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CLBT.OQ - Q3 2026 Cellebrite DI Ltd Earnings Call

EVENT DATE/TIME: NOVEMBER 12, 2026 / 1:30PM GMT

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PRESENTATION

Operator

Welcome, everyone, to the Cellebrite Q3 2026 earnings call. (Operator Instructions)

I would now like to turn the call over to Andrew Kramer, Vice President of Investor Relations. Please go ahead.

Andrew Kramer - *Cellebrite DI Ltd - Vice President, Investor Relations*

Thank you, operator, and welcome to Cellebrite's third-quarter 2026 financial results call. I'm joined here this morning by our primary speakers, Shiv Ramji, Cellebrite's CEO; and David Barter, Cellebrite's CFO; Marcus Jewell, our CRO, will join for our Q&A session.

This call is being recorded, and a replay will be made available on our website shortly after the call, along with a copy of our prepared remarks. Please note that today's press release and financial statements, including GAAP to non-GAAP reconciliations, are available on the Investor Relations website at investors.cellebrite.com.

In addition to the press release, we posted other materials on the quarterly results page of our IR website, including a presentation to accompany our remarks, and that is embedded in your webcast viewer. We also added a link to a customer video, as well as our historical financial information and supplemental data for the first three quarters of 2026, each quarter of 2025, and the full year's 2024 and 2023.

Additionally, unless stated otherwise, our discussion of our third quarter 2026 financial metrics, as well as the financial metrics provided at our outlook, will be done on a non-GAAP basis only, and all historical comparisons are with the comparable periods of 2025.

I'd like to remind you that today's discussion will contain forward-looking statements including, but not limited to, the company's business, operations, and financial performance. All forward-looking statements are subject to risks and uncertainties and other factors that could cause matters expressed or implied by those forward-looking statements not to occur.

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Actual results could also differ materially from historical results and or from forecasts. Some of these forward-looking statements are discussed under the heading Risk Factors and elsewhere in the company's Annual Report on Form 20-F filed with the SEC on March 3, 2026. The company does not undertake to update any forward-looking statements to reflect future events or circumstances. Slide number 3 outlines the agenda for today.

And with that said, I'd now like to turn the call over to Shiv Ramji.

Shiven Ramji - *Cellebrite DI Ltd - Chief Executive Officer, Director*

Thank you, Andy, and good morning, everyone. Cellebrite executed better in Q3 with ARR, revenue, and adjusted EBITDA all finishing above our guidance. Our ARR and revenue growth were driven by strong international performance, while our US federal business continued re-accelerating. Our top-line performance, combined with prudent spending, led to strong adjusted EBITDA and free cash flow. Together with our ARR growth, that produced another strong quarter of Rule of X performance. David will walk you through the quarterly performance details and our updated outlook.

During the quarter, we made important strategic and operational progress. From a strategic perspective, I am particularly excited about the direction of our product team and what we will be releasing to customers. From a go-to-market perspective, I am proud of how our team responded after Q2 to deliver a much-improved Q3.

Before diving and sharing more details, I would like to cover a few highlights from the quarter. Q3 ARR growth reflects notable wallet share expansion within strategic customers who are spending more with us and across a broader range of offerings.

To bring that to life, we published a customer video with our quarterly materials. It shows how Mississippi's Department of Public Safety uses Inseyets, Guardian, and Pathfinder together and helps illustrate our mission as an AI-powered public safety company that makes the world a safer place. We encourage you to watch it.

In terms of our Q3 performance, let's begin with US federal, where growth has steadily increased over three quarters. This trend reflects our continued success in expanding the scope of our customer relationships. This was best exemplified in Q3 when two of our largest US federal customers each increased spending by over 20% year-over-year.

We closed our first large FedRAMP deal for Guardian in Q3, which is also the single largest Guardian win to date. In addition to this milestone, four other US agencies began using Guardian this quarter. Outside the US, EMEA grew 22% and Asia Pacific grew 31%, with solid expansion across law enforcement and defense and intelligence. We had a great win at a UK regional police agency where on-prem and kiosk forensics plus Guardian created a scalable Cellebrite ecosystem and displaced a competitor.

In defense and intelligence, which continues to grow in the mid-20s, demand for point-of-collection intelligence is rising. In Q3, a major Asia-Pacific military unit expanded its spend with us by nearly 60% on orders for field-ready phone and drone data collection solutions. Other key metrics also trended positively.

Inseyets conversions increased meaningfully from nearly 65% of the install base at the end of Q2 to 75% at the end of Q3. Advanced Unlocks also made good progress, doubling customers over Q2 with very strong sequential ARR growth. Just as notable, Genesis gained meaningful traction in its first full quarter. Genesis finished Q3 with $2 million in ARR as we continued to see strong adoption by customers. Perhaps most telling, Genesis was not in our customers' annual budgets this year. The deals we have won and those we expect to close in Q4 reflect customers so convinced of Genesis' value that they reprioritized spending to fund it.

Customers continue to share the powerful impact that Genesis is making. Genesis surfaces evidence in minutes that would otherwise take hours or days of manual review. Its capabilities extend beyond mobile forensics, helping investigators synthesize video, audio calls, financial records, and other evidentiary artifacts to surface leads.

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A Florida detective recently shared that Genesis helped analysts search two years of jail calls and in just 15 minutes, surface a murder confession and plans for a cover-up. For this detective, Genesis was the difference between evidence that exists and evidence that is found.

Looking ahead, we plan to introduce an on-premise AI version of Genesis before year-end for customers doing highly sensitive work in air-gapped environments. We have already lined up early design partners in the D&I segment to help build out these capabilities, extending our reach beyond tactical collection into strategic and national intelligence missions.

We also continue to invest in innovation and made important progress. In September, we announced that Chris Wade, our CTO, had assumed leadership of Cellebrite Labs, which conducts a critical mobile research used in our Inseyets product. This team is now benefiting from additional infrastructure, AI resources, research tools, and talent to keep pace with the rapidly evolving device landscape.

As we have shared, AI is disruptive in mobile security. It helps phone manufacturers close vulnerabilities faster, but AI-written code also creates more flaws. We use AI to find those flaws and bring updated capabilities to market faster.

Labs plans to deliver updated capabilities and next-generation hardware across Android, Apple iOS, feature phones, and alternative operating systems before year-end. We expect this new wave of innovation will resonate with customers and clearly distance our offering from competition. In August, we launched C-TEK, our portable tactical data collection kit for defense and intelligence agencies, and early customer interest is encouraging.

On the corporate front, the most significant development was our September announcement that we plan to redomicile in the United States. Redomiciling is a strategic evolution that we believe better positions us to drive growth in our largest market and beyond. More specifically, we expect it to eliminate sales friction tied to our foreign entity status and make us eligible for major US stock indices, broadening our reach to passive capital and actively managed funds.

Initial customer feedback has been very positive, which bodes well after a strong Q3 in US federal. Nevertheless, we were disappointed by limited new sales and higher-than-expected churn for Corellium. We continue to work with CFIUS on a final NSA for Corellium. We are also building out our leadership team. Last week, we announced the appointment of Rogerio Rizzi as Executive Vice President of Corporate Strategy and Development, bringing substantial experience in AI, technology, and M&A to our company. In addition, we are making good progress on our search for a new leader of our product and technology organization, which we initiated when I became CEO.

Today, Cellebrite moves forward with a strong foundation that was built by delivering market-leading digital forensic solutions for a specialized, highly technical user community. In recent years, we have broadened our offerings to address the workflow, collaboration, and analytic needs of investigators, analysts, field agents, command staff, and prosecutors.

From proprietary machine learning models to new agentic capabilities, AI is infused into every Cellebrite solution, maximizing the impact of our solutions across different customer segments and user constituencies.

In 2027, Genesis will evolve from a purpose-built agentic AI product into an AI-native platform that will collect digital evidence from devices, cloud services, and other sources, securely share and analyze vast volumes of relevant artifacts, facilitate mission-critical workflows, and rapidly deliver trusted, court-ready insight and decisive operational intelligence. We believe Genesis will [be]come the standard for how our customers conduct investigations and advance intelligence-led operations.

There are three primary things I'd like to emphasize. First: the roadmap. Over the next 12 months, we will bring proven market-leading solutions onto our Genesis platform and deliver it in the environment that best suits our customers, from air-gapped and on-premise, with an option for forward-deployed engineers, to cloud and hybrid.

Underpinning that flexibility will be innovations in collecting digital evidence, managing investigative workflows, and analyzing an ever-expanding range of artifacts, anchored by a new unified evidence format that is optimized for Cellebrite's platform and ecosystem. Executing on this roadmap involves reshaping how we build products. We're moving from a feature-focused structure to one where AI

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agents work alongside our engineers, product managers, and forensic experts to take ideas from discovery to validated release faster, without sacrificing quality or security. This is enabling us to integrate agents and capabilities on top of our forensic foundation with the provenance, verification, and human oversight that support our customers' chain of custody requirements, legal frameworks, and investigative protocols.

Second: hardware. Customers need faster access to more devices and faster insight from them. Our platform will be paired with advanced hardware for each setting, from a portable handheld with a small language AI model for the field, to next-generation data collection systems for the lab, and we'll keep supporting the hardware customers already use.

Third: the business model. Genesis will be priced in tiers that reflect the capabilities an organization needs and its expected consumption of data, compute, and tokens. Customers will begin moving onto the platform next year, and we'll make that transition as straightforward and appealing as possible. Our customers are excited about the vision behind our Genesis platform, and we expect that a number of them will play an increasingly active role in shaping how we deliver Genesis to the marketplace next year.

As we move forward, our technology investments will focus on three areas: AI across the company, particularly in Cellebrite Labs and R&D, building out the Genesis platform, and advancing the hardware that maximizes its impact. Our product teams are already moving faster and more efficiently.

Using our balance sheet to acquire high-value data sources and unique technology that complements our capabilities, broadens our customer relationships, accelerates growth, and drives scale is also part of the story. We will remain disciplined in our pursuit of assets that help us accelerate our strategic progress.

The 2027 launch of the new Genesis platform will mark an important transition that we believe will substantially elevate our value proposition and further advance our mission of helping customers around the globe protect their nations, communities, and businesses. We are increasingly confident that the Genesis platform strengthens the foundation upon which we will drive durable ARR growth, a more predictable revenue profile, and over time, higher levels of profitability and free cash flow.

In the interim, we remain focused on our near-term priorities while market conditions remain unchanged. As Dave will detail, we reaffirmed our full 2026 ARR expectations. We also fine-tuned our revenue outlook to reflect the ongoing adoption of our cloud and AI solutions, which are recognized ratably, and raised our target range for adjusted EBITDA. We will stay measured and keep executing consistently to continue earning your confidence.

Before I turn it over to Dave, I want to thank our Cellebrites for third-quarter results we can all be proud of. Quarters like this are earned by the whole team. In August, we committed to confront issues early, communicate clearly, allocate resources with discipline, and set realistic yet ambitious goals. Q3 was a step in the right direction, but it is certainly not the finish line. We look forward to sharing additional news about our achievements and strategic progress as we work to close out 2026 successfully.

Thank you, and now, Dave, over to you.

David Barter - *Cellebrite DI Ltd - Chief Financial Officer*

Thank you, Shiv. Q3 ARR grew 20% to $528.5 million, finishing above the high end of our guidance range. We were pleased with the contributions we saw from some of our newest products, namely Genesis, Guardian, and Drones, as well as the continued expansion of Inseyets to support federal and national-level agencies. Genesis hit $2 million of ARR. It is the strongest start of any product we have ever launched.

Guardian ARR reaccelerated, which primarily reflects recent federal adoption. Pathfinder ARR grew in the mid-teens as the timing of hardware shipments delayed certain deals to the fourth quarter. Corellium ARR did not expand as originally planned. While the redomiciliation

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announcement has aided customer conversations, we experienced delayed renewals and expansions. Inseyets ARR grew mid-teens, supported by continued expansion of both our drone forensic solution and Advanced Unlocks.

Furthermore, we have continued to make progress with Inseyets conversion. It is clear, however, that the final tranche of conversions will produce a lighter uplift and fewer expansions than we experienced in the prior two years. This trend remains embedded in our outlook.

Turning to our sales regions, the Americas represented 53% of total ARR, EMEA 34%, and Asia Pacific 13%. The Americas grew 17%, EMEA grew 22%, and Asia Pacific grew 31%. Within the Americas, US federal grew 18%, up from the mid-teens in Q2.

In terms of our revenue, we generated $149 million, up 18%. We exceeded the high end of our guidance range. Our subscription revenue was $134.9 million and represented 91% of total revenue. Gross profit increased 20% to $127.7 million, representing a gross margin of 85.7%. Total operating expenses increased 8% to $76.2 million. Headcount was 1,265 employees at the end of Q3, a decline of approximately 2% from the start of the year.

As a team, we continue to adopt AI with focus and increasing levels of impact. We are transforming software development and many of our key business processes across the organization. We expect to unlock much more productivity over the coming quarters. The combination of top-line growth and prudent investment delivered a 42% increase in adjusted EBITDA to $53.6 million. We reported operating income of $51.5 million and net income of $45.6 million, or $0.17 on a fully diluted basis. Weighted average diluted shares in the third quarter grew by approximately 2% from the end of 2025.

Turning to the balance sheet, we ended September with $593 million in cash equivalents, and investments. Free cash flow for the third quarter was $52 million, and for the trailing 12 months, it was $166 million, a 31% margin. Overall, we are well-positioned from a free cash flow perspective and expect to produce a full-year FCF margin of approximately 30%.

Let's shift gears to our outlook. We are reaffirming our full-year ARR outlook of $550 million to $560 million. We have higher confidence in the lower end of this range at present, given the traditional seasonality of our business, the volume of expiring agreements, and the uncertain timing of larger, more complex deals involving cloud and AI.

In terms of our expected Q4 revenue, our outlook is $145 million to $150 million. This contemplates more ratable revenue and less hardware revenue compared with Q3. Our full-year revenue outlook is $553 million to $558 million, which represents growth of 16% to 17%.

In terms of our outlook for profitability, we are flowing through the outperformance from Q3. We have raised our full-year adjusted EBITDA outlook to $163 million to $166 million, or approximately 29% on a margin basis at the midpoint. We are pleased with this level of increased profitability, particularly given the FX headwind. Our Q4 adjusted EBITDA outlook is $47 million to $50 million.

Before we move to Q&A, I would like to share some thoughts on our progress and the opportunity ahead of us as a company committed to public safety and AI. Our business continues to evolve at a rapid rate in terms of product development, go-to-market, and our corporate structure. Back in Q1, we introduced the first generation of Advanced Unlocks technology and acquired a drones forensics device.

In Q4, we will be following that up with a second generation of Advanced Unlocks hardware and software, along with an entirely new Drones forensics device. Both will offer our customers far more capability and value. This technology comes with new extraction technology. We expect customers will feel compelled to use Genesis, as it will provide the best and most complete experience when lawfully pursuing the facts and seeking the truth.

With the new products, we will be elevating the customer experience as well. Looking back, as customers have expanded across multiple products, we are often managing multiple contracts with different expirations.

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Looking forward, customers will have a platform agreement that will not only consolidate those contracts, but also provide greater flexibility to reallocate their committed spend to support the volume of data they collect, the compute required, and the AI tokens necessary for analysis.

This new commercial structure will not impact our ARR or our FCF margin measures. We believe all software revenue will be ratable under this new contract. We expect this will be a far better customer experience and create new opportunities for increasing our wallet share over time.

And finally, in terms of corporate structure, we are focused on completing our redomiciliation during the first half of 2027, subject to shareholder and regulatory approvals. We also continue to partner with Sun in order to find a thoughtful and measured way to reduce their ownership.

Operator, that concludes our prepared remarks. We are ready for Q&A.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Shaul Eyal, TD Cowen.

Shaul Eyal - *Cowen and Company LLC - Equity Analyst*

Congrats guys, thank you for the color about Genesis, specifically about Q3, and about the use cases. Can you maybe talk to us a little bit more about the on-premise Genesis version, maybe spend patterns, et cetera? Thank you.

Shiven Ramji - *Cellebrite DI Ltd - Chief Executive Officer, Director*

Thank you for the question. So I think we are seeing from our customers, both in law enforcement and defense and intelligence, who want on-prem air-gapped capabilities. So the product that we are going to deliver in Q4 will be the beginning of that deployment model, and we are working with some early design partners. We will learn more about the specific use cases or the evolution of the use cases. And a lot of this is because either they have government or policy limitations that stops them from working in the cloud. And so the on-prem solution delivers the capability that they want.

Operator

Bhavin Shah, Deutsche Bank.

Bhavin Shah - *Deutsche Bank AG - Analyst*

Thanks for taking my questions. Just sticking with Genesis, Shiv, just impressive start to the product, and you talked about this was not in customer budgets at the beginning of the year. How are customers funding this today? And as we go forward into next year, as they set their budgets, where do you think these dollars for Genesis comes from? How much do you think can be incremental to Cellebrite versus kind of pulling from existing spend with your customers today?

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Shiven Ramji - *Cellebrite DI Ltd - Chief Executive Officer, Director*

Yeah, I think we're still early. We don't have any trends as to whether this is net new, or it's coming from, or it's a mix shift. But the few examples that we've seen so far have been net new, at least in the last quarter. And so this is why we're kind of, I mean, we're excited, but also cautious because we don't know where the additional funding is going to come from. But so far, at least in the last quarter, everything we've seen was incremental funding.

Marcus Jewell - *Cellebrite DI Ltd - Global Chief Revenue Officer*

Yeah, I can maybe pile into that a little bit, Shiv. It's a great question. What we're seeing in the early days is, think about what we do as a speed paradigm. So everything that we solve as a company is speeding up the processing and getting it to a decision whether to charge or not charge. I always find it funny when technology companies say they help solve crime. It's people who solve crime. We just produce the information in an efficient way for a judge and jury.

So one of the return on investments we're seeing is cold cases tend to be very expensive to run with humans. Running them with AI is a big backlog clearer. And then the one that we're hitting now is overtime. So, if you look at how police departments, especially in the US are funded, a lot of money for over budget goes to overtime.

So if we can reduce the need for an investigator to be on site and have the agentic layer doing it for them, chiefs are very, very happy with that. And I think that is where this ROI ends up, as an overtime saver and a speed paradigm for our customer base.

Operator

Eric Martinuzzi, Lake Street Capital Markets.

Eric Martinuzzi - *Lake Street Capital Markets LLC - Analyst*

I wanted to revisit the issues from Q2. I think last quarter the disappointment had come on sales cycles lengthening longer than anticipated, and as well, the Inseyets conversion. You talked about a little bit better on the Inseyets conversion here in Q3, but a tapering off on that install base conversion. What about the sales cycle length? How is that playing out?

Marcus Jewell - *Cellebrite DI Ltd - Global Chief Revenue Officer*

I mean, we took some pretty radical actions in understanding, as we remind everyone what happened last quarter, is that because of our foreign filer status, there were some extra hurdles we needed to jump through, both in Europe and the US. We adhered to our processes and changed our processes to cope with those. Notwithstanding our announcement to redomicile the company has had an extremely positive effect with our North American and European customers. And that has allowed us to currently where we have mitigated against it, but in the future, we see those problems going away, and we will be a lot closer in our predictability from deal to close. And so for the time being, we have mitigated those issues from taking some pretty substantial actions.

Operator

Jeffrey Van Rhee, Craig Hallam.

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Jeff Van Rhee - *Craig Hallam - Analyst*

The shift to recurring and less hardware sounds like it obviously caught you off guard a little bit. Just talk about what happened there that was out of the norm, and when that started to raise its head, what it implies for the future.

David Barter - *Cellebrite DI Ltd - Chief Financial Officer*

I think, Jeff, we've been seeing this maybe persistently. We saw a little bit of this in Q2, and I think if you look at the hardware and the non-recurring trend, I mean, it has floated between, in any given quarter, maybe $10 to $14 million. So, it is moving around a little bit on us right now. I guess it is one where, quite frankly, as we put more and more, I'd say, value in terms of AI into the product, that's continuing to ratabilize the revenue. I wish it were more just a straight linear journey. It's not. And so as deals are coming in, and quite frankly, deals are coming in with more cloud and more AI, it's just ratabilizing more of the revenue.

And so, Jeff, we'll probably, as we go into 2027, we'll figure out how to give you a little bit more disclosure between the term license component and the ratable component, almost similar to the MongoDB P&L, just so that you're able to track a little bit more closely with us.

Jeff Van Rhee - *Craig Hallam - Analyst*

And then, on the growth products, Guardian, Inseyets, Pathfinder, I know as a group you had given those as a percent of revenue and given growth rates historically. Do you have that number for the quarter?

David Barter - *Cellebrite DI Ltd - Chief Financial Officer*

I think for the quarter, the growth products, Andy, keep me on its own on it, I think, yeah, -- so as a mix of the net new ARR, it was just below 20%, so upper teens.

Operator

Brian Essex, JPMorgan.

Brian Essex - *JPMorgan Chase & Co. - Analyst*

I was wondering if you could dig in a little bit more into pricing and packaging you expect for Genesis, and how you might be addressing perhaps budget sensitivity on behalf of some of your customers with regard to consumption. We just love any insight you have on the plans as well as conversations that you've had and how they might be responding to the pricing and packaging for that product.

Shiven Ramji - *Cellebrite DI Ltd - Chief Executive Officer, Director*

I will start and then have Marcus and Dave weigh in. Currently, Genesis is priced to scale with the value customers get. And as we continue to roll out the platform next year, we are going to make sure that the pricing is kind of evolved with that. And we have different models today. We do a Genesis cloud version. We now have a Genesis on-prem version. And over time, we will probably have a platform pricing with a usage component on top of it.

Marcus Jewell - *Cellebrite DI Ltd - Global Chief Revenue Officer*

Yeah, and I will add in. Obviously, consumption pricing into our segments is accepted at varying levels. In law enforcement, consumption pricing is a new thing. So all we are able to do is give what we call a surety. There is a number of people trying to break into this market,

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and if you go in with a pure token burn model, it is not accepted very well. In fact, the buying mechanisms often do not allow that. You need to be more of a term-based or subscription-based in order to get through the way that things are procured, especially in the US.

So, what we have done is a couple of things there, is that we give a meter, and so people know what their usage is at any one time. That is unique in the market. And we also allow them to select from different depth of models and give their token rate before they actually start a program. So we call it hover and spend function. You can look at what your search you are about to embark on is going to cost you in real term, and then you can make a decision on associating that.

We are also working quite closely with putting that bidding mechanism into the digital evidence platforms. And so when a case is opened, we are giving complete transparency to what the costs are. And the good news is, when you compare the costs of what this is compared to a human, it is far less. So the chiefs are really buoyed by the early progress there. So we have taken quite a sophisticated step towards how we price.

Brian Essex - *JPMorgan Chase & Co. - Analyst*

Yeah, that latter bit I was more concerned about, so thank you for addressing that. I appreciate it.

Operator

(Operator Instructions) Rudy Kessinger, D.A. Davidson.

Rudy Kessinger - *D.A. Davidson & Co. - Analyst*

Thanks for taking my questions, and congrats on the bounce-back quarter. I wanted to dig in on Corellium. You had mentioned some higher churn and disappointment in limited new sales. Just unpack what played out with Corellium, and could you give an updated expectation for the contribution to growth this year for Corellium? I believe last quarter it was 1 to 2 points of ARR growth from that.

Marcus Jewell - *Cellebrite DI Ltd - Global Chief Revenue Officer*

Yeah, I will take this, and then I will pass over to Dave to lead into expectations. So, yeah, look, disappointing, and the external factor driven is the nature of the customers which buy Corellium, as you probably can gather, are large agencies operating in sensitive areas. The ability of our company as a foreign filer was really dragging on that. So the use case of the technology remains very buoyant.

As soon as we announced our progress and our redomicile, our conversation has been extremely positive, and we do expect that to return to a growth additive for us as we go forward. And so I would say nothing fundamental with the product market fit, more to do with the nature of the customers' concerns about our foreign ownership, and we are taking steps to address that to free that revenue line up.

Dave, you want to answer that?

David Barter - *Cellebrite DI Ltd - Chief Financial Officer*

Yeah, really great question. Thank you. And then in terms of the outlook, we will be at the lower end of that range. And so I think it is one where, just almost as I talked about our full year outlook and the confidence at the lower end, this is one of those contributing factors to it.

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Operator

Mike Cikos, Needham and Company.

Mike Cikos - *Needham & Company LLC - Equity Analyst*

Thanks for taking the question here. I also just wanted to turn back to the Pathfinder. I know that you guys are saying ARR there grew in the mid-teens this quarter, but there was some timing of hardware shipments that delayed certain deals into Q4.

Can you further elaborate on what those hardware delays were? Is there a way to quantify that? Have all those closed at this point? And to what degree is that delayed hardware shipment helping offset some of the hardware decline you are expecting to see sequentially, just given more of the revenue is shifting towards this ratable mix?

David Barter - *Cellebrite DI Ltd - Chief Financial Officer*

Thanks, Mike. It is a great question. Obviously, the market for hardware remains a demanding one. With Pathfinder, we have several hardware platforms that we offer customers depending upon what segment of the market. We recently actually shipped the hardware for those deals, and so it is now being installed, and we expect to be able to turn on the revenue meter shortly for those installations.

But it was just one of those situations where I stock a number of things, I am responsible for this personally, and there were hardware configurations that were a little bit unique. And so I think it was four or five customers that had requested it. We obviously try to hit the core point, but it was just a configuration that it took a little bit longer for us to source.

Marcus Jewell - *Cellebrite DI Ltd - Global Chief Revenue Officer*

Yeah, I will add to that a little bit, Mike, is that what we have done is we have rationalized a number of servers that are now used so we can get some forward ordering in to protect a little bit. As we move forward, what we wish to do is offer more of a managed service approach, where hardware and hardware refresh is built into the subscription. That allows us then to be less specific with the server type, as we are in a very demanding environment, I am sure you are aware, of sourcing any hardware at the moment in the current market is proving difficult. So, we want to make that easier for our customers moving forward.

Operator

Louis DiPalma, William Blair.

Louie DiPalma - *William Blair Capital Partners - Analyst*

Shiv, David, Marcus, and Andrew, good afternoon, and great discussion on Genesis, on the video, and also at IACP. I was wondering, for the customers that are initially adopting Genesis, are customers incorporating all types of evidence into the platform, such as ALPR data, drone video footage, body camera footage, in addition to the traditional smartphone data files that you have been the industry leader for? Thanks.

Shiven Ramji - *Cellebrite DI Ltd - Chief Executive Officer, Director*

The short answer is yes. We are seeing multiple artifacts being uploaded as it relates to a case. The typical ones are everything from audio calls, video footage, LPR data. So, any additional media types that will assist with an investigation, those artifacts are being uploaded.

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And so I think the interesting part here is Genesis is really powerful, and it is purpose-built for investigations. And so, our customers or investigators are able to get to answers much, much faster. I mean, in some cases, like one example I can share, one of the investigators who was investigating financial fraud and financial crimes, usually would have taken them 45 days. They are able to get answers in 15 minutes.

So, that is just incredible. In that case, it is not just phone data. They are uploading all kinds of other information. Think of financial statements and any other evidence. So this is pretty interesting, and it is very common that we will have a lot more artifacts outside of the phone extraction of evidence. -- (multiple speakers)

Marcus Jewell - *Cellebrite DI Ltd - Global Chief Revenue Officer*

Yeah, I will just add a little bit, Shiv. Look, it is true multimodal, and what I mean by multimodal is it is bringing in multiple data sources. There's a number of use cases which do not even bring in UFDRs. They are not using phone data at all. They are using other data. I am thinking of one in Latin America, which is bringing in digital crypto wallets. It is used explicitly for that, cross-referencing that with geolocation.

So, it is a true investigative platform. We still have a big advantage with the way that we look at the cell phone, and I always have to remind everyone that in a criminal case, the cell phone is the most important data source by a long way. And so we still have quite a big advantage of the depth that we can do there. But we do have a number of use cases where actually it is not even using cell phone data. It is using other forms of data. So, it is really bifurcating us into different parts of the market.

Operator

This concludes the question-and-answer session. I will turn the call to Andrew Kramer for closing remarks.

Andrew Kramer - *Cellebrite DI Ltd - Vice President, Investor Relations*

Thank you very much, operator, and thank you, everybody, for joining us today. If you do have any follow-up questions, please feel free to reach out to Investor Relations. We look forward to speaking with you over the coming weeks and seeing you out on the road on occasion. Thank you.

Operator

This concludes today's conference call. Thank you for joining. You may now disconnect.

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