Cellebrite

Q1 '22 Earnings Call

12 May 2022
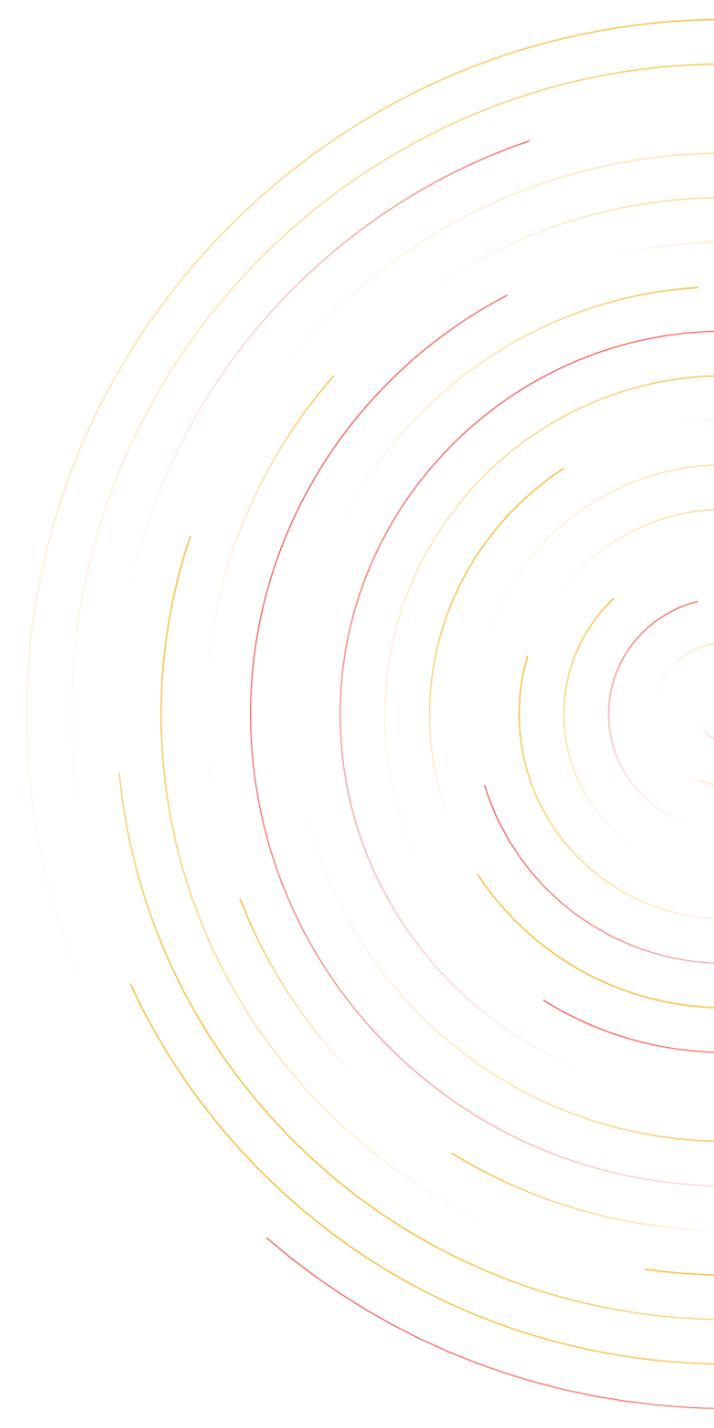
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Use of Non-GAAP Financial Measures
This Presentation includes non-GAAP financial measures. Cellebrite believes that these non-GAAP measures are useful to investors for two principal reasons. First, Cellebrite believes these measures may assist investors 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.

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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.

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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.

Business Overview

Cellebrite

Agenda

1   Strong Quarter Results

2   Healthy Market Environment

3   Growth Potential within Existing Customers

1 Strong Q1 2022 results

$150M
Mar-21

33%

$201M
Mar-22

ARR

$53.3M
Q1 21

17%

$62.4M
Q1 22

Revenue

18
Deals > $500K

128%
Net Retention Rate
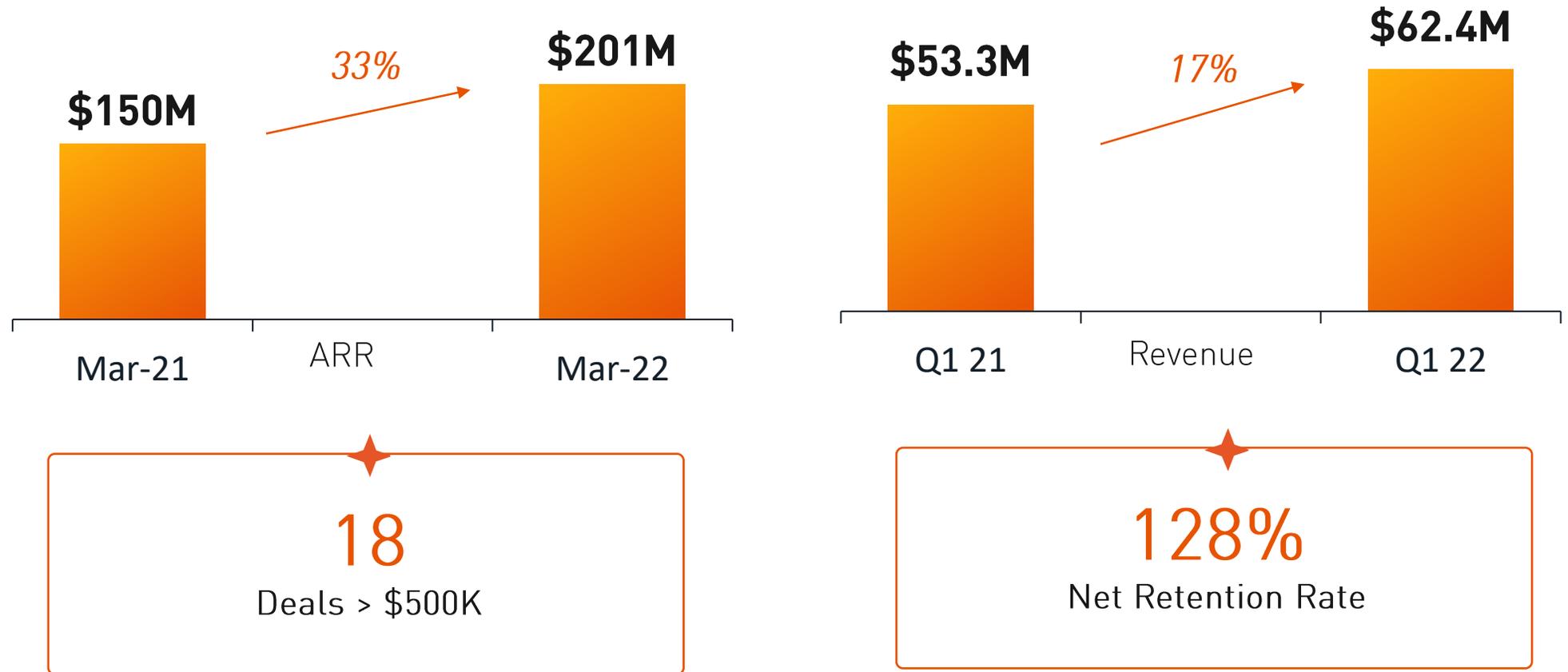
Growth pillars

Increase Wallet Share in Existing Accounts

+

Continued Product Innovation

Digital Intelligence Suite of Solutions

EVOLUTION

Lab Practitioners

Collect & Review

Agency Managers

Collect & Review
Advanced Access & Decoding

Analyze
Investigative Analytics

Prosecutors

Manage
Evidence & Workflow Management

Investigators

2 Market environment

Quantity, Variety and Complexity of Digital Evidence

Inefficiency and Siloed, Manual Process

Available Funding

Digital evidence challenges

Internet Crime in the US

2017 301,580 | $1.4 Billion

2018 351,937 | $2.7 Billion

2019 467,361 | $3.5 Billion

2020 791,790 | $4.2 Billion

2021 847,376 | $6.9 Billion

2.76M Total Complaints

$18.7B Total Losses
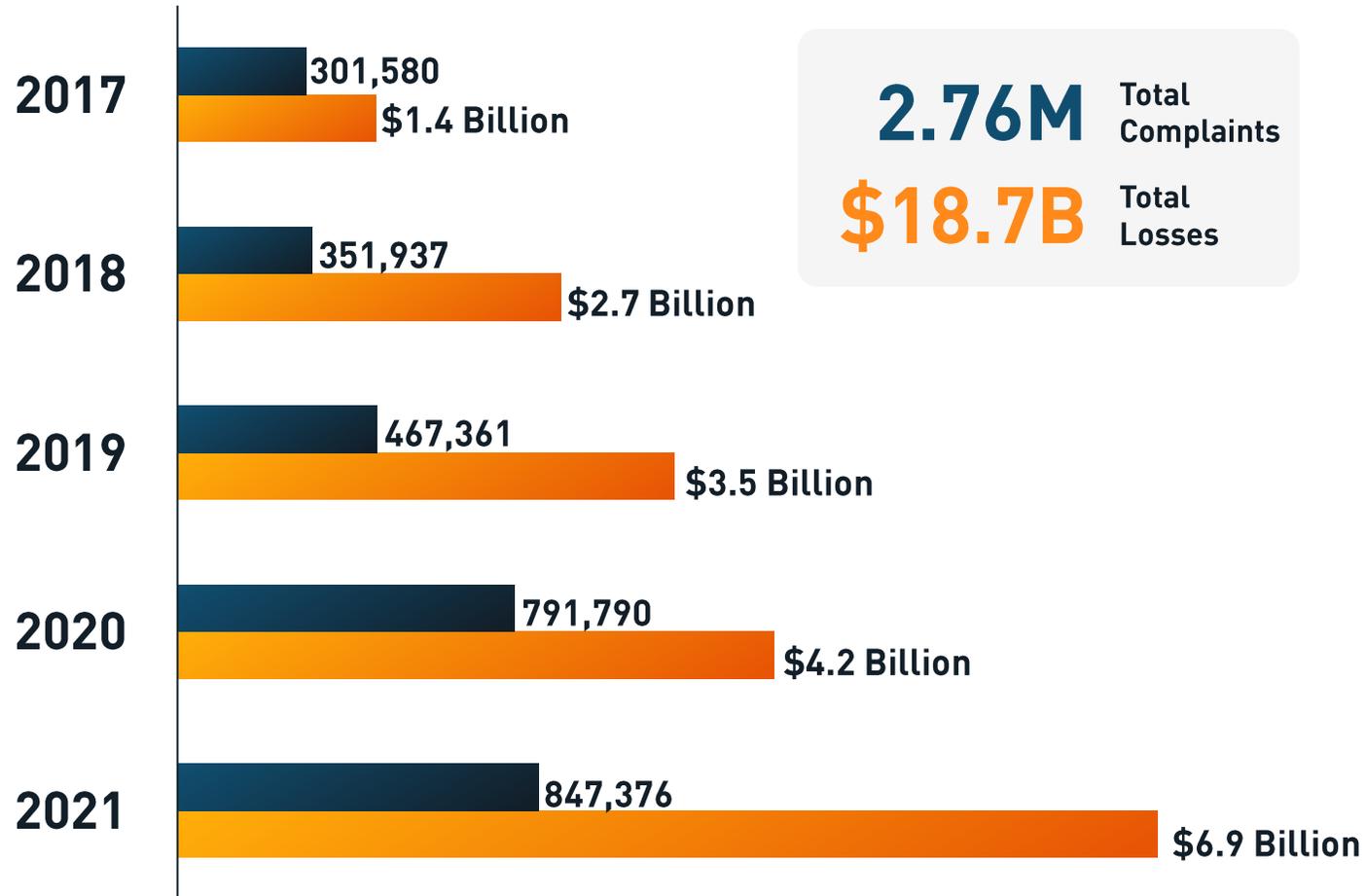
■ **Complaints** ■ **Losses**

Source: the FBI Internet Crime Report 2021

Backlog in the UK

21,022

Devices waiting to be examined in the UK

Source: Channel4 News

3 Massive growth potential within existing customers

Federal

100+ North American Federal Accounts

15 of 15 U.S Cabinet Executive Departments

EU

27 of 27 member E.U. National Police

State, Local & Government

2,800+ North American State and Local Accounts

50 of 50 U.S. States

Police Departments at **20 of Largest 20** U.S. Cities

Police Departments at **13 of Largest 20** Cities in Europe

Private Sector

68 of Fortune 100

8 of Top 10 U.S. Commercial Banks

9 of Top 10 Accounting Firms

7 of Top 10 Pharma Companies

6 of Top 10 Telecom companies

8 of Top 10 U.S. Software Companies

Based on FY2021 data.
Sources: Fortune, Wikipedia, big4accountingfirms.org. Largest cities refers to population.

Q1 '22 Customer success

1 Expansion outside the Forensic Lab

National Police Force

- ✦ $2M, multi year
- ✦ Over 100 police stations
- ✦ One of the largest Premium Enterprise deployments to date

2 Up the Value Chain

National Police Force

- ✦ ~$3M, multi year
- ✦ Collect & Review, Investigative Analytics
- ✦ Faster, more accurate results: 6 weeks work down to 2 hours

3 Resource Augmentation

Municipal Police Force

- ✦ ~$0.7M
- ✦ Outsourcing Advanced Access
- ✦ Backlog reduction effort

Executing on 2022 plan

Go to market investment facilitates higher level discussion

Advanced capabilities to the broader customer base through a cloud solution

Partnership to seamlessly integrated cryptocurrency into investigation suite

Cellebrite PREMIUM x SaaS | **Chainalysis**

Financial Overview

ARR growth driven by expansion

Growth % over base ARR each year

|		+5%	+2%	+2%	+33%	(9%)	33%
Mar-21 Total ARR		New Logo Land	Price Increases	Transition to Term License	Expansion	Churn licenses	Mar-22 Total ARR
$150		$7	$3	$3	$51	($13)	$201
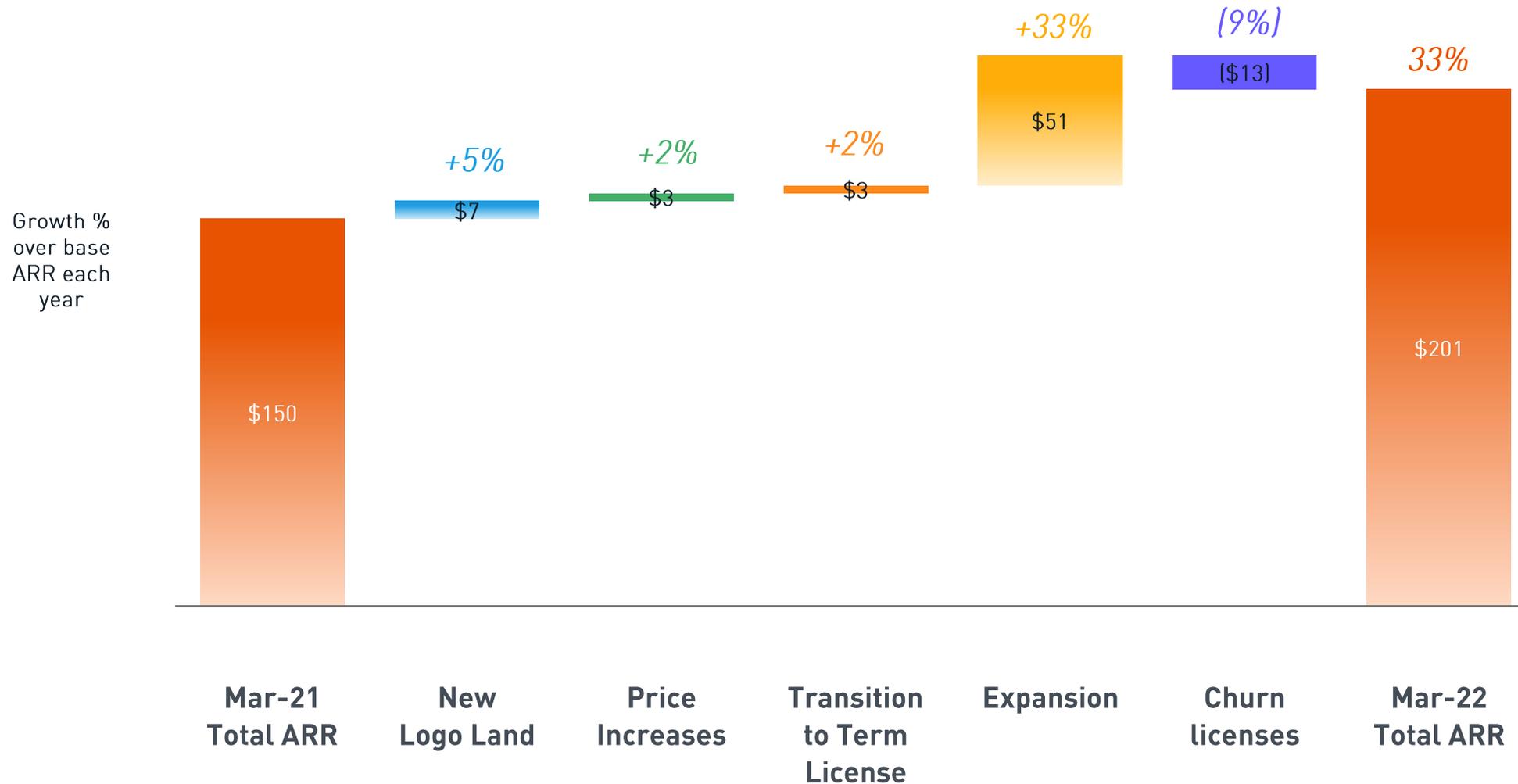
Revenue growth driven by subscription

15
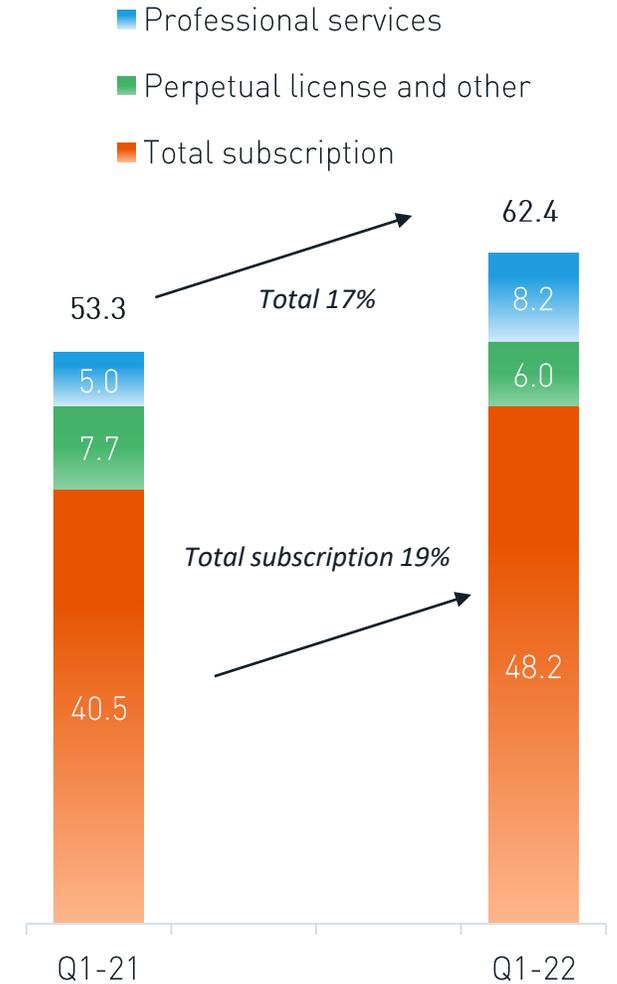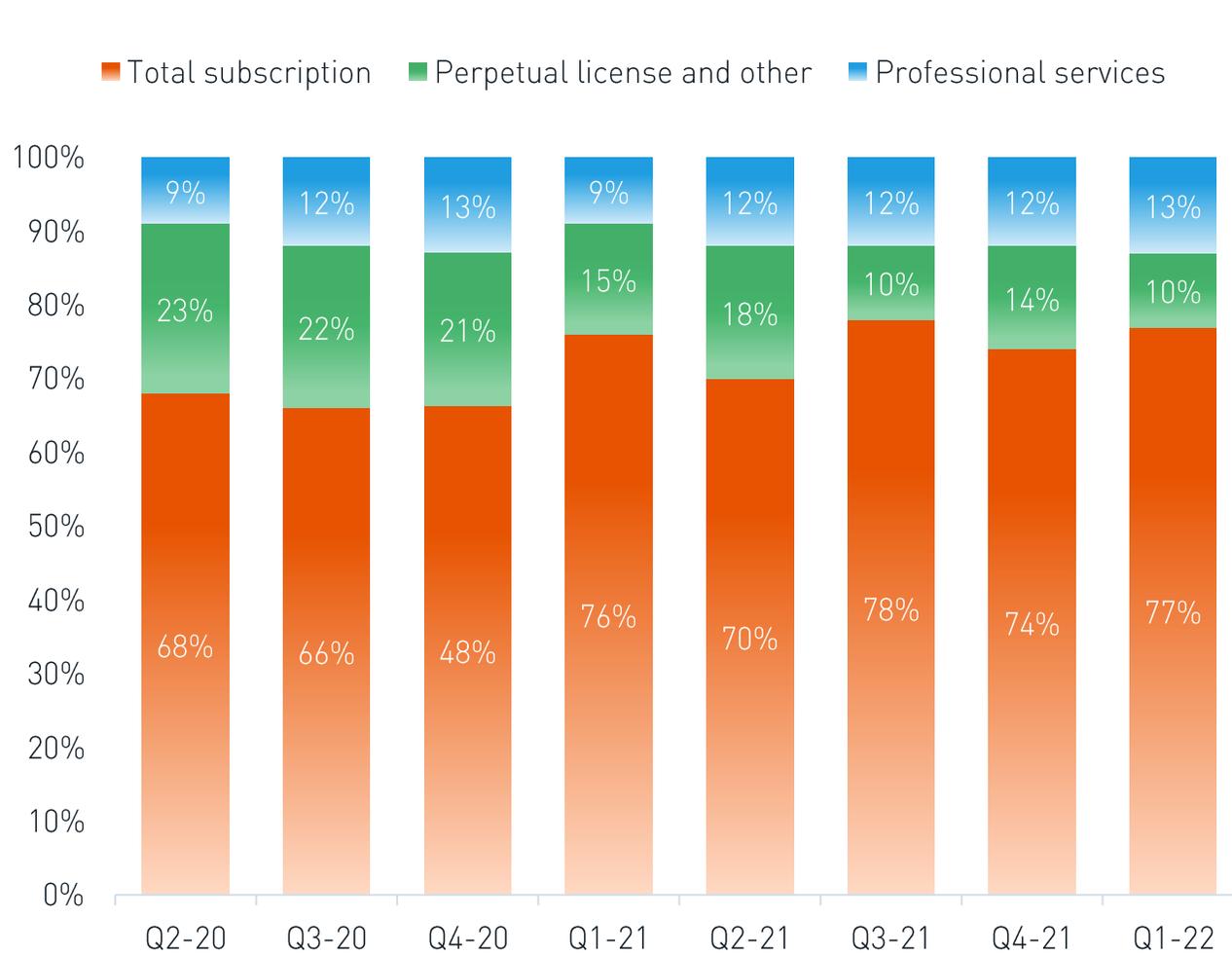
Investing in our growth

Operating expenses
(Non-GAAP, $M)
and % of sales

|								
83%	66%	59%	65%	66%	64%	62%	71%	79%
32.0	30.3	31.2	37.8	34.9	37.6	40.5	47.9	49.0
Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22

785 ▶ 920 ▶ 1,000+
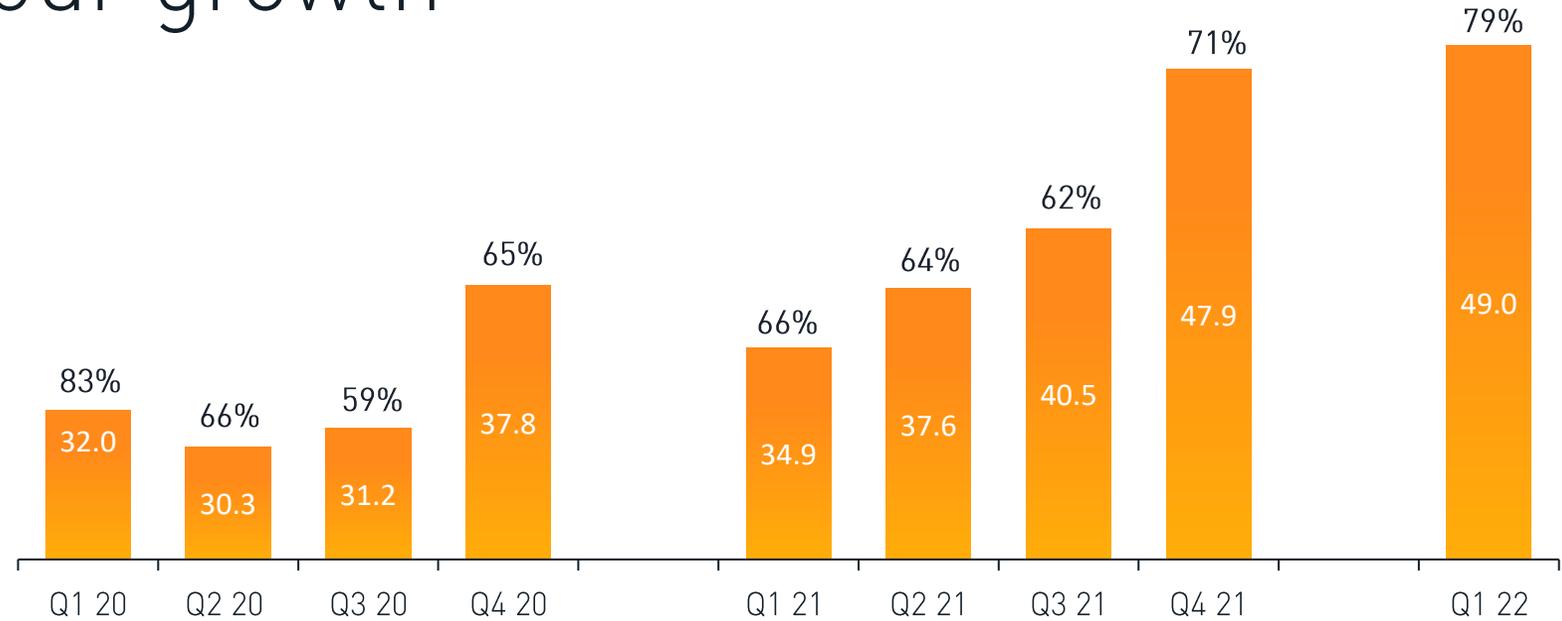
Headcount Mar-21   **Headcount Mar-22**   **Headcount Target Dec-22**

Operating leverage and solid cash position

Adj. EBITDA ($M) and margin

Cash position

Bar chart — Adj. EBITDA ($M) and margin:

Quarter	Margin	EBITDA ($M)
Q1 20	-4.8%	-1.9
Q2 20	18.4%	8.4
Q3 20	26.1%	13.9
Q4 20	18.7%	10.7
Q1 21	21.2%	11.3
Q2 21	21.5%	12.7
Q3 21	22.8%	15.0
Q4 21	13.1%	8.9
Q1 22	6.5%	4.1

Donut chart — Cash position:

Mar-22 $172M

- Deposits 10%
- Marketable securities 17%
- Cash and cash equivalents 73%
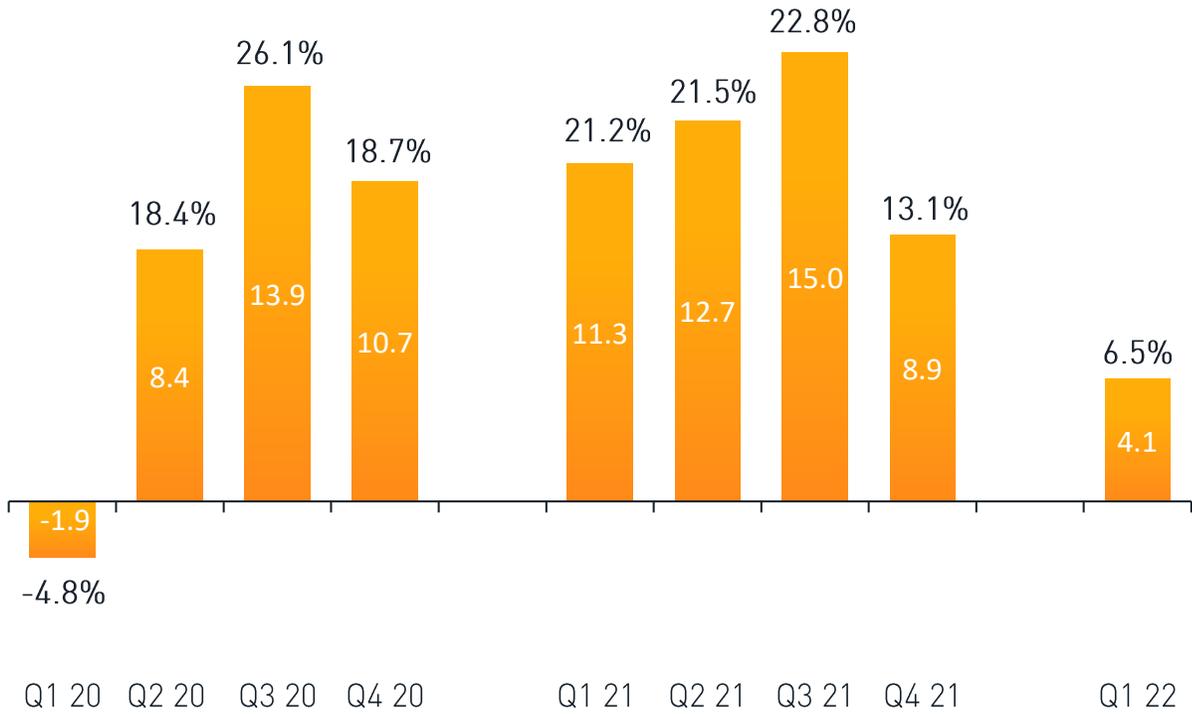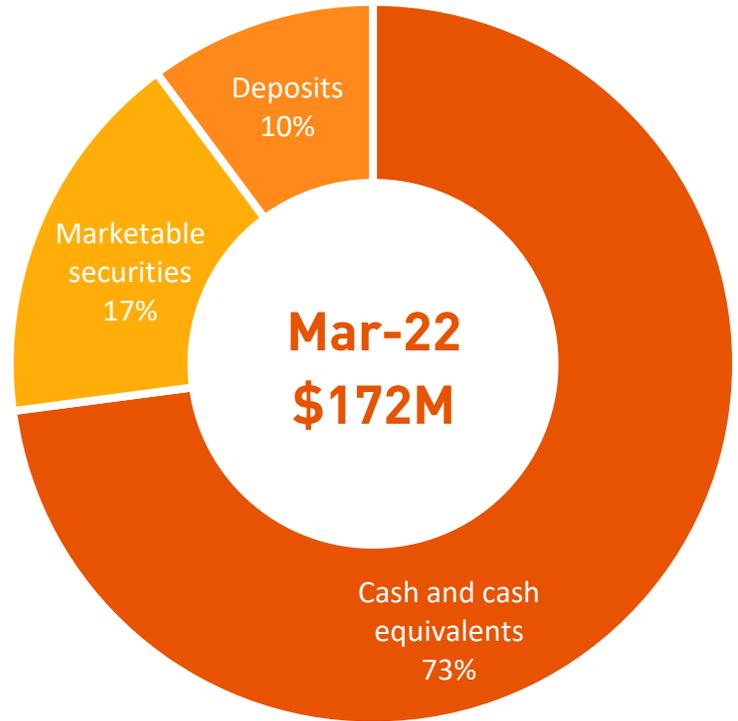
Financial forecast

	2022E
ARR	$250-265M
ARR Growth	34-42%
Revenue	$285-300M
Revenue Growth	16-22%
Gross Margin	80-82%
Adjusted EBITDA	$39-44M
Adjusted EBITDA Margin	13-15%

Cellebrite

Q&A

Appendix

Financial summary Q1 22

($K)	Mar 21	Mar 22
ARR	**150,480**	**200,543**
YOY Growth - %	*53%*	*33%*
Subscriptions	40,521	48,185
Perpetual License & Others	7,743	5,672
Professional Services	5,019	8,228
Total Revenue	**53,283**	**62,385**
YOY Growth - %	*38%*	*17%*
Gross Profit	**45,084**	**55,572**
Gross Profit - %	*84.6%*	*82.4%*
Adjusted EBITDA	**11,288**	**4,081**
Non-GAAP EBITDA - %	*21.2%*	*6.5%*

Adjusted EBITDA reconciliation Q1 22

($K)	Mar 21	Mar 22
Net Income	**3,590**	**55,438**
Financial income, net	(366)	(56,400)
Tax expenses	1,163	(984)
Share based compensation	1,699	2,858
Amortization of intangible assets	388	664
Acquisition related costs	3,721	1,058
Non-GAAP EBIT	**10,195**	**2,634**
Non-GAAP EBIT - %	*19.1%*	*4.2%*
Depreciation & Amortization	1,093	1,448
Adjusted EBITDA	**11,288**	**4,082**
Adj EBITDA - %	*21.2%*	*6.5%*

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.