

The background is a dark blue gradient with a complex, glowing network of white and light blue lines and dots, resembling a digital or neural network. The lines are thin and connect various points, creating a sense of connectivity and data flow. The overall aesthetic is high-tech and futuristic.

Building your last line of defense

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Our Mission

Enable employees to make smarter security decisions, everyday

Key Investment Highlights



Massive global opportunity addressing the human layer



Integrated AI/ML driven SaaS platform leveraging proprietary data set



Easy to deploy and use for companies of all sizes in all verticals



Demonstrated scale and durable growth

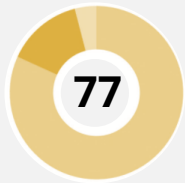


Attractive 80%+ margins and positive FCF from inception

KnowBe4 Snapshot



**New-School Security
Awareness SaaS Platform**



Strong Net Promoter Score



Forrester Wave Leader



**\$256M Annualized
Q3 2021 Revenue***



**40%+ Q3 2021 YoY
Revenue Growth**



85%+ Gross Margins



**\$262M
Q3 2021 ARR**



**40%+ Q3 2021 YoY
ARR Growth**



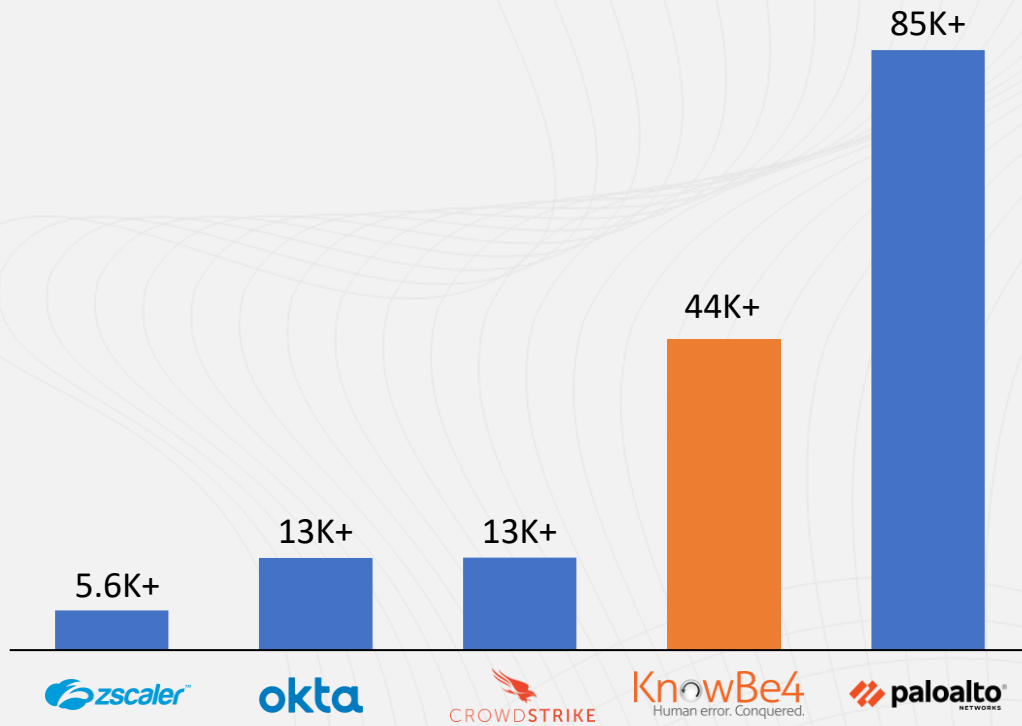
25%+ FCF Margin

Completing the Next Paradigm: Security Awareness

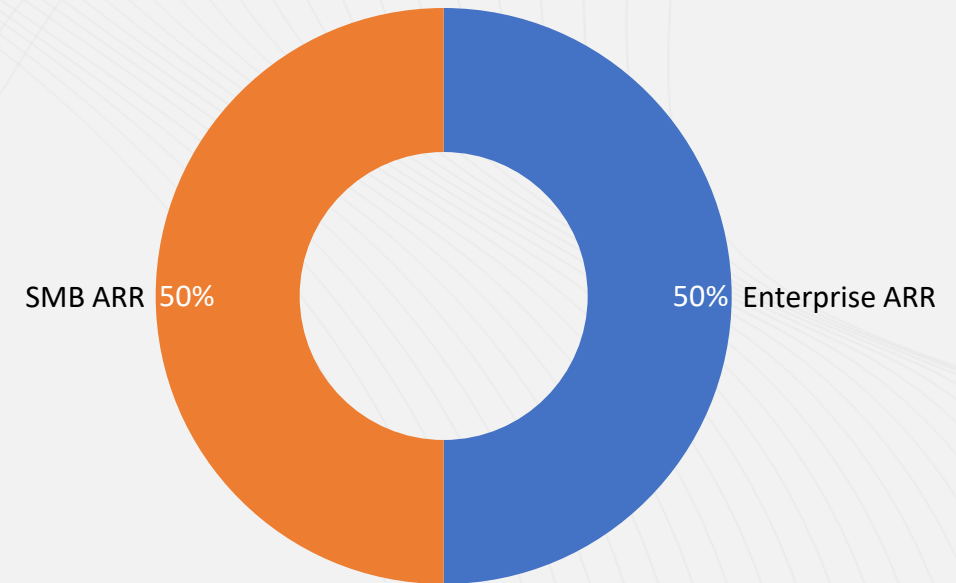


Early Days

Customer Count

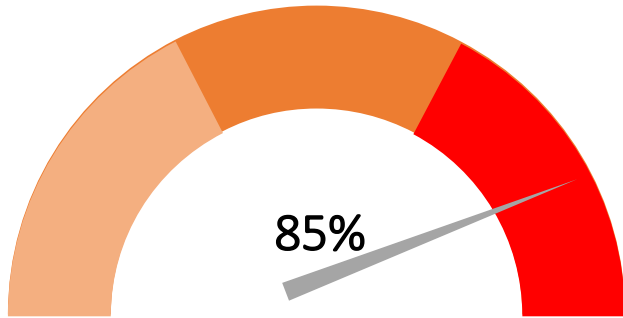


KnowBe4 ARR Distribution



Accelerating Importance of Securing the Human Layer

Recent Developments



According to the Verizon 2021 Data Breach Investigations report, **85%** of data breaches involved a **human element**.



Ransomware attacks grew by 1,070% between July 2020 and June 2021²



Awarded Gartner G2 Grid Report Leader for 9th Consecutive Quarter⁴

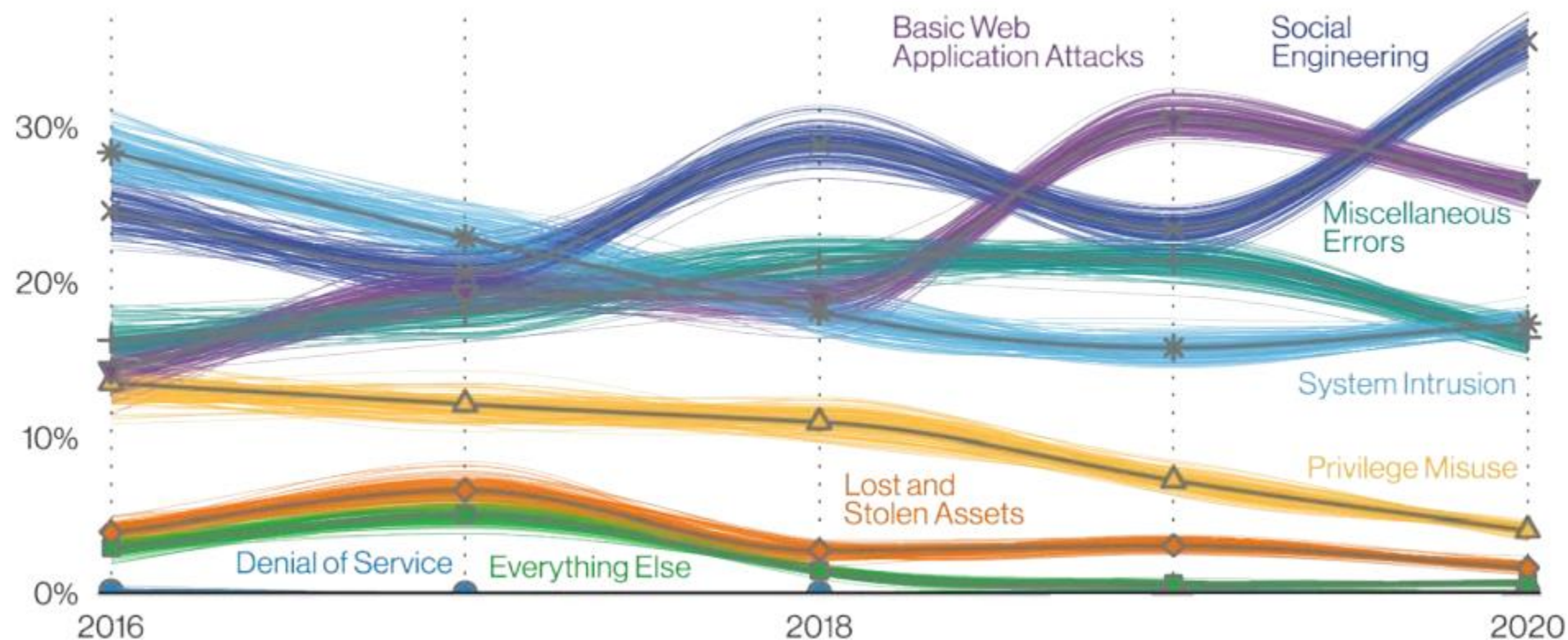


Hackers behind SolarWinds breach continue, accessed by Phishing and Password guessing⁵



2/3rds of Organizations have been a target of ransomware²

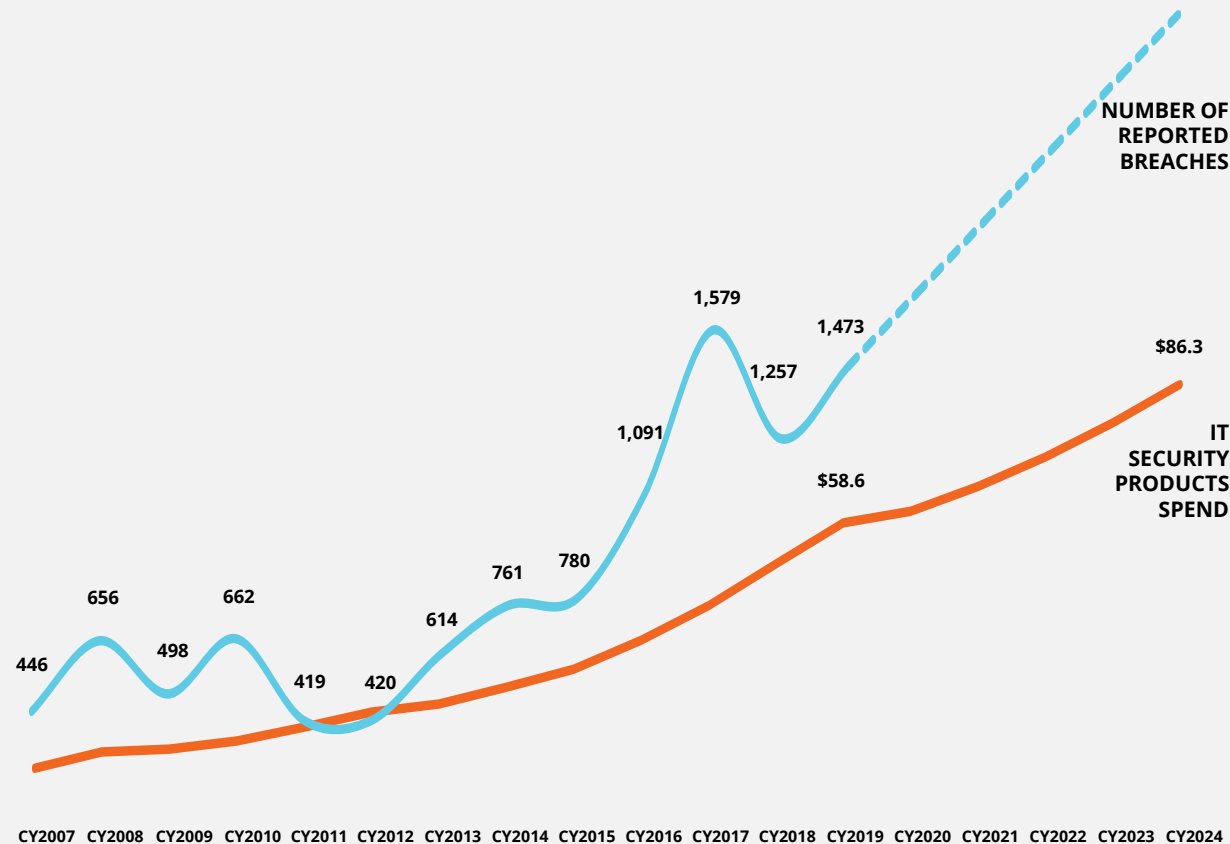
Verizon 2021 Data Breach Investigations Report: Patterns Over Time in Breaches



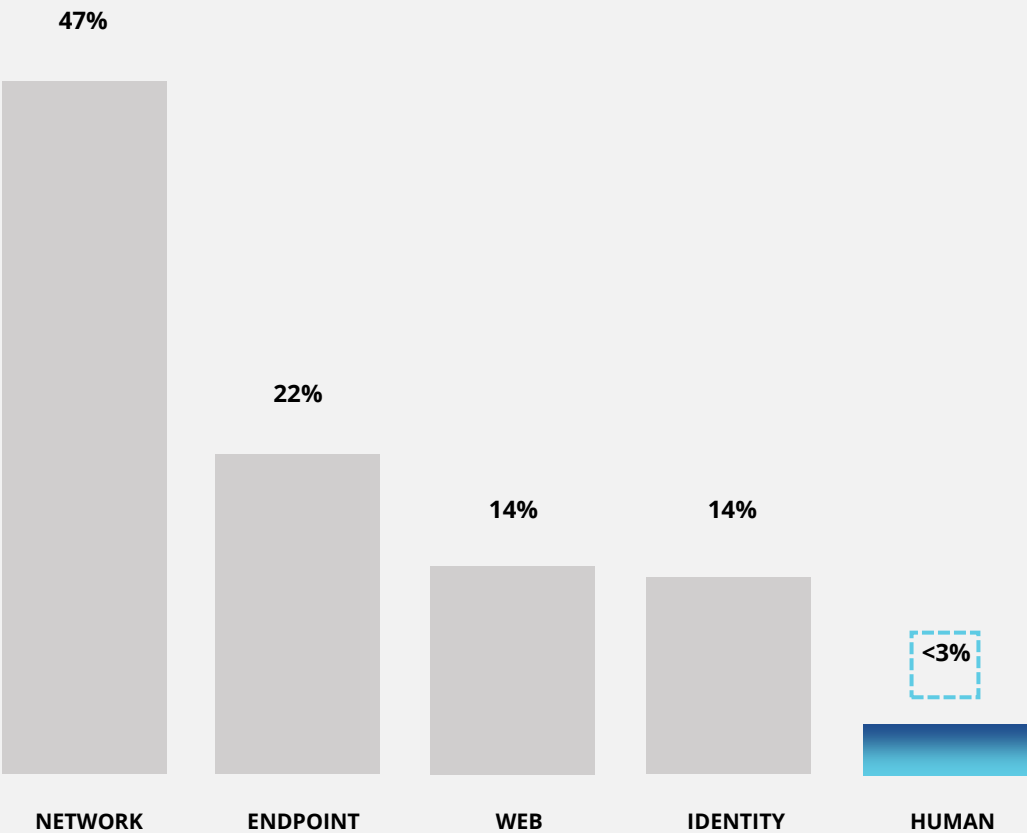
Organizations Globally Have Invested Massively on Cybersecurity, Yet Breaches Continue to Increase

WORLDWIDE IT SECURITY PRODUCTS SPEND VS. NUMBER OF REPORTED BREACHES¹

\$BN / # OF BREACHES



Worldwide IT Security Products Spend² - \$BN



The Regulatory Environment Finally Sees the Light

NIST National Institute of Standards and Technology

“Provide practical exercises in literacy training that simulate events and incidents. Practical exercises include **non-notice social engineering attempts...**”

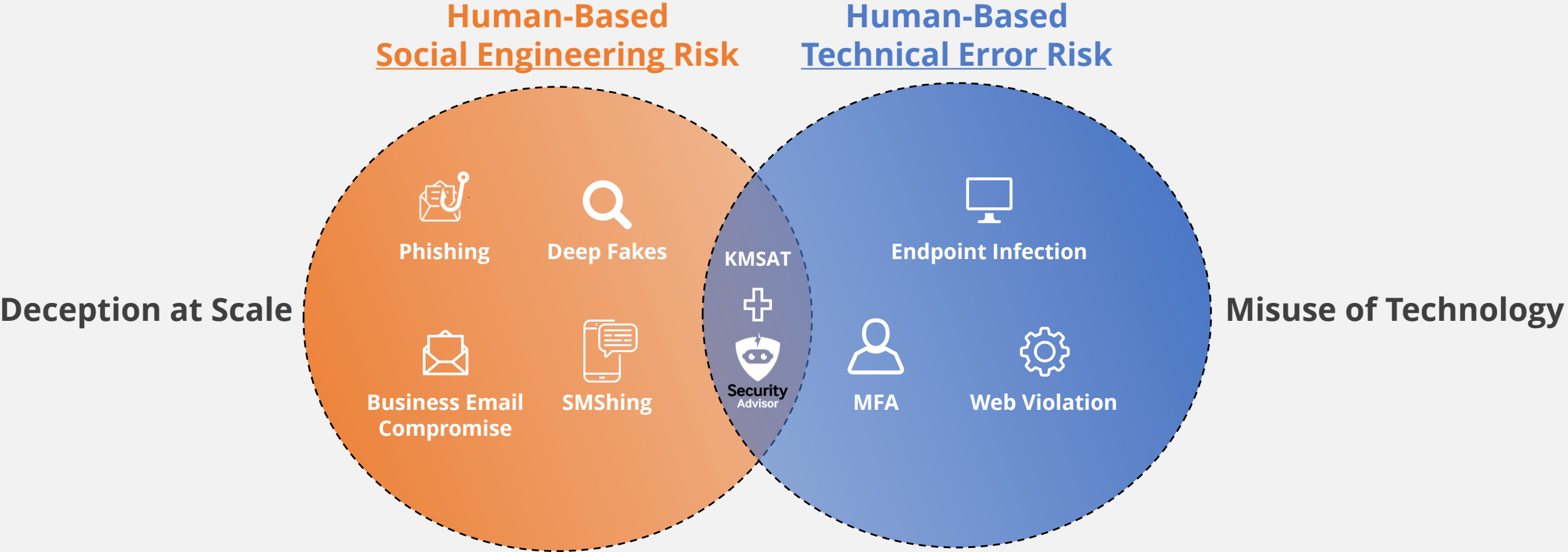


“Employee awareness of their network security obligations and anti-phishing training, in particular, are critical. Required cybersecurity awareness training... should include **recurrent phishing training**, including how to spot, avoid, and report phishing attempts.”

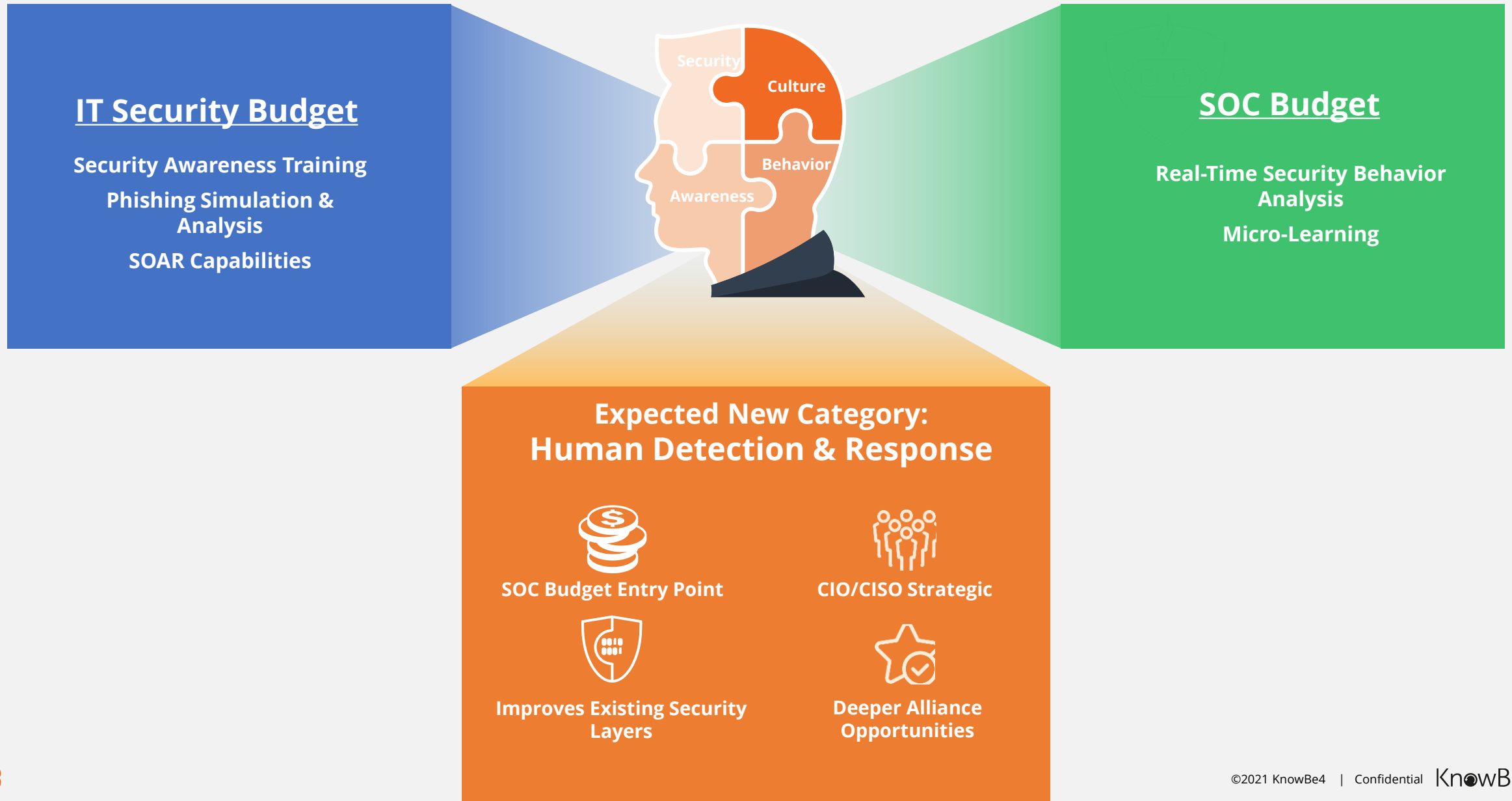


“Reduce the risk of phishing emails from reaching end users by enabling strong spam filters and implementing **user awareness and training programs**”

We Acquired Security Advisor to Reinforce the Most Exploited Layer in Cybersecurity: **The Human Layer**



Extension of the Security Budget— Expanding our TAM and Reach



Human Detection & Response – Platform Extension

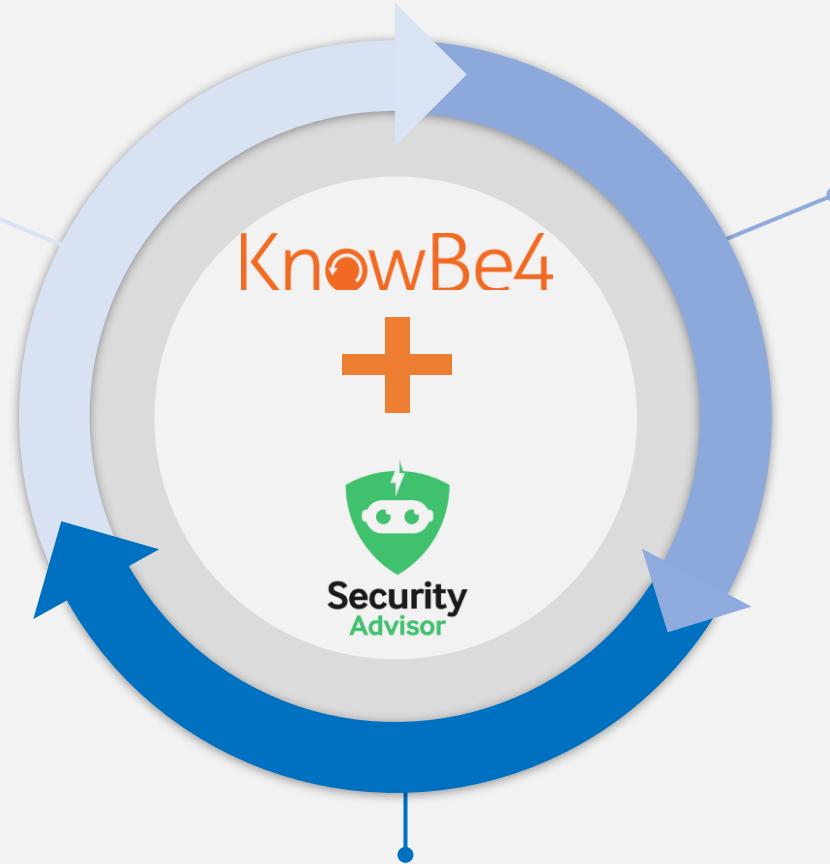
Strategic InfoSec Integration

Correlation of real-world security behavior with existing security stack to identify and remediate vulnerabilities and improve efficacy of the SOC



SAT & Phishing Simulation

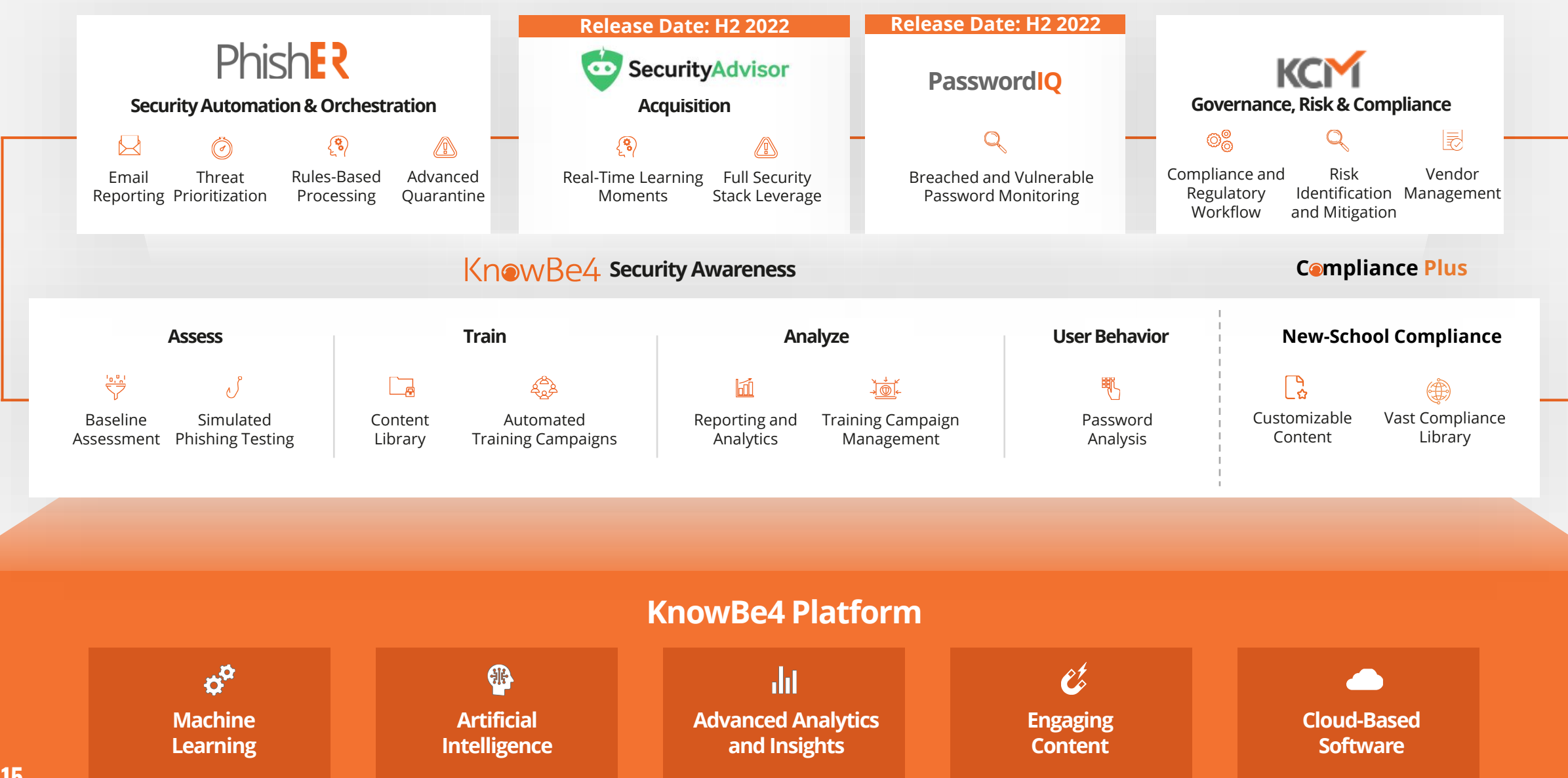
Users are taught security fundamentals and tested with frequent phishing campaigns



Real-Time Behavior Response

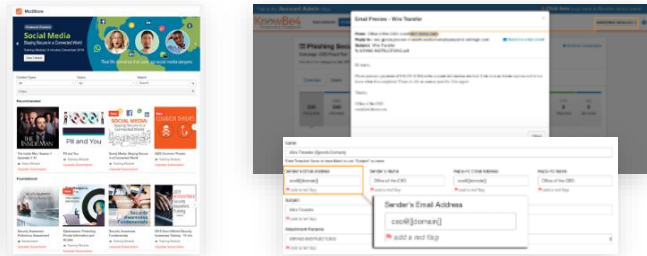
Unsecure user behavior is identified and remediated via real-time micro-learning

KnowBe4's Platform Is Purpose-Built to Protect the Human Layer



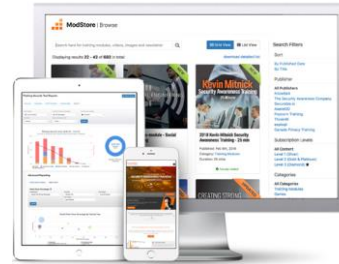
Complete Suite Manages the Ongoing Risks of Social Engineering

KnowBe4 Security Awareness



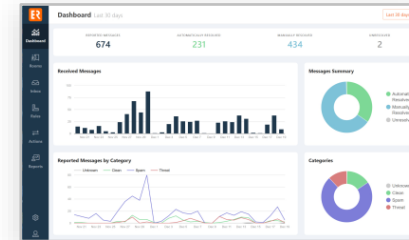
- Interactive training modules
- Engaging & effective content
- User-centric experience
- Continual assessment of employee behavior
- Evolving threat simulations based on real-world attacks
- Custom attack simulations
- Actionable metrics and insights into enterprise risk profile
- Ability to tailor additional training based on results

Compliance Plus



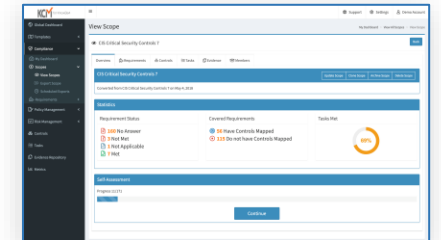
- High quality, customizable content
- Wide variety of topics covered from discrimination to workplace safety
- Completely automated training campaigns with extensive reporting

PhishER



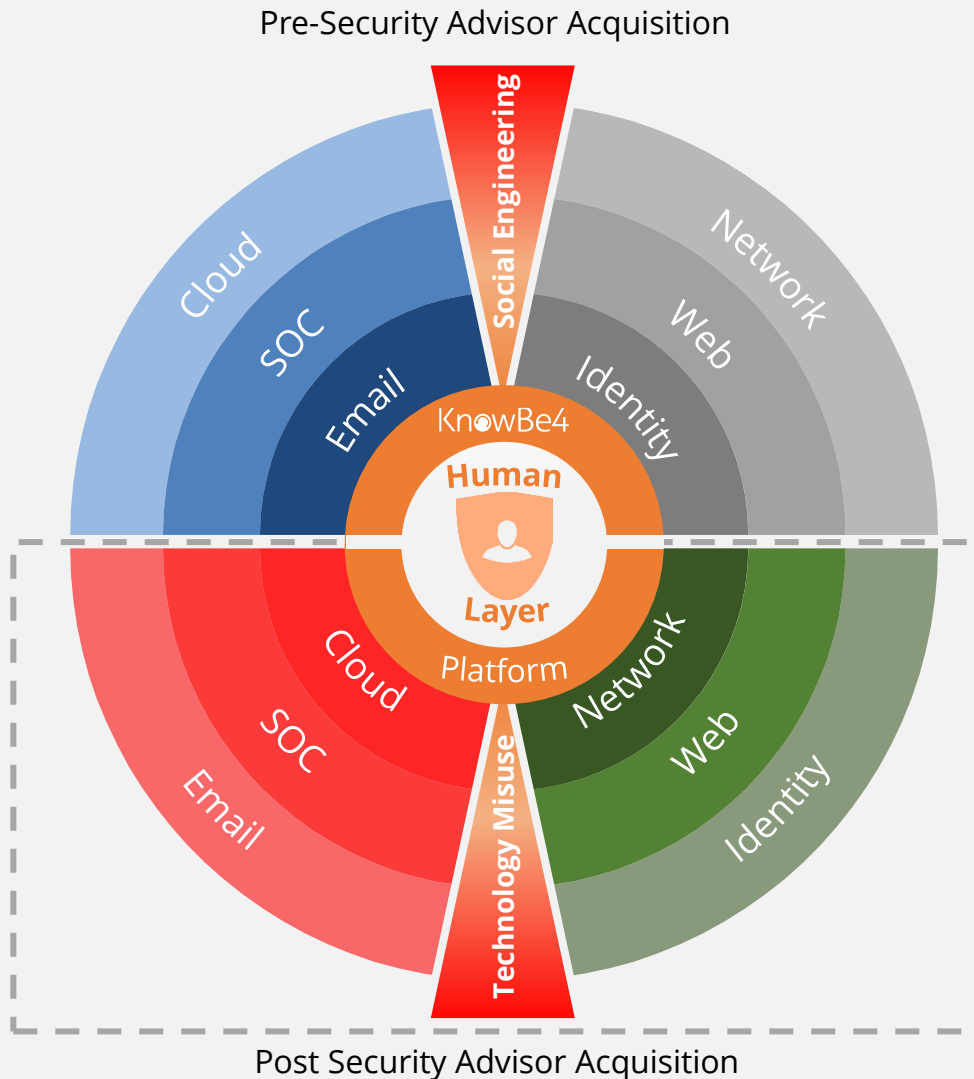
- Automatic processing from custom rules
- Automated message disposition
- Continual employee feedback loop
- Risk scoring and tagging for prioritization of threats
- Automation of security operations workflow

KCM



- Manage and automate compliance and audit cycles
- Centralize policy distribution and tracking
- Identify, monitor and remediate risk

KnowBe4 Makes the Human Layer the Last Line of Defense

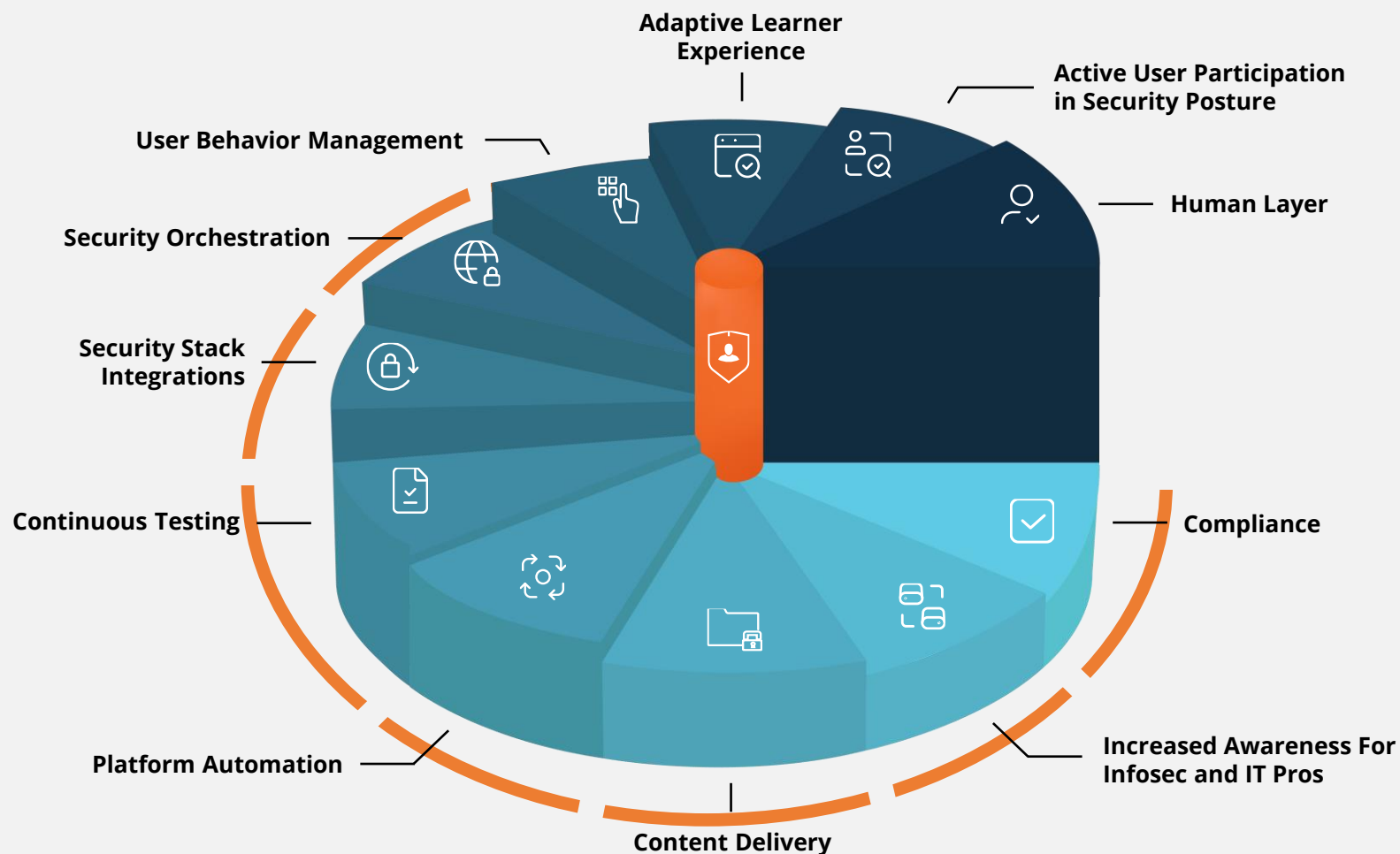


Dedicated Security Awareness Platform

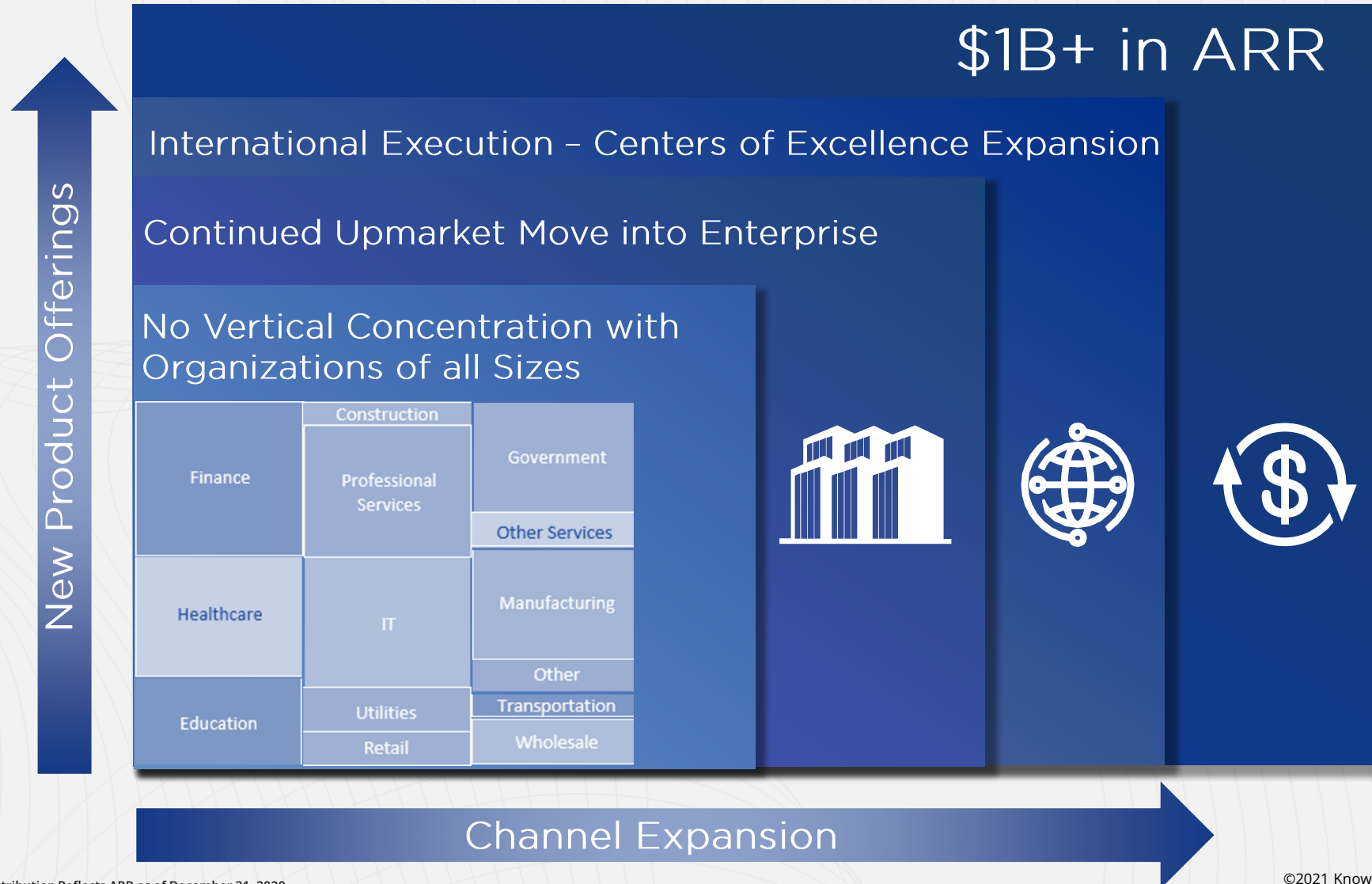
- Purpose-built to alter human behavior and continually reinforce secure behaviors
- Strengthens security posture by reducing the risks of social engineering
- Complements existing security infrastructure investments

The KnowBe4 Vision for Security Awareness

THIS PLATFORM DRIVES THE ABC's – AWARENESS, BEHAVIOR, AND CULTURE



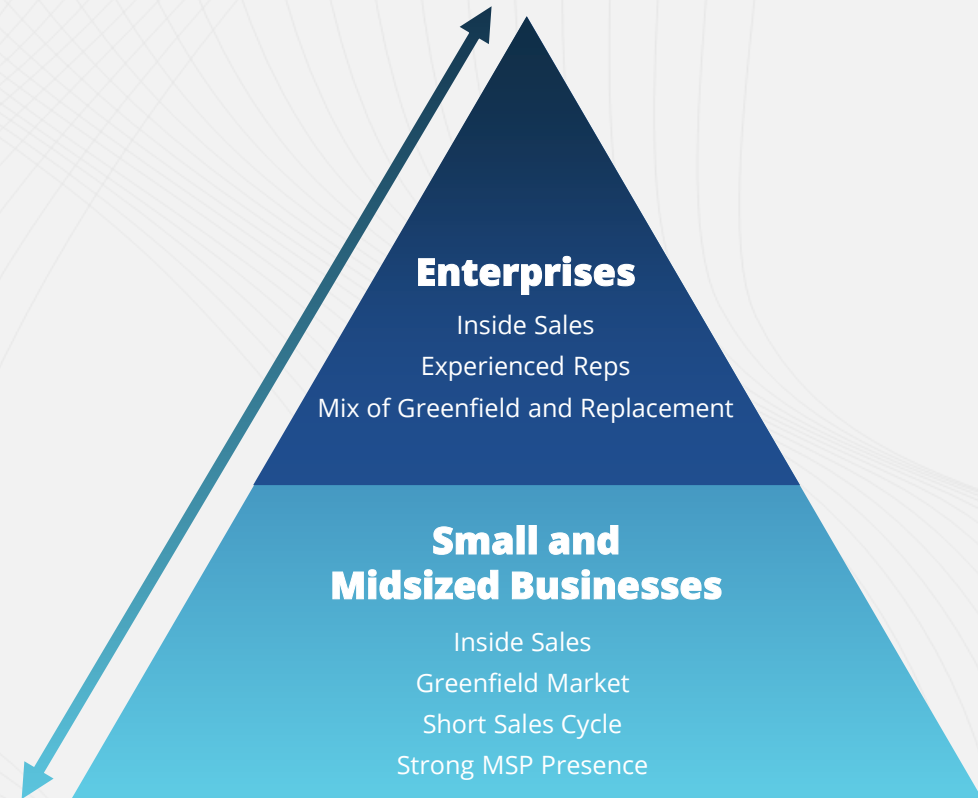
The Path to \$1B+ in ARR



Highly Efficient Go-to-Market Strategy Targets the Whole Market

Go-to-Market

- Highly efficient inside sales-driven model translates across customer segments
- Combination of platform functionality and ease-of-use scales to enterprise
- Channel partners provide significant sales leverage & enterprise pull
- Short sales cycle and Greenfield opportunity drives lower acquisition costs
- Favorable customer unit economics generate operating leverage



Significant and Underpenetrated Market Opportunity

TAM
~\$23Bn^{1,2,3}

KMSAT	: (# of employees by org size & geography) x (Avg price per employee)
PhishER	: (# of employees by org size & geography) x (Avg price per employee)
KCM	: (# of organizations by size & geography) x (Avg price per organization)
CompliancePlus	: (# of employees by org size & geography) x (Avg price per employee)
SecurityAdvisor	: (# of employees by org size & geography) x (Avg price per employee)



Strategic Moats

Dedicated Platform

Machine Learning & AI



Product
Integration



Organization-wide
implementation



Reporting &
Analytics



Automated
Training Campaigns

Strategic Patent Library



Security
Workstreams



AI/ML
Oriented

Further Integration into Security Ecosystem



Vendor
Integration



More Value from
Security Stack

Scale & Recognition

Market Leadership



Forrester Wave
Leader



Gartner G2
Grid Leader

Go-to-Market



Multi-Product
Leverage



Inside Sales
Team

Expansive Customer Base



44,000+
Logos



Tens of Millions
of End Users

Unrivalled Capabilities

Thought Leaders



Guided by the
Industry's Best

Unsurpassed Content Variety



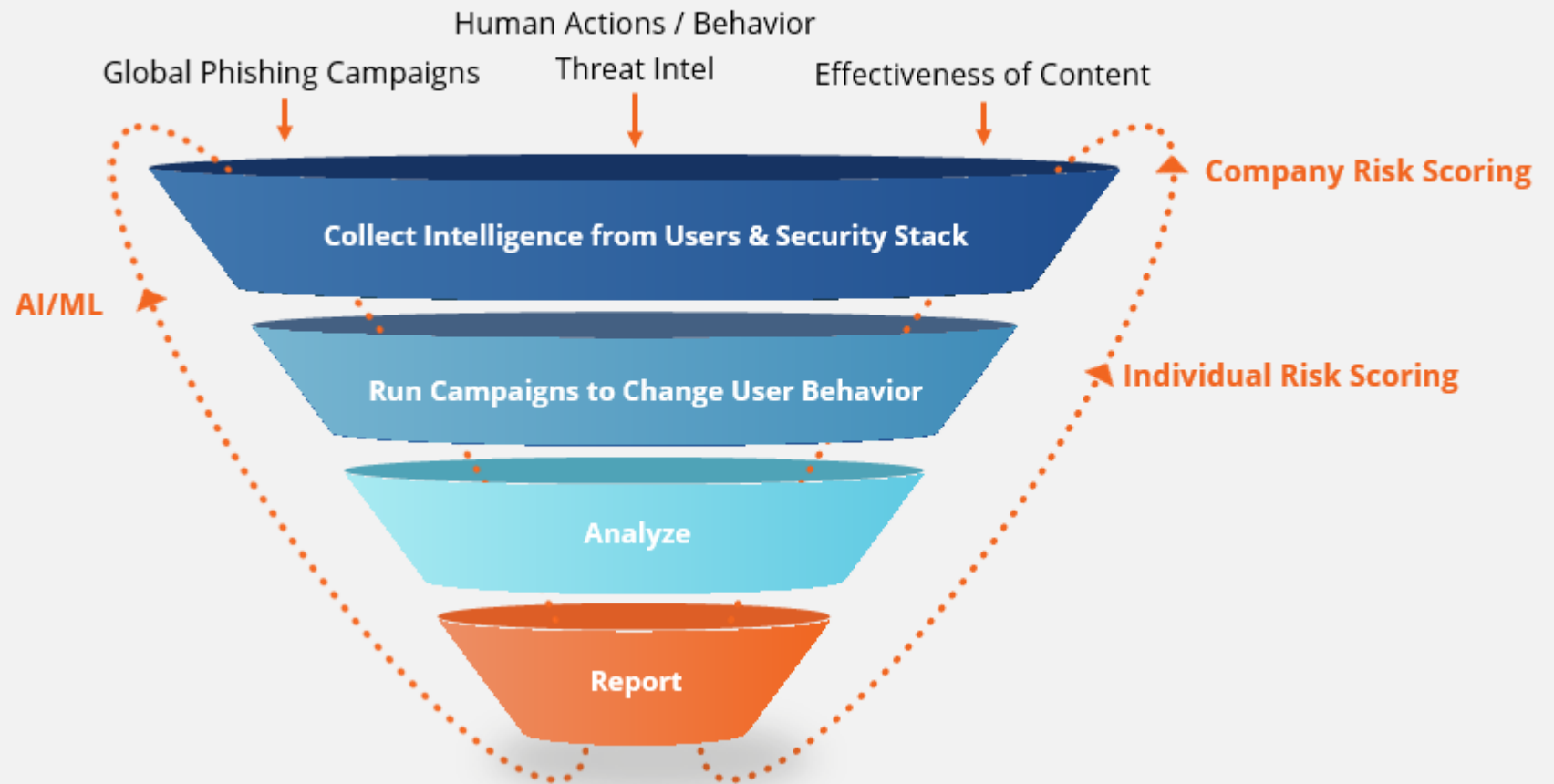
Award
Winning



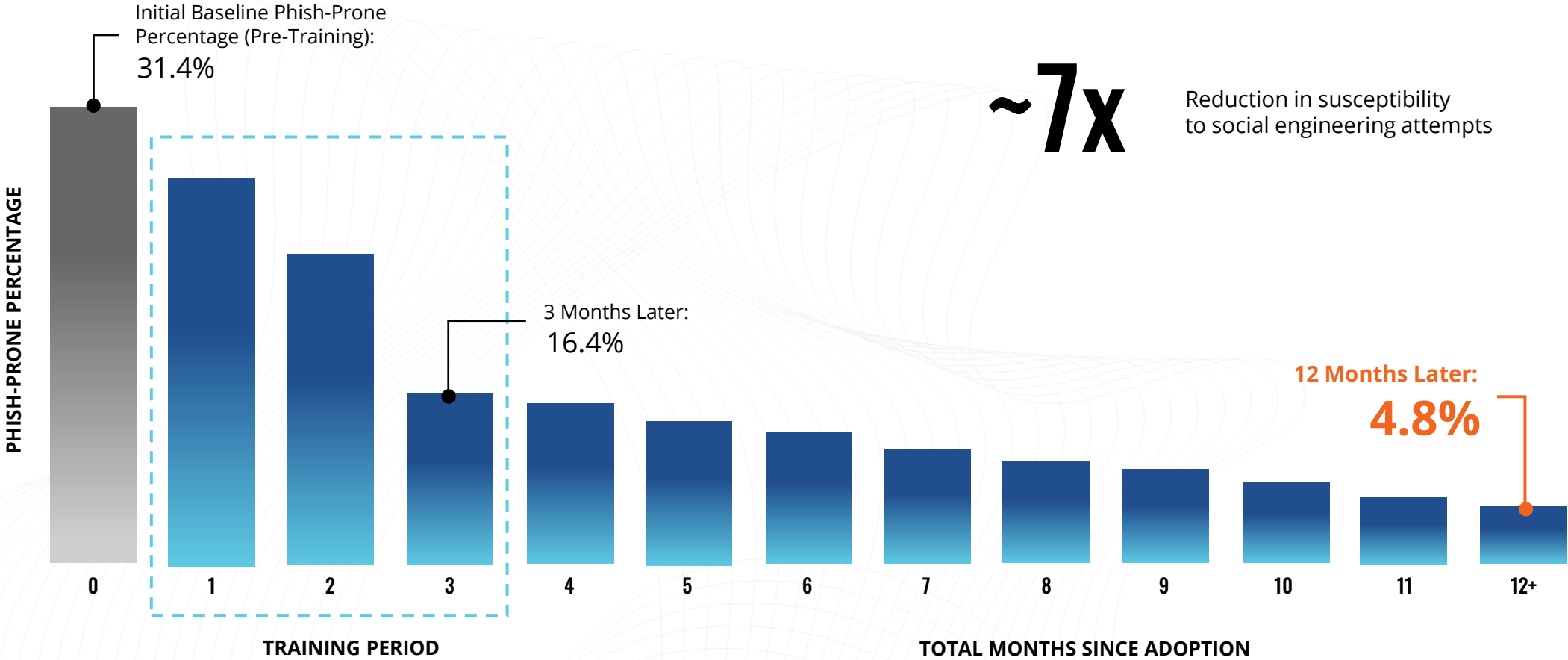
Deeply
Localized

One of the Key Strategic Moats of the KnowBe4 Platform

Immense **Dataset** Comprised of **Billions** of Events



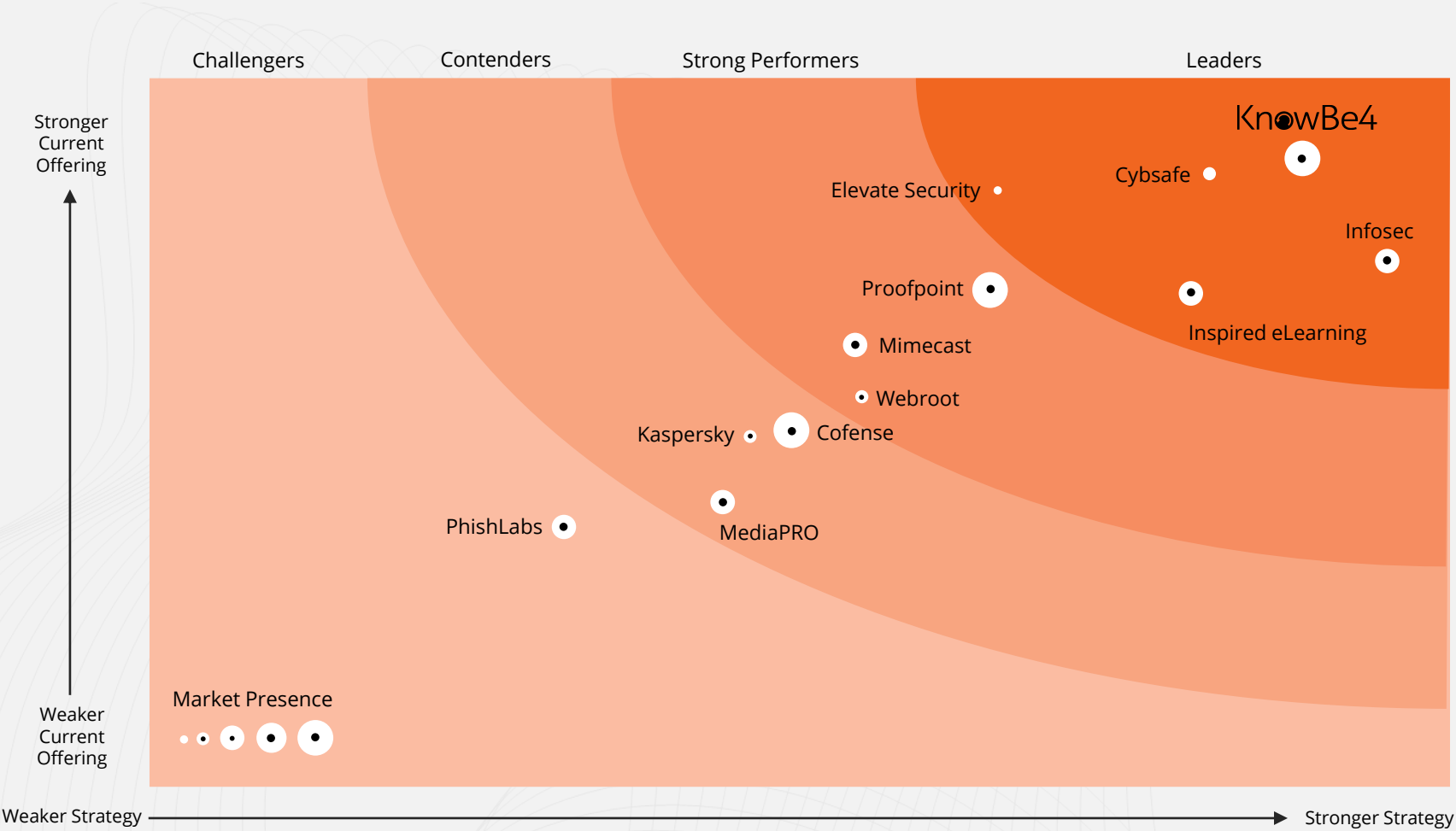
Delivering Quantifiable Results for Customers



Based on 6.6 Million Users

...and Awarded Across the Industry

The Forrester Wave™ - Security Awareness And Training Solutions Q1 2020



...and Awarded Across the Industry

Microsoft Azure AD App Gallery

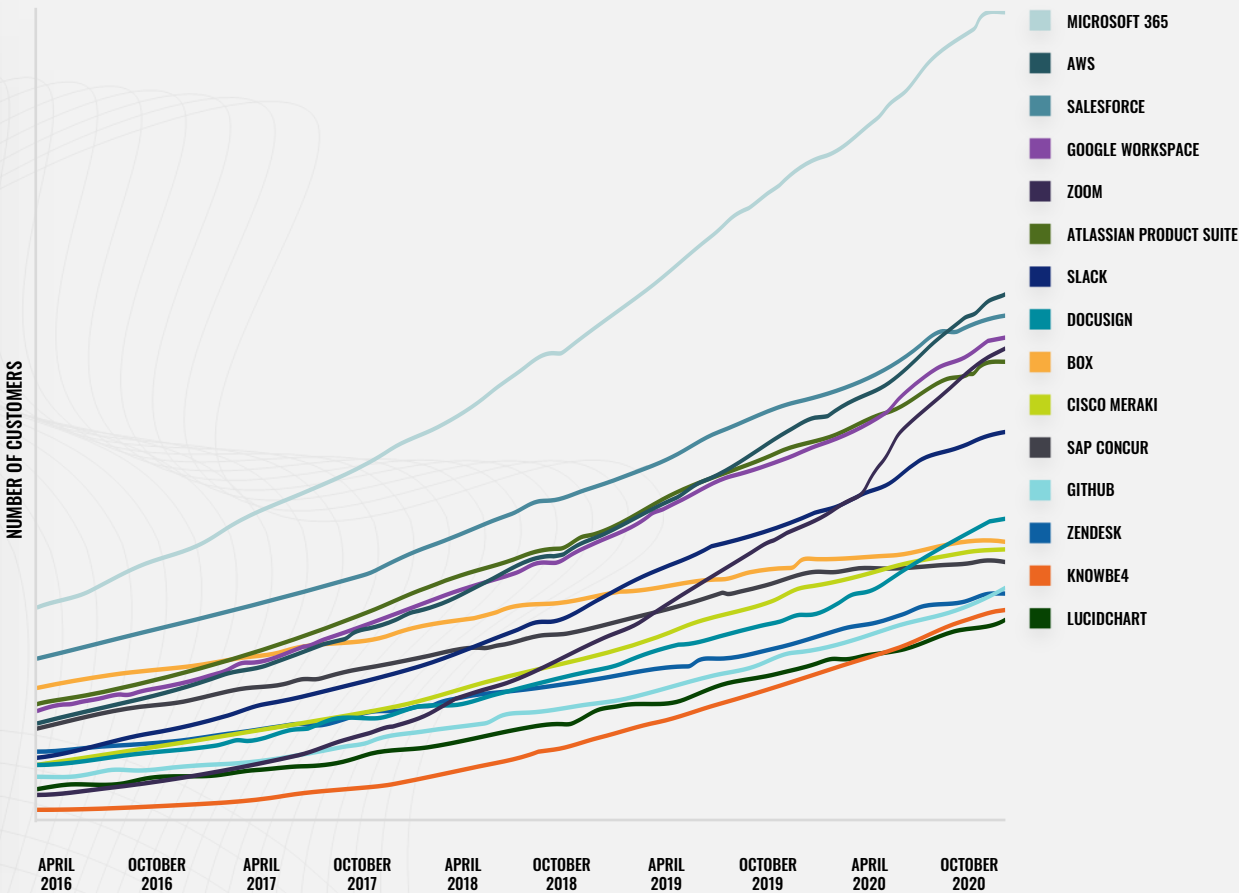


Top 15 Apps by Number of Organizations

RANK	2018	2019	2020
1	Salesforce	Salesforce	Zoom
2	Google Cloud/Google Workspace	Google Cloud/Google Workspace	Salesforce
3	ServiceNow	ServiceNow	Google Cloud/Google Workspace
4	Amazon Web Services (AWS)	Adobe Creative Cloud	ServiceNow
5	Atlassian Cloud	Amazon Web Services (AWS)	KnowBe4 Security Awareness Training
6	Adobe Creative Cloud	Zoom	Atlassian Cloud
7	Dropbox Business	Atlassian Cloud	Amazon Web Services (AWS)
8	Box	KnowBe4 Security Awareness Training	DocuSign
9	Freshservice	Freshservice	Freshservice
10	Zoom	Box	Mimecast Personal Portal
11	SAP Concur	Dropbox Business	Cisco Webex
12	KnowBe4 Security Awareness Training	SAP Concur	Palo Alto Networks Prism Access
13	Citrix ShareFile	Slack	Box
14	Slack	Zendesk	Dropbox Business
15	Zendesk	Citrix ShareFile	Zendesk

Source: Data sourced from applications available in the Azure AD app gallery, December 2020. Microsoft owned applications such as Office 365, Teams, Azure, Dynamics and other Microsoft apps have been excluded.

Okta 2021 Businesses at Work - Most Popular Apps by # of Customers



...and Awarded Across the Industry

Microsoft Azure 2020 Report

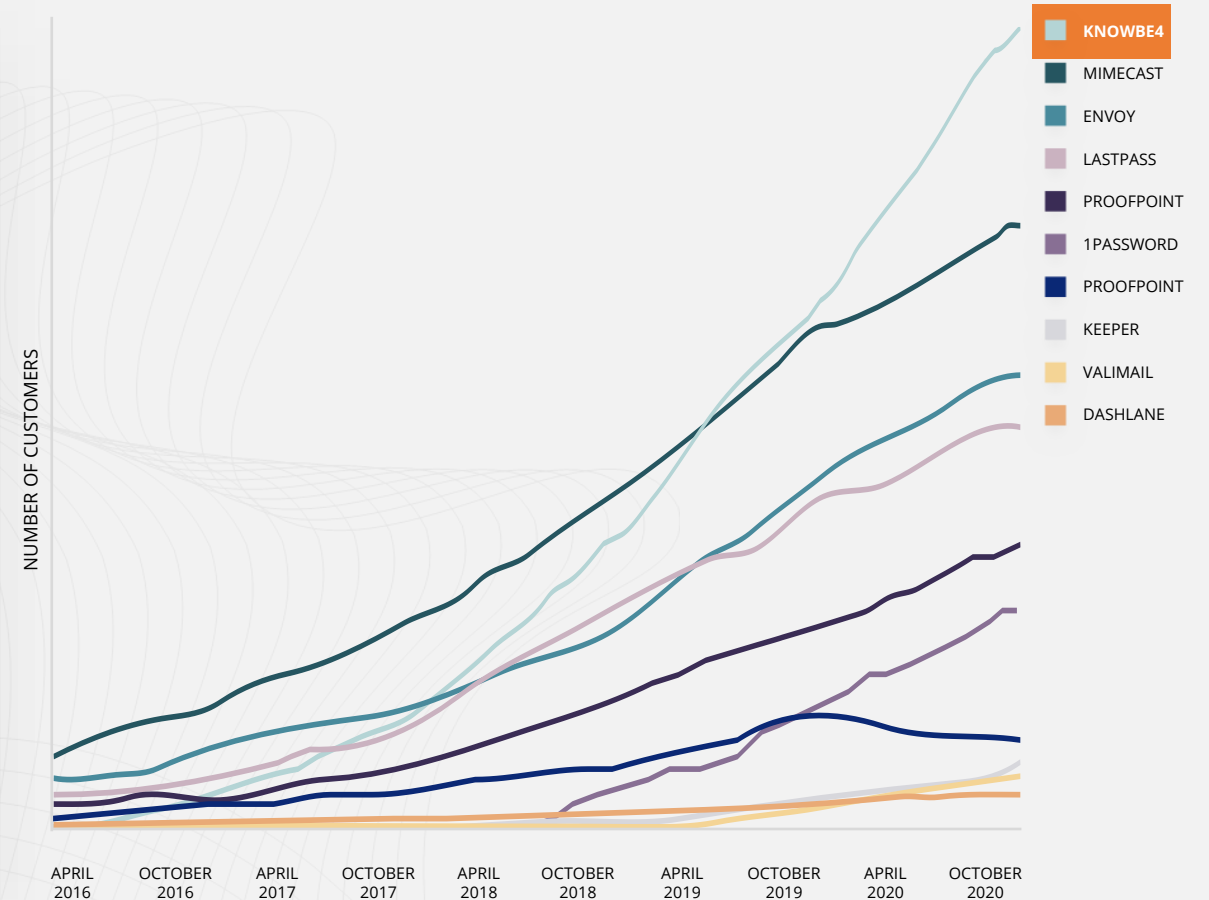


The Most Popular Apps by Category

Education	Human Resources	Security	IT Service Management	Data Services
Canvas	Workday	Palo Alto Networks Prisma Access	ServiceNow	Tableau
Clever	SAP Success Factors	Zscaler Private Access (ZPA)	Freshservice	Domo
Blackboard Learn	Cornerstone OnDemand	KnowBe4 Security Awareness Training	TOPdesk	SAP Analytics Cloud
Brightspace by Desire2Learn	UltiPro	Cisco AnyConnect	Dialpad	Splunk Enterprise and Splunk Cloud
Apple School Manager	Kronos	Citrix ADC	Ivanti Service Manager (ISM)	Snowflake

Source: Data sourced from applications available in the Azure AD app gallery, December 2020. Microsoft owned applications such as Office 365, Teams, Azure, Dynamics and other Microsoft apps have been excluded.

Okta 2021 Businesses at Work - Most Popular People-Centric Security Tools



Financials

Financial Highlights

Significant Scale

\$262 Million
Q3 2021 ARR



\$256 Million
Q3 2021 Annualized Revenue*

Rapid Growth

44%
Q3 2021 YoY ARR Growth



43%
Q3 2021 YoY Revenue Growth

Attractive Margins

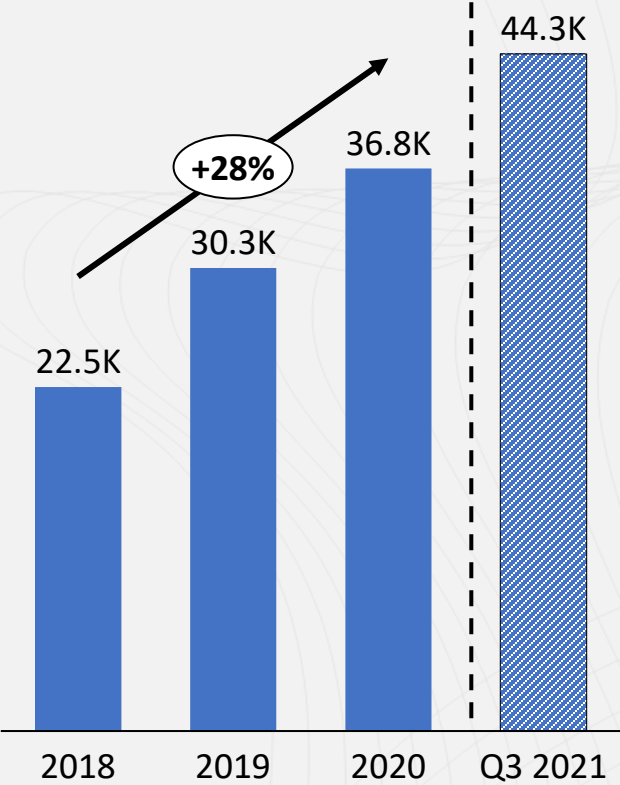
25%+
Free Cash Flow Margin



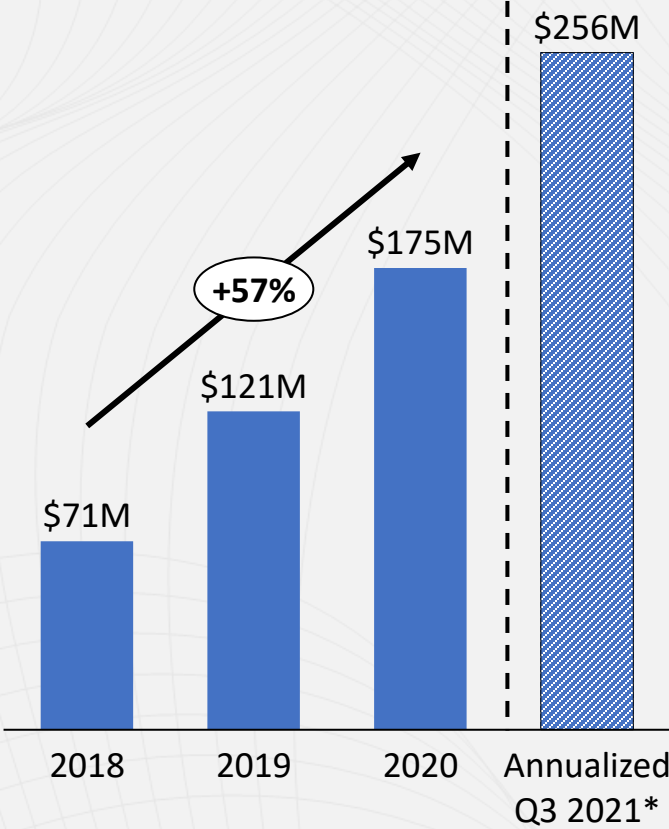
85%+
Gross Margin

Strong and Consistent Growth in Revenue and Customer Base

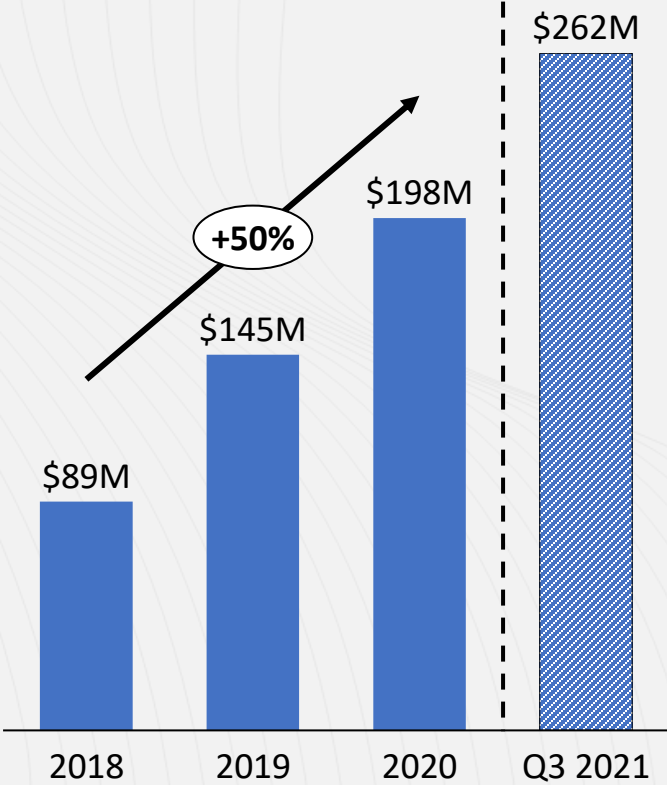
NUMBER OF CUSTOMERS



GAAP Revenue



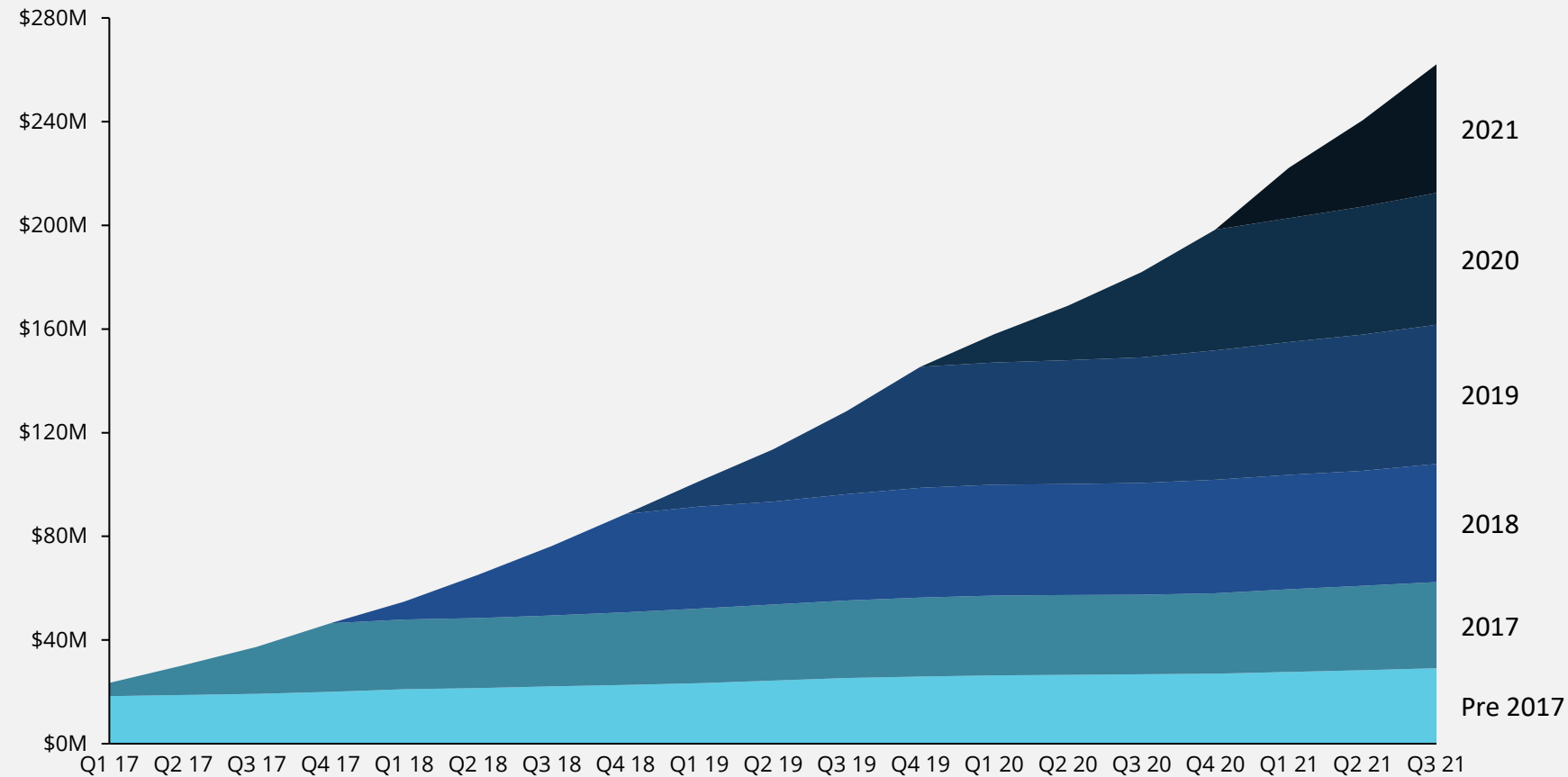
ANNUAL RECURRING REVENUE (ARR)



30 *Q3 2021 Annualized Revenue represents reported Q3 2021 GAAP Revenue of \$64.1M X 4

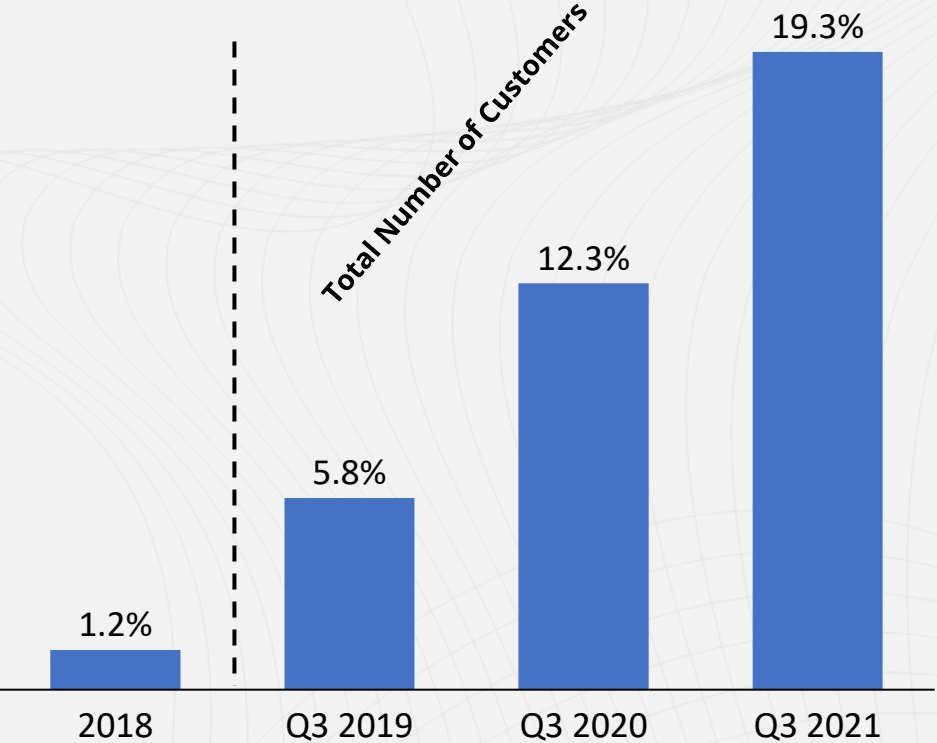
All cohorts
have
expanded
since
inception

Revenue Durability Supported by Favorable Retention Dynamics

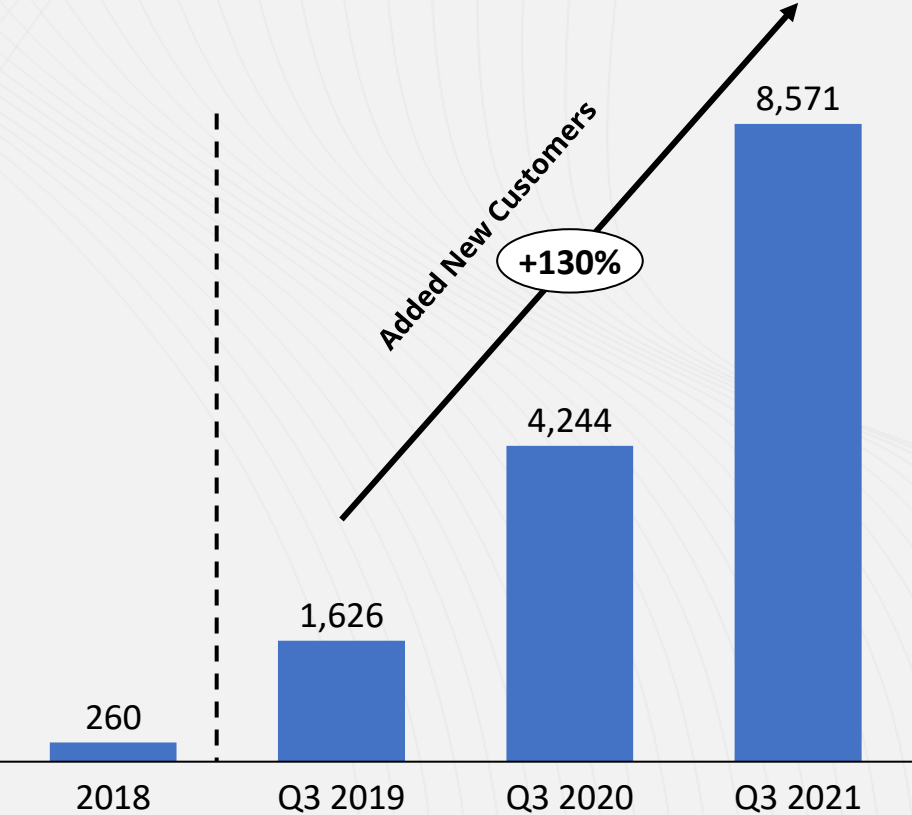


Proven Up/Cross Sell Ability with Room to Grow

Accounts With Multiple Products
% of Total Accounts



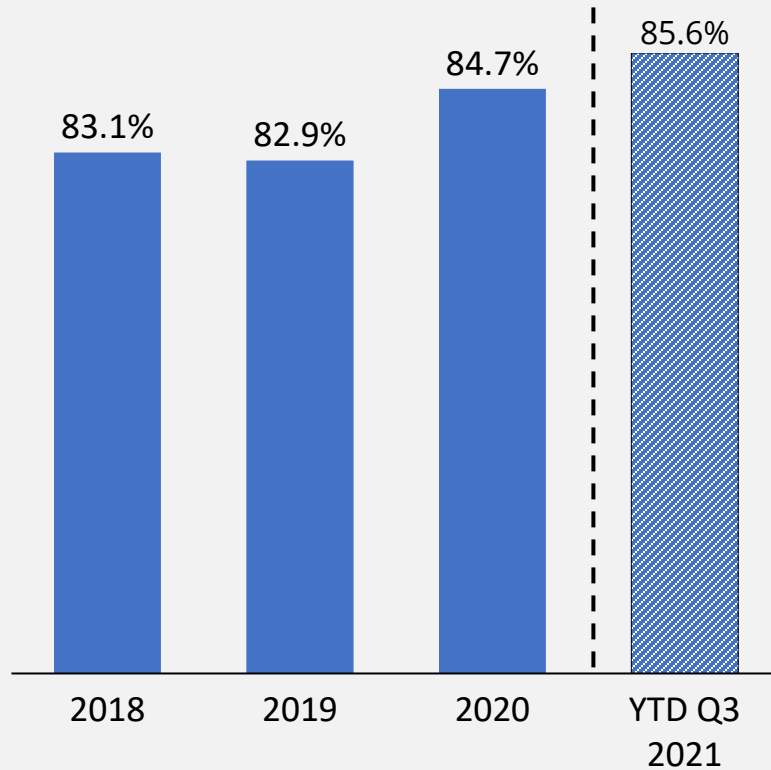
Total Accounts With Multiple Products



Expanding Margin Profile

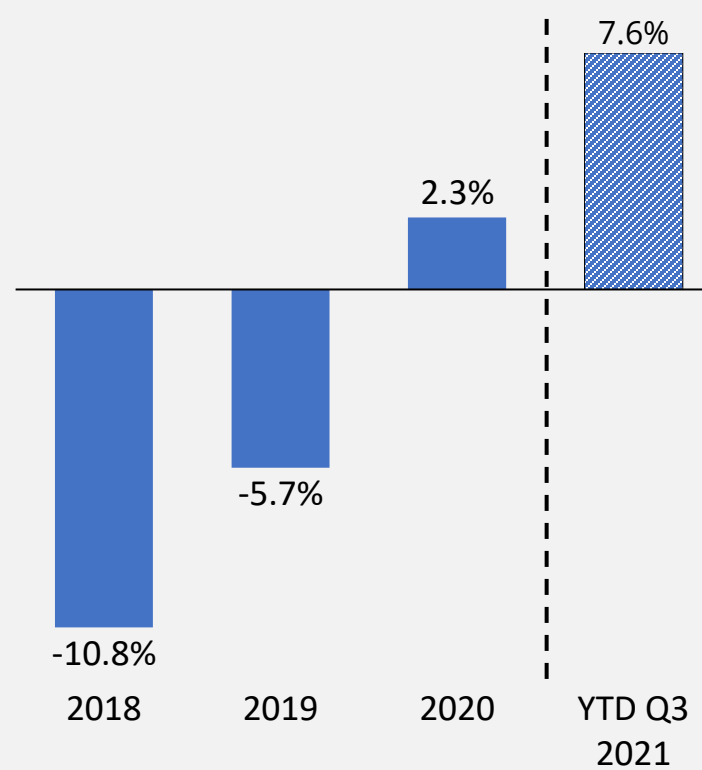
Gross Margins

Remain High



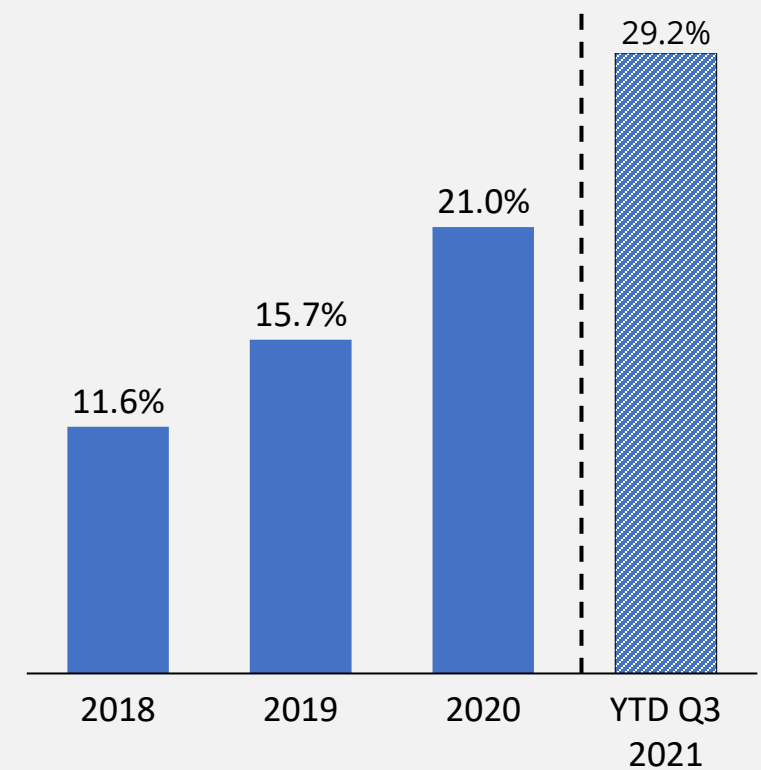
Non-GAAP Op. Margins*

Expanding



Free Cash Flow Margins*

Steadily Improving



Appendix

Non-GAAP Reconciliations

(\$ MILLIONS)	2019	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$29.7M	\$13.9M	\$13.0M	\$12.7M	\$5.2M	\$21.8M	\$14.1M	\$19.9M
LESS: PURCHASES OF PROPERTY AND EQUIPMENT	-\$5.6M	-\$2.7M	-\$1.2M	-\$0.8M	-\$0.7M	-\$0.5M	-\$0.5M	-\$1.2M
LESS: CAPITALIZED INTERNAL- USE SOFTWARE	-\$5.2M	-\$0.9M	-\$0.6M	-\$0.8M	-\$0.4M	-\$0.4M	-\$0.8M	-\$0.8M
LESS: PAYMENTS ON PRINCIPAL OF FINANCE LEASES	-	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
FREE CASH FLOW	\$18.9M	\$10.4M	\$11.2M	\$11.0M	\$4.1M	\$20.9M	\$12.8M	\$18.0M

Non-GAAP Reconciliations

	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
Revenues	\$36.3M	\$39.2M	\$41.5M	\$44.9M	\$49.3M	\$53.6M	\$59.4M	\$64.1M
GAAP Operating Income	-\$0.5M	-\$1.5M	-\$0.1M	-\$1.0M	\$1.0M	\$2.8M	-\$15.8M	-\$0.7M
Add: Stock-Based Compensation Expense	\$0.7M	\$0.7M	\$1.3M	\$1.2M	\$2.0M	\$1.7M	\$18.9M	\$2.7M
Add: Amortization of Acquired Intangible Assets	\$0.1M	\$0.1M	\$0.1M	\$0.1M	\$0.1M	\$0.2M	\$0.3M	\$0.3M
Add: Acquisition and Integration Related Costs	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$1.3M	\$1.1M	\$0.6M
Non-GAAP Operating Income	\$0.3M	-\$0.7M	\$1.3M	\$0.3M	\$3.1M	\$5.9M	\$4.5M	\$3.0M
Non-GAAP Operating Margin	0.8%	-1.9%	3.2%	0.7%	6.3%	11.0%	7.6%	4.6%

Key Metric Definitions

Gross Dollar Retention Rate:

We calculate our dollar-based gross retention rate by determining the lesser of: (i) the aggregate ARR for all customers who had active contracts at the end of the prior year and (ii) the aggregate ARR for the same group of customers at the end of the current year. We then divide the lesser amount by the aggregate ARR for all customers who had active contracts at the end of the prior year.

Annual Recurring Revenue (ARR):

We define ARR as the annualized value of all contractual subscription agreements as of the end of the period. We perform this calculation on an individual contract basis by dividing the total dollar amount of a contract by the total contract term stated in months and multiplying this amount by twelve to annualize. Calculated ARR for each individual contract is then aggregated to arrive at total ARR. ARR is calculated as the annualized value of recurring contracts, where we have defined “recurring” as all contractual subscriptions plus monthly tiered subscriptions. We perform this calculation on an individual contract basis and aggregate the value for all active contracts to arrive at total ARR. We do not include renewal assumptions in our calculation of ARR.

Free Cash Flow (FCF):

We define free cash flow as net cash provided by operating activities less purchases of property, equipment, amounts capitalized for internal-use software and principal payments on finance leases. Free cash flow margin is calculated as free cash flow divided by revenue

Non-GAAP Operating Metrics (Non-GAAP gross profit, gross margin, operating expenses, operating income and operating margins):

These Non-GAAP operating metrics are calculated as the most comparable GAAP metric (e.g., GAAP gross profit, gross margin, operating expenses, operating income and operating margin) excluding stock-based compensation expense, amortization of acquired intangible assets and acquisition-related costs. Costs associated with acquisitions include legal, accounting and other professional fees, as well as changes in the fair value of contingent consideration obligations.