differently, and therefore such financial measures may not be directly comparable to similarly titled measures of other companies. 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 Presentation.

Forward Looking Statements
This Presentation contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 and other Federal securities laws. Words such as "may", "should", "would", "plan", "intend", "expect", "believe", "anticipate", "estimate", "predict", "potential", "seem", "seek", "continue", "future", "will", "outlook", or other similar expressions, words or phrases are intended to identify forward-looking statements. These statements include statements regarding the industry in which Cellebrite operates, future events and other statements that are not historical facts. These statements are made on the basis of current knowledge and current expectations of Cellebrite management and, by their nature, involve numerous assumptions and uncertainties and are not predictions of actual performance. Nothing set forth herein should be regarded as a representation, warranty, or prediction that Cellebrite will achieve or are likely to achieve any particular future result.

Various factors could cause actual future results, performance or events to differ materially from those described herein. This Presentation does not purport to be all-inclusive or to contain all the information that a prospective investor may desire in making an evaluation. The matters discussed in this presentation also involve risks and uncertainties summarized under the heading "Risk Factors" in Cellebrite's Registration Statement on Form F-1 filed with the Securities and Exchange Commission on September 27, 2021.

Some of the factors that may impact future results and performance may include, without limitation:

- The impact of pending and future litigation and governmental investigations and inquiries;
- Changes in U.S. federal, U.S. state, and non-U.S. laws and regulations, their interpretation, their enforcement, or the regulatory climate applicable to our business, and their impact on our ability to operate our business;
- Errors, failures, defects or bugs in our products, which could expose us to financial and legal harm and adversely affect our operating results and growth prospects; and
- Some of our solutions may be used by customers in a way that is, or that is perceived to be, incompatible with human rights. Any such perception could adversely affect our reputation, revenue and results of operations
- Any non-compliance with the Israeli encryption laws and governmental trade controls, including export and regulations could negatively impact our operating results.

Except as otherwise required by law, we undertake no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Cellebrite

Business Overview

Q3 21 customer successes

Deals > $500K

■ 2020 ■ 2021

	Q1	Q2	Q3
2020	6	12	15
2021	17	16	25

✦ Largest deal in the Company's history, of ~$10M

Premium: New Licenses

✦ 2 U.S. federal agencies

✦ U.S. state police

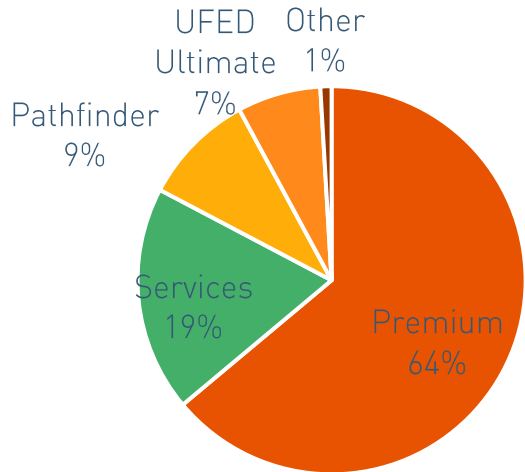✦ European ministry of interior affairs

✦ Near East city police

✦ And more...

Premium Enterprise

✦ U.K. county police

✦ 2 U.S. county sheriff offices

✦ Customs agency
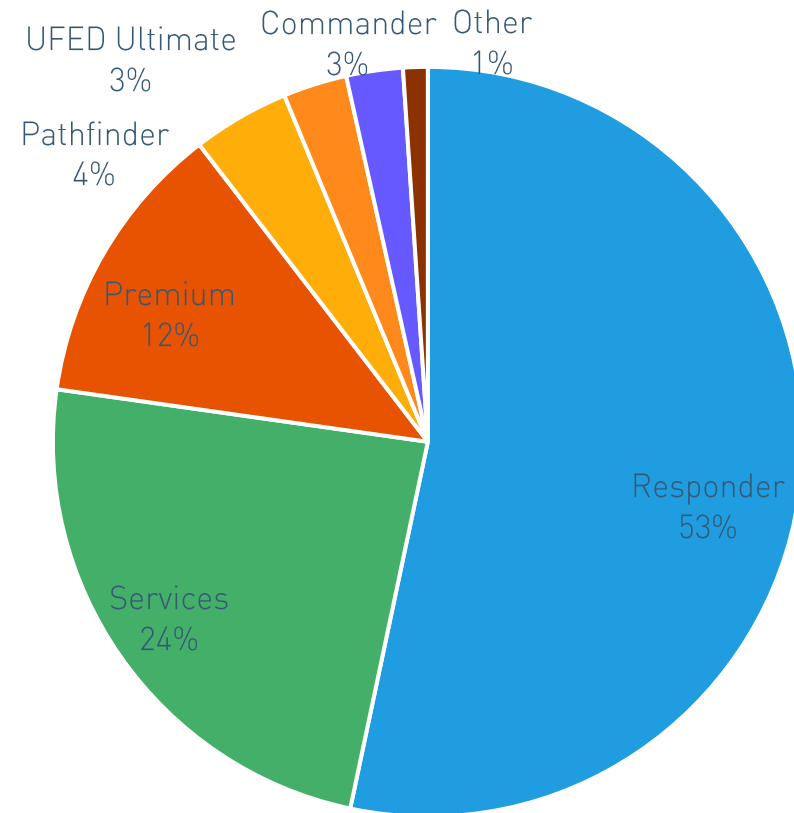
✦ And more...

Q3 21 customer successes: Example 1
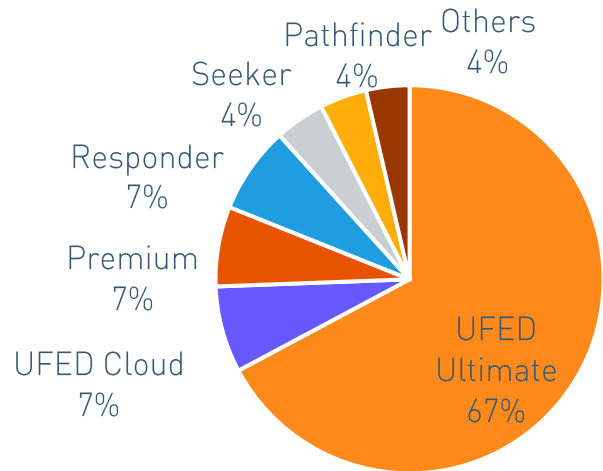
National correction facilities network

Q3 21 Booking

UFED Ultimate 3%
Commander 3%
Other 1%
Pathfinder 4%
Premium 12%
Services 24%
Responder 53%

2020 FY Booking

UFED Ultimate 7%
Other 1%
Pathfinder 9%
Services 19%
Premium 64%

x10

Q3 21 customer successes: Example 2

European country national police

Q3 21 Booking

Seeker
5%

Services
5%

Computer C&R
5%

UFED Cloud
6%

Premium
13%

2020 FY Booking

Pathfinder
20%

UFED
Ultimate
46%

Others
4%

Pathfinder
4%

Seeker
4%

Responder
7%

Premium
7%

x3.5

UFED Cloud
7%

UFED
Ultimate
67%
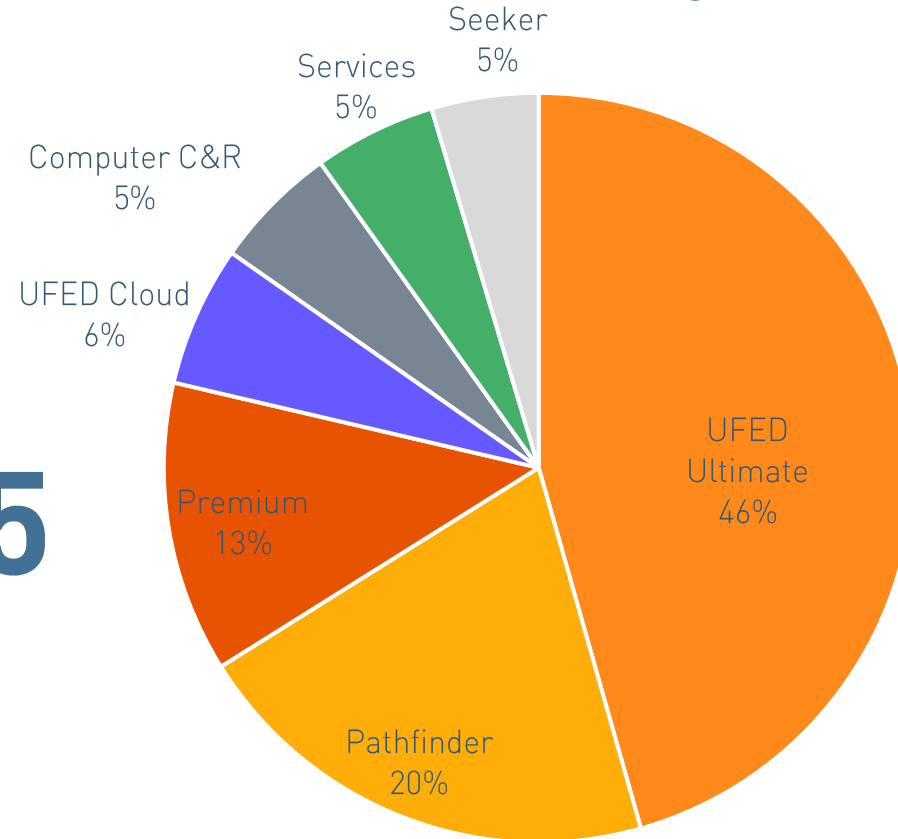
Massive digital intelligence market – $13B+ TAM in 2023

TAM by Customer
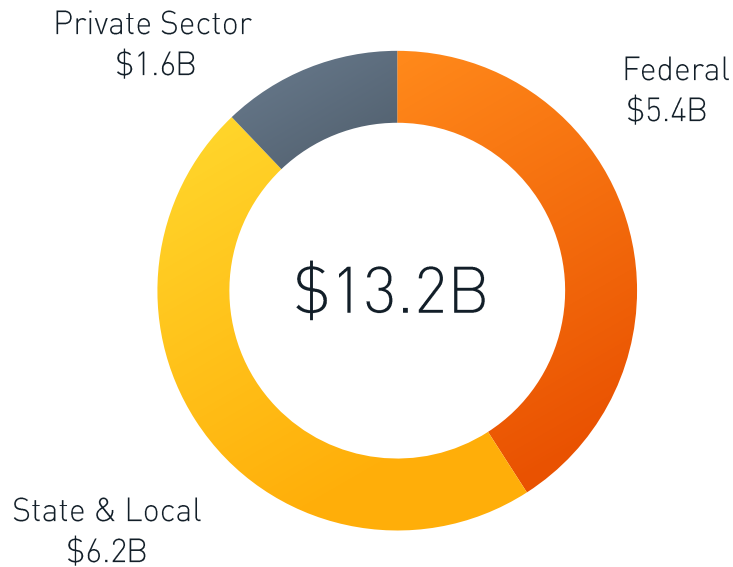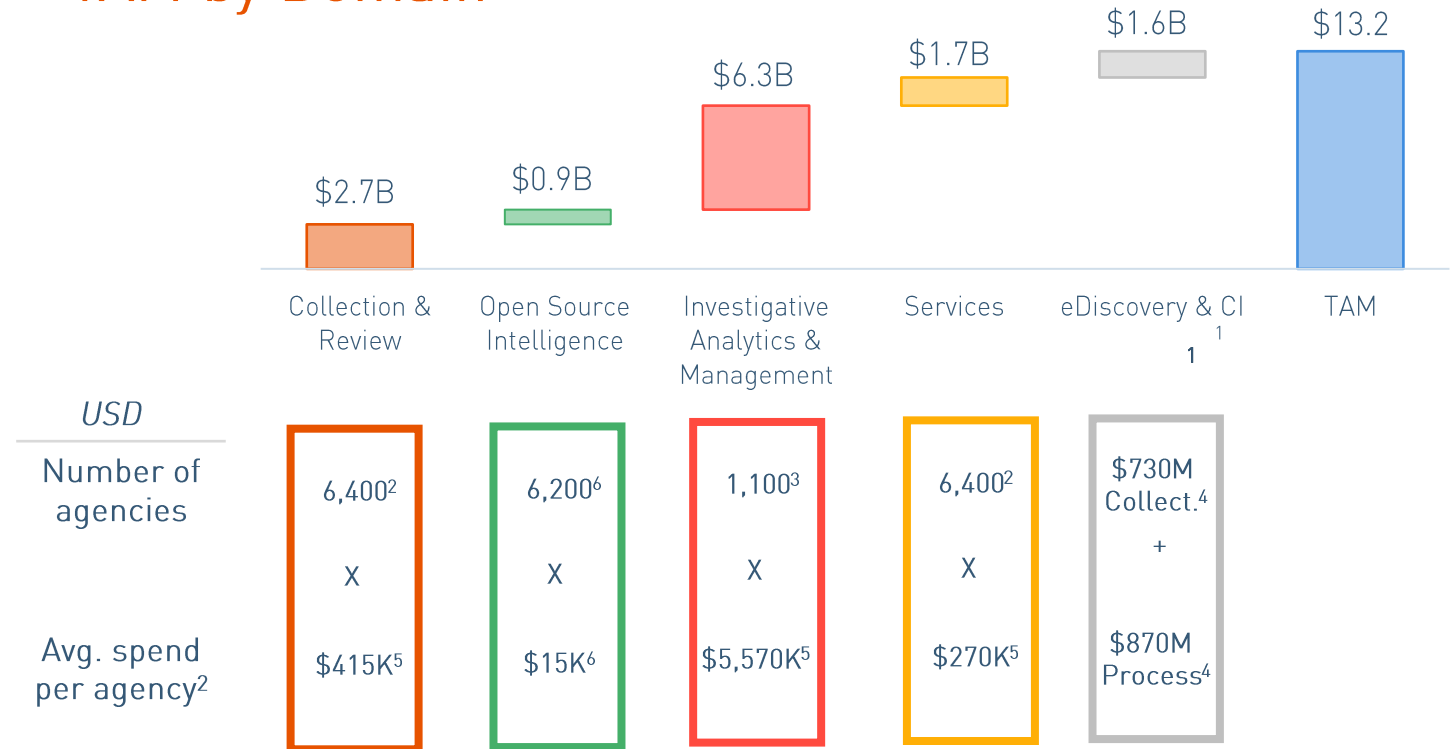
Private Sector $1.6B

Federal $5.4B

$13.2B

State & Local $6.2B

TAM by Domain

	Collection & Review	Open Source Intelligence	Investigative Analytics & Management	Services	eDiscovery & CI [1]	TAM
	$2.7B	$0.9B	$6.3B	$1.7B	$1.6B	$13.2

USD	Collection & Review	Open Source Intelligence	Investigative Analytics & Management	Services	eDiscovery & CI [1]
Number of agencies	6,400[2]	6,200[6]	1,100[3]	6,400[2]	$730M Collect.[4]
	X	X	X	X	+
Avg. spend per agency[2]	$415K[5]	$15K[6]	$5,570K[5]	$270K[5]	$870M Process[4]

Cellebrite delivers a comprehensive DI software platform

COLLECT & REVIEW

Fast and Automated approach to capturing data from digital sources

ANALYZE

Processing the data fast with advanced analytics and AI

MANAGE

Breaking down silos and enabling collaboration

DATA SOURCES

Lab Practitioners

Investigators & Analysts

DI PLATFORM

Agency Management

Prosecutors

DATA TYPES

OUTCOMES

Accelerated investigations

Increased crime clearance rates

Earning community confidence

Protecting data privacy

Empowering Chiefs of Investigations & Intelligence with end-to-end investigative platform

8

Cellebrite Guardian

First SaaS solution, more efficient and cost effective

Accelerates review with in-browser reports viewing

Repository for all digital *and* physical evidence records

Enables real-time collaboration

Remote Mobile Collection

Single solution to manage remote collection of employee data

Collect whether on or off the corporate network

Designed for minimal disruption to business - no need to hand over devices

Full collection or only what is needed

Cellebrite ENDPOINT INSPECTOR

Investigator

Endpoint Server

Office Computer Endpoint

Home Computer Endpoint

Mobile Endpoint

——— Remote Access

······· Remote Collection (Return of Data)
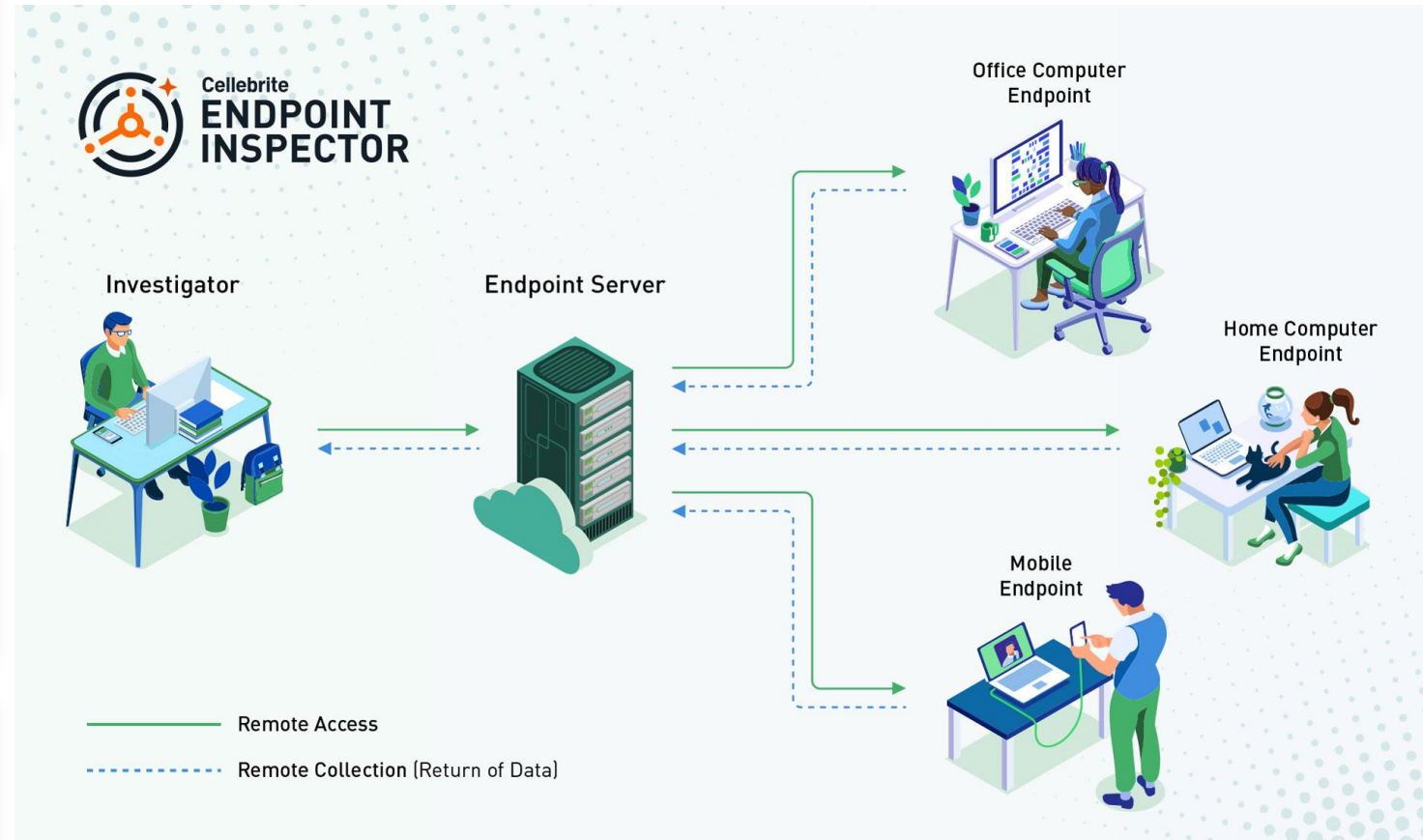
Digital Clues acquisition

Cellebrite + DIGITAL CLUES

Yossi Carmil Cellebrite CEO (left)
Yossi Ofek, chairman and CEO at Digital Clues

KICKSTART INVESTIGATIONS

OSINT Solutions to Capitalize on Crucial Early
Hours of an Investigation

Investment highlights

Cellebrite is the clear market leader within digital intelligence

Massive $13B+ market opportunity for digital intelligence ("DI") solutions with major secular tailwinds supporting continued growth

Unique mission critical end-to-end digital intelligence platform that serves the world's leading government agencies and enterprises at each stage of the investigative lifecycle

Rapidly growing Enterprise opportunity with segment revenue projected to double by 2023

Fragmented landscape of point solutions with numerous actionable targets and significant resources to support execution of highly strategic M&A thesis

World class, mission driven management team with deep industry expertise

Compelling financial profile with 42% ARR growth and 139% ARR net retention in LTM September 2021

Financial Overview

Financial highlights

Best-in-class ARR & NRR

42%
ARR Growth
Q3 '21

139%
Net Retention
LTM Sep-21

Top-line Growth & Scale

$66M
Total Revenue
Q3 '21

24%
Revenue Growth
Q3 '21

Strong Margin Profile

83%
Gross Margin
LTM Sep-21

21%
Adj. EBITDA Margin
LTM Sep-21

Note: non-GAAP metrics defined in the appendix.

Revenue growth driven by subscription

Legend:
- Subscription services
- Term-license
- Perpetual license and other
- Professional services

Left chart (100% stacked bar, by quarter):

	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21
Professional services	15%	15%	14%	9%	12%	13%	9%	12%	12%
Perpetual license and other	31%	37%	21%	23%	22%	21%	15%	18%	10%
Term-license	6%	5%	7%	15%	17%	18%	22%	20%	32%
Subscription services	48%	43%	58%	53%	49%	48%	54%	50%	46%

Right chart:

Total 24%

Subscription 46%

Q3-20 — 53.2
- Professional services: 6.4
- Perpetual license and other: 11.8
- Term-license: 9.2
- Subscription services: 25.8
- (35.0)

Q3-21 — 65.9
- Professional services: 8.0
- Perpetual license and other: 6.7
- Term-license: 21.2
- Subscription services: 30.0
- (51.2)

ARR growth driven by expansion

Growth % over base ARR each year

Sep-20 Total ARR: $121

New Logo Land: $6 (+5%)

Net Upsell/downsell: $44 (+37%)

Sep-21 Total ARR: $171 (42%)
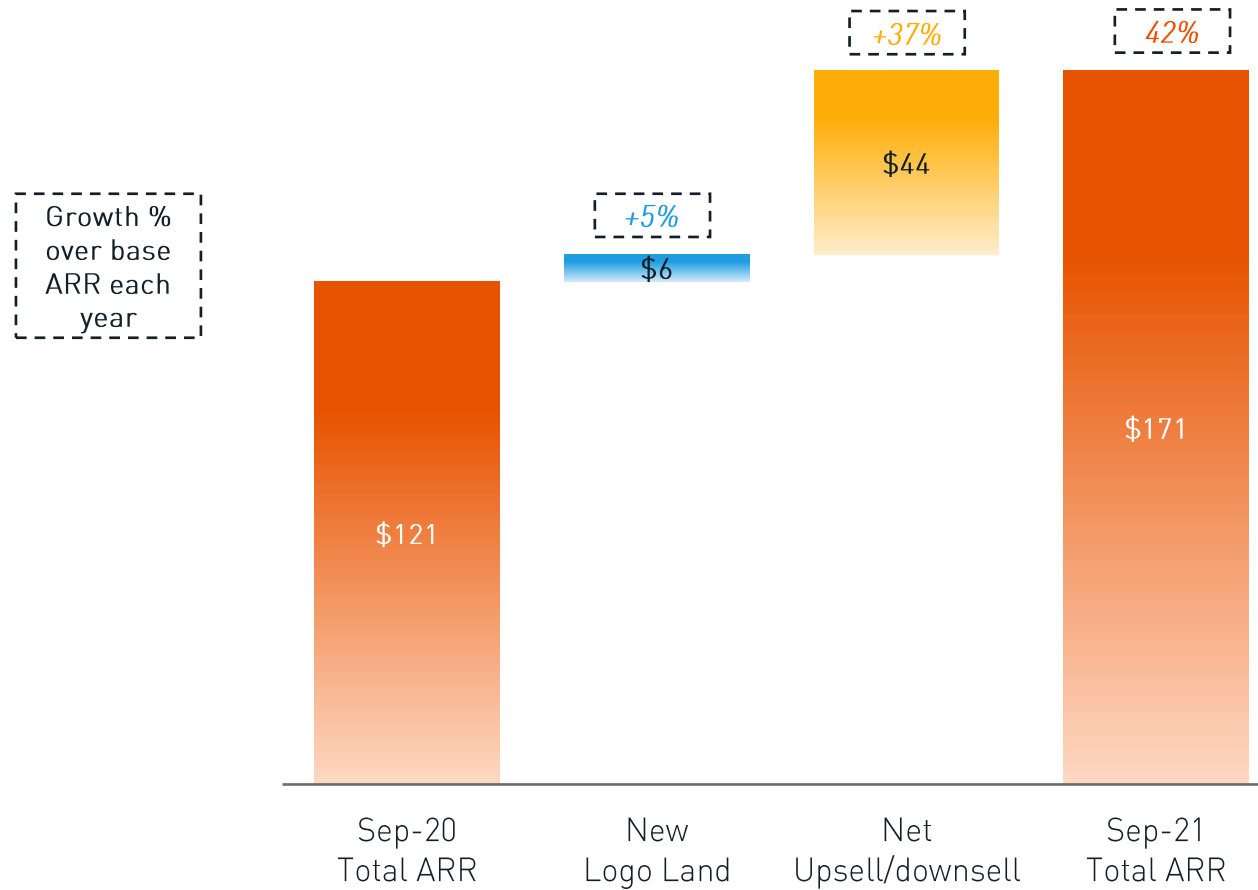
Profitability expansion

Gross profit ($M) and margin

	Q1 20	Q2 20	Q3 20	Q1 21	Q2 21	Q3 21
Margin	75.1%	82.0%	82.2%	84.6%	83.0%	81.9%
$M	29.1	37.6	43.7	45.1	49.1	53.9
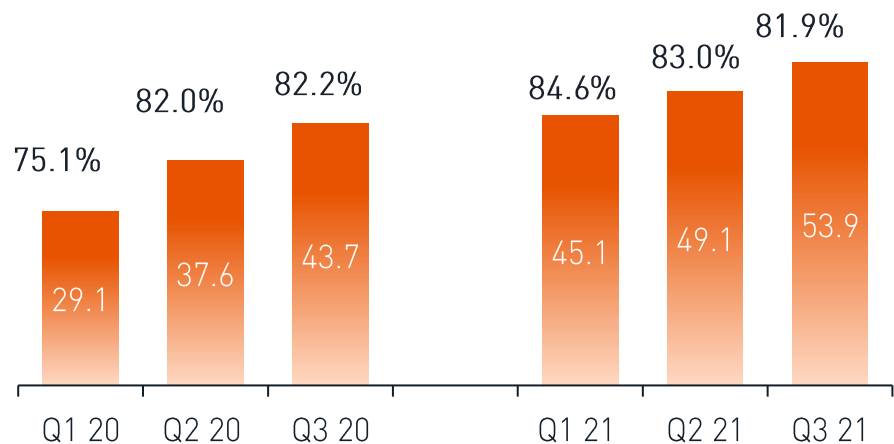
Operating expenses (Non-GAAP, $M) and % of sales

	Q1 20	Q2 20	Q3 20	Q1 21	Q2 21	Q3 21
% of sales	83%	66%	59%	66%	64%	61%
$M	32.0	30.3	31.2	34.9	37.6	40.5
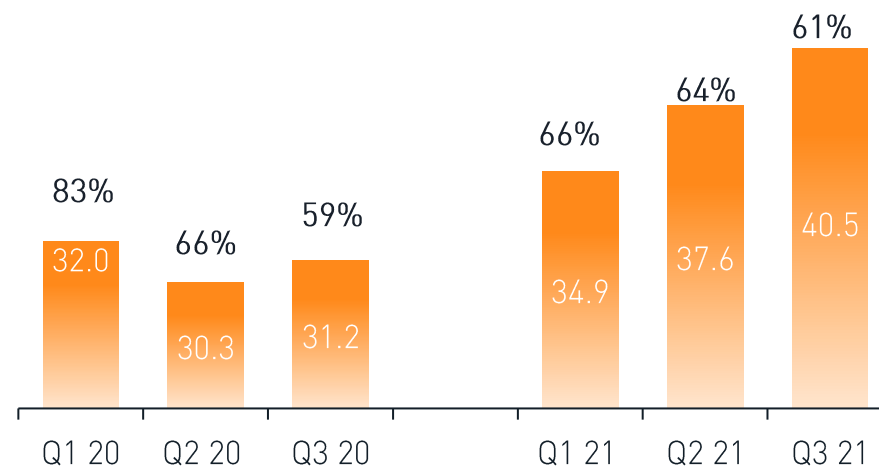
Looking Ahead

- ✦ Travel
- ✦ Field marketing events
- ✦ Hiring ~60 employees
- ✦ R&D investment
- ✦ Public company costs

Adj. EBITDA ($M) and margin

	Q1 20	Q2 20	Q3 20	Q1 21	Q2 21	Q3 21
Margin	-4.8%	18.4%	26.1%	21.2%	21.5%	22.8%
$M	-1.9	8.4	13.9	11.3	12.7	15.0

17
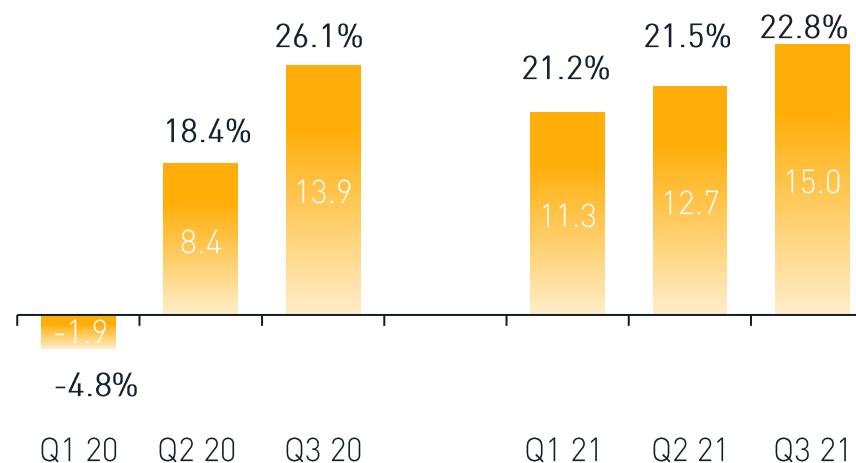
Net income, EPS and share count

($K, except EPS)	Sep 20	Sep 21
GAAP Net Income	**8,121**	**8,139**
One-time tax expense	-	7,067
Issuance expenses	-	11,834
Dividend participation compensation	-	966
Share based compensation expenses	1,825	1,417
Amortization of intangible assets	386	541
Acquisition related costs	1,391	1,802
Income tax income	(207)	(1,210)
Financial income	-	(17,252)
Non-GAAP Net Income	**11,516**	**13,303**
WASO, diluted	157,968,025	163,348,212
Non-GAAP EPS	**0.07**	**0.08**

(in '000, rounded)	New Structure
Total Company Shares Outstanding	180,000
Cellebrite Options	18,500
WASO, diluted	**198,500**
Restricted Sponsor Shares	7,500
Cellebrite Price Adjustment Shares	15,000
Private Warrants	9,667
Public Warrants (CLBTW)	20,000

Financial forecast

	2021E old		2021E new
ARR	$197M		
ARR Growth	44%		~34%
Revenue	$236M		$241.5-243.5M
Revenue Growth	21%		24%*
Adjusted EBITDA	$36M		$45.0-46.5M
Adjusted EBITDA Margin	15%		19%*

At guidance mid point

Cellebrite

Appendix
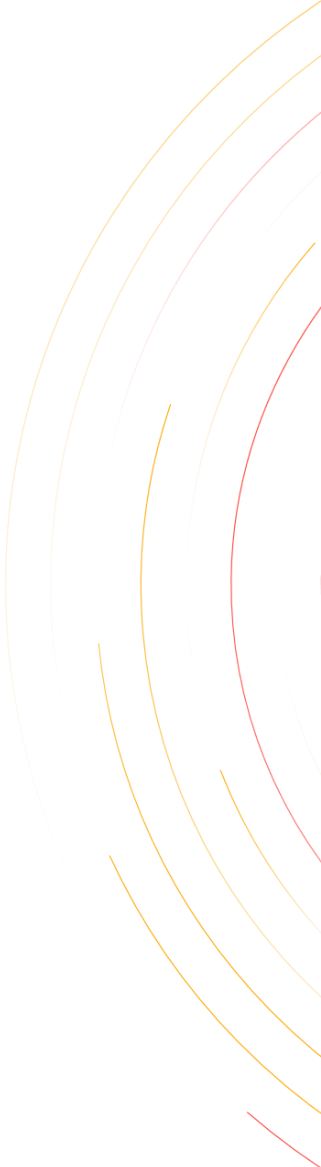
Financial summary – Q3

($K)	Sep 20A	Sep 21A
ARR	**120,874**	**171,343**
YOY Growth - %	*46%*	*42%*
Subscriptions	35,004	51,251
Perpetual License & Others	11,838	6,657
Professional Services	6,399	7,979
Total Revenue	**53,241**	**65,887**
YOY Growth - %	*25%*	*24%*
Gross Profit	**43,740**	**53,933**
Gross Profit - %	*82.2%*	*81.9%*
Adjusted EBITDA	**13,888**	**15,025**
Non-GAAP EBITDA - %	*26.1%*	*22.8%*

Adjusted EBITDA reconciliation – Q3

($K)	Sep 20A	Sep 21A
Net Income	**8,121**	**8,139**
Financial income, net	(417)	(17,811)
Tax expenses	1,279	6,581
Issuance expenses	-	11,834
Dividend participation compensation	-	966
Share based compensation	1,825	1,417
Amortization of intangible assets	386	541
Acquisition related costs	1,391	1,802
Non-GAAP EBIT	**12,585**	**13,469**
Non-GAAP EBIT - %	*23.6%*	*20.4%*
Depreciation & Amortization	1,303	1,556
Adjusted EBITDA	**13,888**	**15,025**
Adj EBITDA - %	*26.1%*	*22.8%*

Definitions

1. *Annual Recurring Revenue:* 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.
2. *Subscription Revenue:* Is defined as revenue from recurring, term-based license contracts and ongoing services related to core offerings. Subscription revenue is recognized ratably over the subscription term with a portion of revenue, related to the term-based license, recognized upfront.
3. *Net Retention:* Dollar-based net retention rate 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.
4. *Gross Retention:* Gross revenue retention is calculated by dividing customer revenue excluding upsells by base revenue. We define base revenue as revenue we recognize from all customers in the last quarter of the previous year period, during the four quarters ended one year prior to the date of measurement. We define customer revenue excluding upsells as the revenue we recognize during the four quarters ended on the date of measurement from the same customer base included in our measure of base revenue, excluding upsells / cross-sells. The measure captures the weighted average dollar loss versus 100% from the customer base.