



Q3 '23 Results Call

November 14, 2023

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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 isolated 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 and is also available in our earnings release for the quarter on our website at 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.

Forward-Looking Statements

This presentation 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. Such forward-looking statements with respect to estimated financial information for fiscal year 2023 such as revenue, ARR, adjusted EBITDA and earnings as well as statements related to the 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 DI 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 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 April 27, 2023 and in other documents filed by Cellebrite with the U.S. Securities and Exchange Commission, which are available free of charge at www.sec.gov. You are cautioned not to place undue reliance upon any 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.

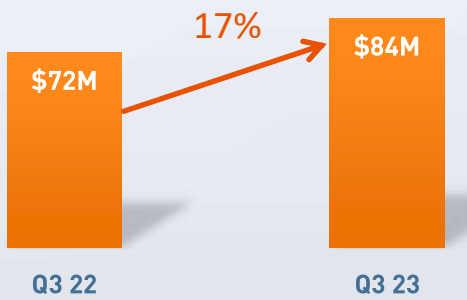
Agenda

- 1 Q3 '23 Results Highlights
- 2 Growth Drivers
- 3 Strategic Priorities & Q3 '23 Customer Success
- 4 Outlook
- 5 Financial Review

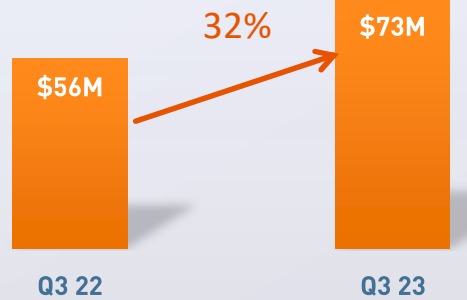


Q3 '23 Results Highlights

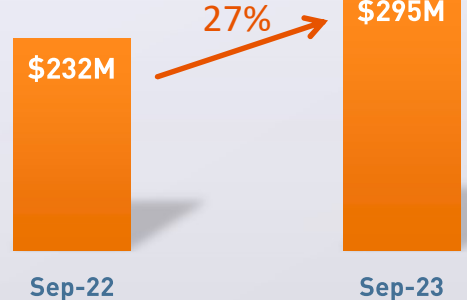
Revenue



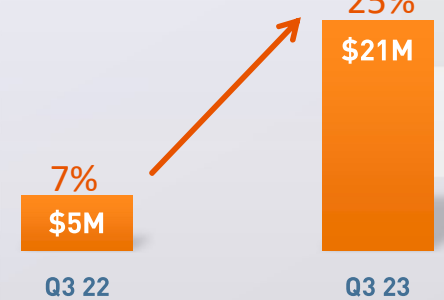
Subscription Revenue



Annual Recurring Revenue



Adj. EBITDA & Adjusted EBITDA Margin



25

Deals > \$500K

125%

Net Retention Rate

Growth Drivers

Go-to-Market Execution



Healthy Market Environment



Existing Customer Growth



New Logos



Price Increases



Private Sector Expansion

Strategic Priorities & Q3 '23 Customer Success

1

Extend Leadership in Digital Forensic Units



Large U.S. Federal Agency

- Differentiated capabilities support significant Premium expansion
- ARR grew by 80% to \$6.5 million

2

Accelerate Growth within Investigative Units



Major U.S. state police department

- Purchased Pathfinder and Premium as a Service to help expedite cases involving digital evidence
- Increased our ARR in this account by 5x to \$900,000

3

Build Our Business in the Private Sector



Leading nationwide eDiscovery company

- Expanded use of our on-prem solutions
- Grew ARR at this account by 20% to \$600,000

4

Harness the Power of the Cloud



Large U.S. police department

- Early Smart Search adopter
- Went live in Q323
- Part of a deal that increased ARR by over 30% to nearly \$650k

Outlook



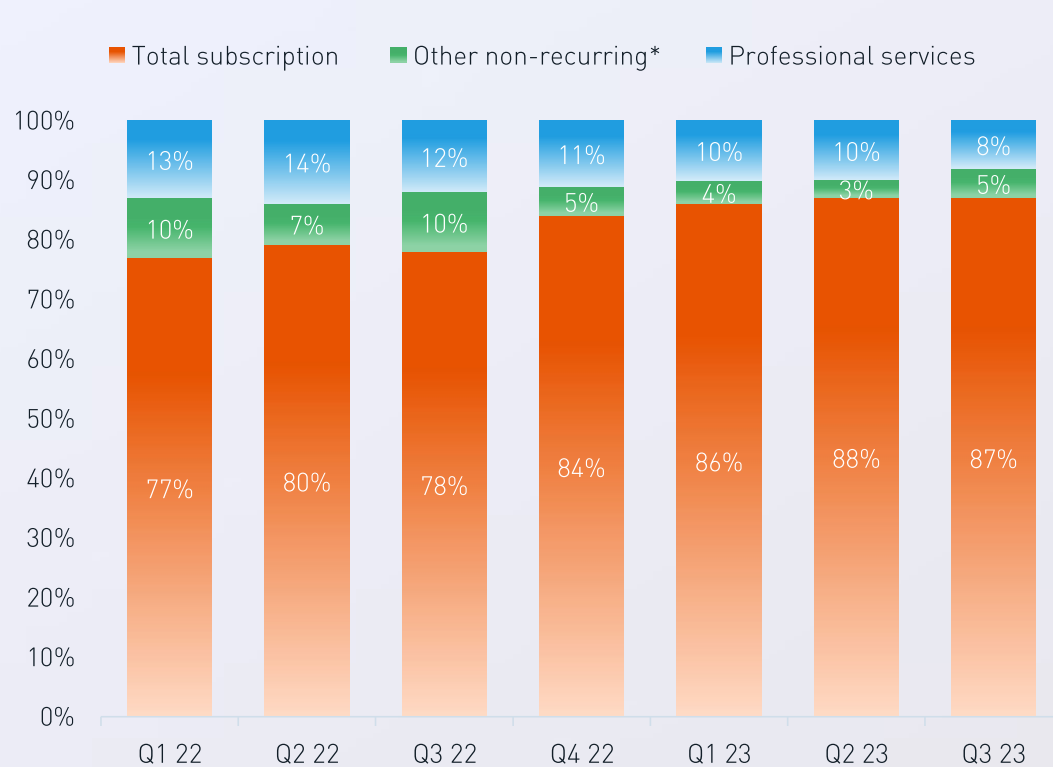
- ✦ Based on our results to date and the opportunities we see over the coming three months, we have updated our expectations for 2023
 - ✦ Increased the mid-point of our 2023 revenue guidance
 - ✦ Raised our 2023 ARR target range
 - ✦ Increased our 2023 adjusted EBITDA target
- ✦ Added to Cellebrite's management team
- ✦ Grateful to my colleagues around the world for their support of one another, as well as for their courage, hard work, resiliency and commitment

* Defined as ARR growth rate + adjusted EBITDA margin

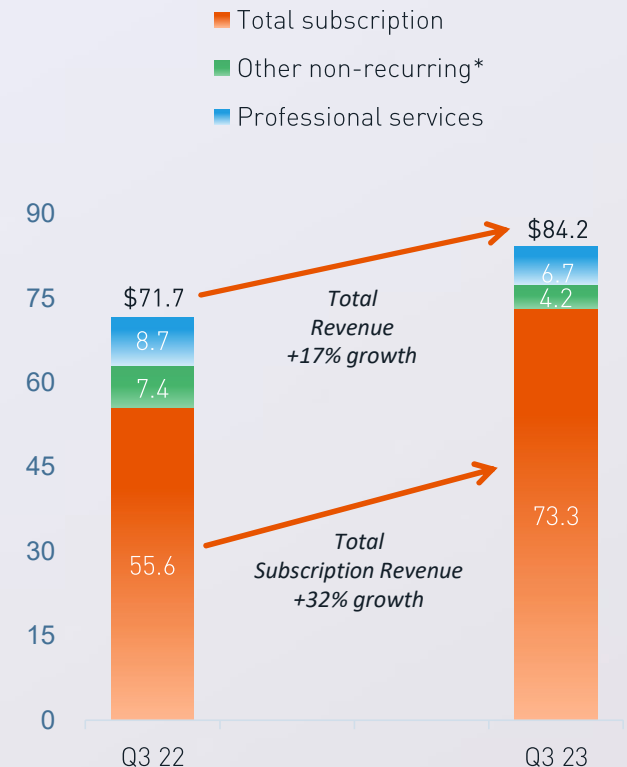


FINANCIAL REVIEW

Revenue Growth Driven by Subscription



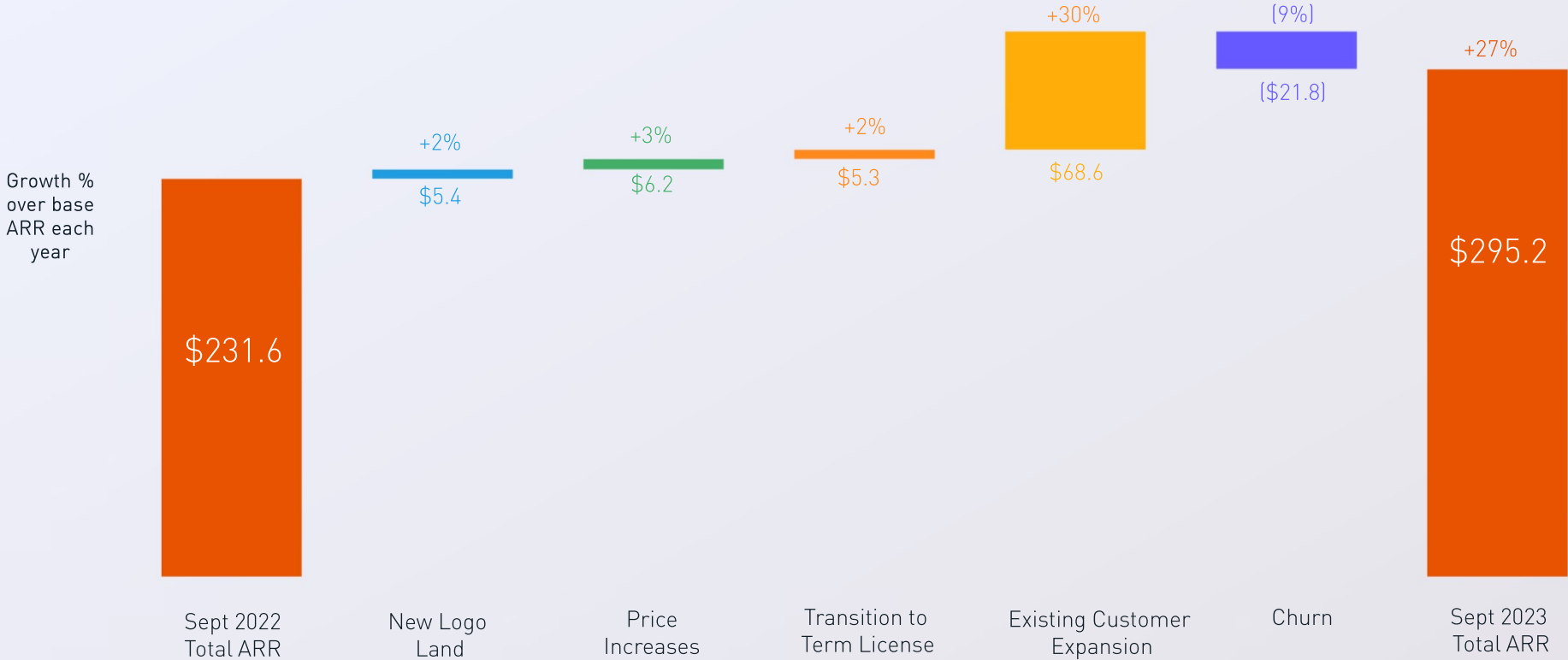
Note: Numbers may not total 100% due to rounding.



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\$ in millions

* Other non-recurring revenue is composed of hardware sales, usage fees and perpetual licenses, and was previously referred to "Perpetual license and other." Changing the name for this type of revenue reflects that perpetual license revenue has declined to relatively insignificant levels with hardware sales now representing the majority of this type of revenue.

ARR Growth Driven by Existing Customer Expansion

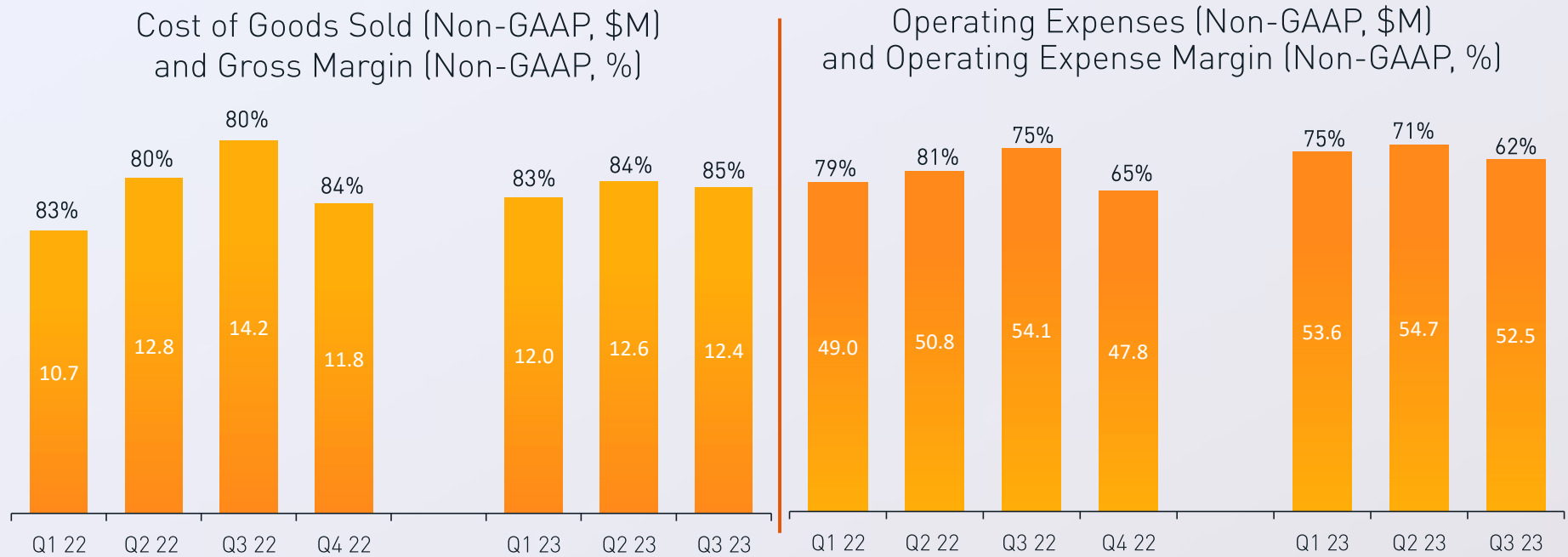


\$ in millions

* Numbers may not total due to rounding

Gross Margin & Operating Costs

Investing in Cellebrite's Future



1,005

Headcount Sep-22



1,004

Headcount Dec-22

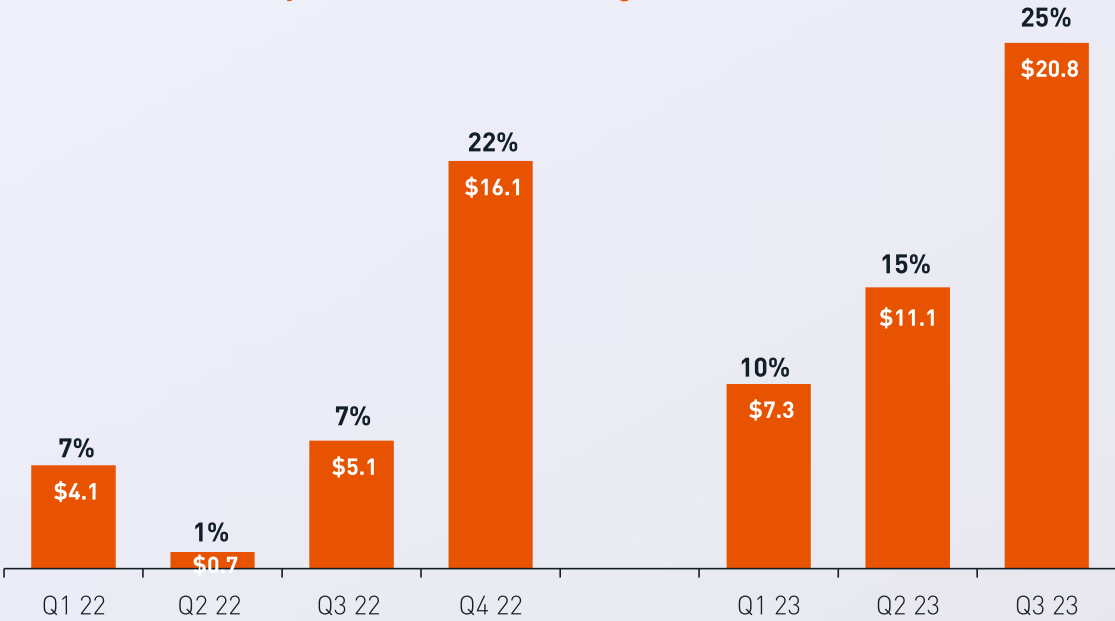


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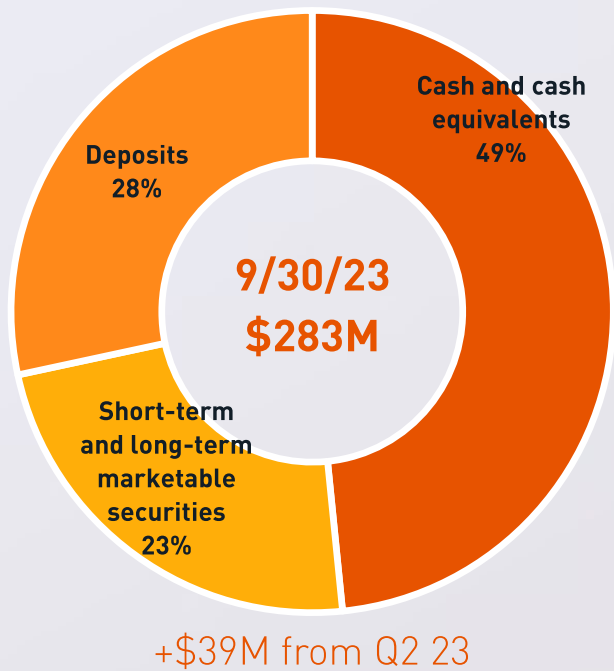
Headcount Sep-23

Adjusted EBITDA & Cash Position

Adjusted EBITDA (Non-GAAP, \$M)
and Adjusted EBITDA Margin (Non-GAAP, %)



Cash Position



Financial Forecast

	2022A	Prior 2023 Expectations (as of 8/8/23)	Updated 2023 Expectations (as of 11/14/23)
Revenue	\$271M	\$310M - \$320M	\$315M - \$320M
Revenue Growth (y/y)	+10%	+15% - +18%	+16% - +18%
ARR	\$249M	\$303M - \$313M	\$310M - \$315M
ARR Growth (y/y)	+33%	+22% - +26%	+25% - +27%
Gross Margin*	82%	82% - 84%	~84%
Adjusted EBITDA*	\$25.9M	\$39M - \$44M	\$50M - \$55M
Adjusted EBITDA Margin*	9.6%	13% - 14%	16% - 17%

* Non-GAAP





Q&A



APPENDIX

Financial Summary Q3 '23

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	84,179	71,675	232,097	196,633
Gross profit	71,301	57,141	193,782	158,018
Gross margin	84.7%	79.7%	83.5%	80.4%
Operating income (loss)	13,479	(1,085)	18,238	(8,630)
Operating margin	16.0%	(1.5%)	7.9%	(4.4%)
Net (loss) income	6,500	25,092	(66,453)	113,727
Cash flow from operating activities	29,179	(556)	58,231	(15,166)
Non-GAAP Financial Data:				
Operating income	19,252	3,412	34,300	5,110
Operating margin	22.9%	4.8%	14.8%	2.6%
Net income	21,313	2,974	38,927	4,369
Adjusted EBITDA	20,792	5,053	39,220	9,792
Adjusted EBITDA margin	24.7%	7.0%	16.9%	5.0%

\$ in thousands

Reconciliation Q3 '23

Cost of Revenue and Gross Profit

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cost of revenues	\$ 12,878	\$ 14,534	\$ 38,315	\$ 38,615
Less:				
Share based compensation	435	355	1,235	940
Acquisition related costs	12	—	39	—
Non-GAAP cost of revenues	<u>\$ 12,431</u>	<u>\$ 14,179</u>	<u>\$ 37,041</u>	<u>\$ 37,675</u>
	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Gross profit	\$ 71,301	\$ 57,141	\$ 193,782	\$ 158,018
Share based compensation	435	355	1,235	940
Acquisition related costs	12	—	39	—
Non-GAAP gross profit	<u>\$ 71,748</u>	<u>\$ 57,496</u>	<u>\$ 195,056</u>	<u>\$ 158,958</u>

\$ in thousands

Reconciliation Q3 '23

Operating Expenses and Operating Income

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Operating expenses	\$ 57,822	\$ 58,226	\$ 175,544	\$ 166,648
Less:				
Issuance expenses	—	—	(345)	—
Share based compensation	4,446	3,102	12,703	8,980
Amortization of intangible assets	840	664	2,476	1,992
Acquisition related costs	40	375	(46)	1,827
Non-GAAP operating expenses	\$ 52,496	\$ 54,085	\$ 160,756	\$ 153,849
	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Operating income (loss)	\$ 13,479	\$ (1,085)	\$ 18,238	\$ (8,630)
Issuance expenses	—	—	(345)	—
Share based compensation	4,881	3,458	13,938	9,921
Amortization of intangible assets	840	664	2,476	1,992
Acquisition related costs	52	375	(7)	1,827
Non-GAAP operating income	\$ 19,252	\$ 3,412	\$ 34,300	\$ 5,110

\$ in thousands

Reconciliation Q3 '23 Net Income and EPS

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net (loss) income	\$ 6,500	\$ 25,092	\$ (66,453)	\$ 113,727
Issuance expenses	—	—	(345)	—
One time tax income	—	(543)	—	(2,368)
Share based compensation	4,881	3,458	13,938	9,921
Amortization of intangible assets	840	664	2,476	1,992
Acquisition related costs	52	375	(7)	1,827
Tax expense (income)	(440)	(981)	885	(900)
Finance expense (income) from financial derivatives	9,480	(25,091)	88,433	(119,830)
Non-GAAP net income	<u>\$ 21,313</u>	<u>\$ 2,974</u>	<u>\$ 38,927</u>	<u>\$ 4,369</u>
Non-GAAP Earnings per share:				
Basic	\$ 0.10	\$ 0.02	\$ 0.19	\$ 0.02
Diluted	\$ 0.09	\$ 0.01	\$ 0.18	\$ 0.02
Weighted average shares outstanding:				
Basic	191,567,601	183,275,256	188,697,934	181,931,507
Diluted	204,394,330	193,188,295	202,899,131	194,967,665

\$ in thousands

Reconciliation Q3 '23 Adjusted EBITDA

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net (loss) income	\$ 6,500	\$ 25,092	\$ (66,453)	\$ 113,727
Issuance expenses				
Financial expense (income), net	6,630	(25,422)	81,456	(120,288)
Tax expense (income)	349	(755)	3,235	(2,069)
Share based compensation	4,881	3,458	13,938	9,921
Amortization of intangible assets	840	664	2,476	1,992
Acquisition related costs	52	375	(7)	1,827
Depreciation expenses	1,540	1,641	4,920	4,682
Adjusted EBITDA	\$ 20,792	\$ 5,053	\$ 39,220	\$ 9,792

\$ in thousands

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 annual recurring revenue by base revenue. We define base revenue as annual recurring revenue we recognized from all customers with a valid license at the end of the equivalent quarter of the previous year. We define our customer revenue as the annual recurring revenue we recognized 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.





Thank you