

**ZSCALER, INC.**  
**Supplemental Financial Information**  
**Explanation of Non-GAAP Financial Measures**

In addition to our results determined in accordance with generally accepted accounting principles in the United States of America (GAAP), we believe the following non-GAAP measures are useful in evaluating our operating performance. We use the following non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance. However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. In particular, free cash flow is not a substitute for cash provided by operating activities. Additionally, the utility of free cash flow as a measure of our liquidity is further limited as it does not represent the total increase or decrease in our cash balance for a given period. In addition, other companies, including companies in our industry, may calculate similarly-titled non-GAAP measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. A reconciliation of our historical non-GAAP financial measures to their most directly comparable financial measures stated in accordance with GAAP has been included in this Supplemental Financial Information. Investors are cautioned that there are a number of limitations associated with the use of non-GAAP financial measures and key metrics as analytical tools. Investors are encouraged to review these reconciliations, and not to rely on any single financial measure to evaluate our business.

**Expenses Excluded from Non-GAAP Measures**

Stock-based compensation expense is excluded primarily because it is a non-cash expense that management believes is not reflective of our ongoing operational performance. Employer payroll taxes related to stock-based compensation, which is a cash expense, are excluded because these are tied to the timing and size of the exercise or vesting of the underlying equity awards and the price of our common stock at the time of vesting or exercise, which may vary from period to period independent of the operating performance of our business. Amortization expense of intangible assets acquired in business acquisitions and related income tax effects, if applicable, are excluded because these are considered by management to be outside of our core business operating performance. Asset impairments related to facility exit costs are excluded because such charges are not reflective of our ongoing operational performance. Amortization of debt discount and issuance costs from our convertible senior notes are excluded because these are non-cash expenses and are not reflective of our ongoing operational performance. We estimate the tax effect of these items on our non-GAAP results and may adjust our GAAP provision for income taxes, if such effects have a material impact to our non-GAAP results.

**Non-GAAP Financial Measures**

**Non-GAAP Gross Profit and Non-GAAP Gross Margin.** We define non-GAAP gross profit as GAAP gross profit excluding stock-based compensation expense and related employer payroll taxes and amortization expense of acquired intangible assets. We define non-GAAP gross margin as non-GAAP gross profit as a percentage of revenue.

**Non-GAAP Income from Operations and Non-GAAP Operating Margin.** We define non-GAAP income from operations as GAAP loss from operations excluding stock-based compensation expense and related employer payroll taxes, amortization expense of acquired intangible assets and asset impairment related to facility exit. We define non-GAAP operating margin as non-GAAP income from operations as a percentage of revenue.

**Non-GAAP Net Income per Share, Diluted.** We define non-GAAP net income as GAAP net loss excluding stock-based compensation expense and related employer payroll taxes, amortization expense of acquired intangible assets, asset impairment related to facility exit, amortization of debt discount and issuance costs, any income tax benefits associated with business combinations and refunds of certain foreign withholding taxes related to prior fiscal periods. We define non-GAAP net income per share, diluted, as non-GAAP net income divided by the weighted-average diluted shares outstanding, which includes the effect of potentially diluted common stock equivalents outstanding during the period and the anti-dilutive impact of the capped call transactions entered into in connection with our convertible senior notes.

**Calculated Billings.** We define calculated billings as total revenue plus the change in deferred revenue in a period. Calculated billings in any particular period aims to reflect amounts invoiced for subscriptions to access our cloud platform, together with related support services for our new and existing customers. We typically invoice our customers annually in advance, and to a lesser extent quarterly in advance, monthly in advance or multi-year in advance.

**Free Cash Flow and Free Cash Flow Margin.** We define free cash flow as net cash provided by operating activities less purchases of property, equipment and other assets and capitalized internal-use software. We define free cash flow margin as free cash flow divided by revenue. We believe that free cash flow and free cash flow margin are useful indicators of liquidity that provide information to management and investors about the amount of cash generated from our operations that, after the investments in property, equipment and other assets and capitalized internal-use software, can be used for strategic initiatives.

**ZSCALER, INC.****Condensed Consolidated Statements of Operations***(in thousands, except per share amounts)**(unaudited)*

| <b>Fiscal Quarter</b>                                                                          | <b>Q1 FY21</b> | <b>Q2 FY21</b> | <b>Q3 FY21</b> | <b>Q4 FY21</b> | <b>Q1 FY22</b> | <b>Q2 FY22</b> | <b>Q3 FY22</b> | <b>Q4 FY22</b> |
|------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| End of Fiscal Quarter                                                                          | 10/31/2020     | 1/31/2021      | 4/30/2021      | 7/31/2021      | 10/31/2021     | 1/31/2022      | 4/30/2022      | 7/31/2022      |
| Beginning of Fiscal Quarter                                                                    | 8/1/2020       | 11/1/2020      | 2/1/2021       | 5/1/2021       | 8/1/2021       | 11/1/2021      | 2/1/2022       | 5/1/2022       |
| Revenue                                                                                        | \$ 142,578     | \$ 157,044     | \$ 176,404     | \$ 197,074     | \$ 230,517     | \$ 255,563     | \$ 286,807     | \$ 318,059     |
| Cost of revenue <sup>(1)(2)</sup>                                                              | 31,727         | 34,135         | 38,977         | 45,478         | 52,169         | 57,783         | 64,022         | 68,308         |
| Gross profit                                                                                   | 110,851        | 122,909        | 137,427        | 151,596        | 178,348        | 197,780        | 222,785        | 249,751        |
| Operating expenses:                                                                            |                |                |                |                |                |                |                |                |
| Sales and marketing <sup>(1)(2)</sup>                                                          | 96,889         | 110,403        | 115,730        | 136,385        | 153,786        | 175,073        | 192,132        | 214,228        |
| Research and development <sup>(1)(2)</sup>                                                     | 35,770         | 41,751         | 40,952         | 56,180         | 65,216         | 69,195         | 76,578         | 78,150         |
| General and administrative <sup>(1)(3)</sup>                                                   | 20,859         | 24,653         | 24,595         | 26,428         | 33,717         | 37,444         | 40,672         | 39,902         |
| Total operating expenses                                                                       | 153,518        | 176,807        | 181,277        | 218,993        | 252,719        | 281,712        | 309,382        | 332,280        |
| Loss from operations                                                                           | (42,667)       | (53,898)       | (43,850)       | (67,397)       | (74,371)       | (83,932)       | (86,597)       | (82,529)       |
| Interest income                                                                                | 940            | 755            | 593            | 524            | 473            | 557            | 949            | 2,607          |
| Interest expense <sup>(4)</sup>                                                                | (13,049)       | (13,245)       | (13,436)       | (13,634)       | (13,835)       | (14,040)       | (14,246)       | (14,458)       |
| Other income (expense), net                                                                    | 268            | 518            | 71             | 329            | (589)          | (844)          | (2,001)        | (774)          |
| Loss before income taxes                                                                       | (54,508)       | (65,870)       | (56,622)       | (80,178)       | (88,322)       | (98,259)       | (101,895)      | (95,154)       |
| Provision (benefit) for income taxes                                                           | 498            | 1,671          | 1,837          | 845            | 2,479          | 2,161          | (490)          | 2,498          |
| Net loss                                                                                       | \$ (55,006)    | \$ (67,541)    | \$ (58,459)    | \$ (81,023)    | \$ (90,801)    | \$ (100,420)   | \$ (101,405)   | \$ (97,652)    |
| Net loss per share, basic and diluted                                                          | \$ (0.41)      | \$ (0.50)      | \$ (0.43)      | \$ (0.59)      | \$ (0.65)      | \$ (0.71)      | \$ (0.72)      | \$ (0.69)      |
| Weighted-average shares used in computing net loss per share, basic and diluted <sup>(5)</sup> | 133,452        | 135,024        | 136,385        | 137,778        | 139,296        | 140,515        | 141,422        | 142,355        |

<sup>(1)</sup> Includes stock-based compensation expense and related payroll taxes as follows:

|                            |           |           |           |           |           |            |            |            |
|----------------------------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
| Cost of revenue            | \$ 3,266  | \$ 3,308  | \$ 3,665  | \$ 5,033  | \$ 5,319  | \$ 5,766   | \$ 6,511   | \$ 7,696   |
| Sales and marketing        | 32,654    | 33,864    | 34,798    | 42,957    | 43,464    | 47,666     | 53,576     | 57,505     |
| Research and development   | 14,900    | 17,747    | 15,033    | 25,558    | 28,570    | 30,000     | 31,366     | 33,486     |
| General and administrative | 9,509     | 12,194    | 11,681    | 12,395    | 18,741    | 20,613     | 20,113     | 19,628     |
| Total                      | \$ 60,329 | \$ 67,113 | \$ 65,177 | \$ 85,943 | \$ 96,094 | \$ 104,045 | \$ 111,566 | \$ 118,315 |

<sup>(2)</sup> Includes amortization expense of acquired intangible assets as follows:

|                          |          |          |          |          |          |          |          |          |
|--------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Cost of revenue          | \$ 1,504 | \$ 1,503 | \$ 1,503 | \$ 1,958 | \$ 2,056 | \$ 2,000 | \$ 1,980 | \$ 1,939 |
| Sales and marketing      | 73       | 73       | 73       | 108      | 170      | 178      | 178      | 178      |
| Research and development | —        | —        | —        | —        | —        | 53       | 80       | 198      |
| Total                    | \$ 1,577 | \$ 1,576 | \$ 1,576 | \$ 2,066 | \$ 2,226 | \$ 2,231 | \$ 2,238 | \$ 2,315 |

<sup>(3)</sup> Includes asset impairment related to facility exit as follows:

|  |        |      |      |      |      |      |      |      |
|--|--------|------|------|------|------|------|------|------|
|  | \$ 416 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
|--|--------|------|------|------|------|------|------|------|

<sup>(4)</sup> Includes amortization of debt discount and issuance costs as follows:

|  |           |           |           |           |           |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|  | \$ 12,690 | \$ 12,882 | \$ 13,077 | \$ 13,274 | \$ 13,476 | \$ 13,680 | \$ 13,887 | \$ 14,098 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|

<sup>(5)</sup> Since we have reported GAAP net losses for all periods presented, we have excluded all potentially dilutive securities from the calculation of the diluted net loss per share attributable to common stockholders as their effect is antidilutive and accordingly, basic net loss per share equals diluted net loss per share for all periods presented.

**ZSCALER, INC.****Non-GAAP Condensed Consolidated Statements of Operations***(in thousands, except per share amounts)**(unaudited)*

| <b>Fiscal Quarter</b>                                                            | <b>Q1 FY21</b> | <b>Q2 FY21</b> | <b>Q3 FY21</b> | <b>Q4 FY21</b> | <b>Q1 FY22</b> | <b>Q2 FY22</b> | <b>Q3 FY22</b> | <b>Q4 FY22</b> |
|----------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| End of Fiscal Quarter                                                            | 10/31/2020     | 1/31/2021      | 4/30/2021      | 7/31/2021      | 10/31/2021     | 1/31/2022      | 4/30/2022      | 7/31/2022      |
| Beginning of Fiscal Quarter                                                      | 8/1/2020       | 11/1/2020      | 2/1/2021       | 5/1/2021       | 8/1/2021       | 11/1/2021      | 2/1/2022       | 5/1/2022       |
| Revenue                                                                          | \$ 142,578     | \$ 157,044     | \$ 176,404     | \$ 197,074     | \$ 230,517     | \$ 255,563     | \$ 286,807     | \$ 318,059     |
| Cost of revenue                                                                  | 26,957         | 29,324         | 33,809         | 38,487         | 44,794         | 50,017         | 55,531         | 58,673         |
| Gross profit                                                                     | 115,621        | 127,720        | 142,595        | 158,587        | 185,723        | 205,546        | 231,276        | 259,386        |
| Operating expenses:                                                              |                |                |                |                |                |                |                |                |
| Sales and marketing                                                              | 64,162         | 76,466         | 80,859         | 93,320         | 110,152        | 127,229        | 138,378        | 156,545        |
| Research and development                                                         | 20,870         | 24,004         | 25,919         | 30,622         | 36,646         | 39,142         | 45,132         | 44,466         |
| General and administrative                                                       | 10,934         | 12,459         | 12,914         | 14,033         | 14,976         | 16,831         | 20,559         | 20,274         |
| Total operating expenses                                                         | 95,966         | 112,929        | 119,692        | 137,975        | 161,774        | 183,202        | 204,069        | 221,285        |
| Income from operations                                                           | 19,655         | 14,791         | 22,903         | 20,612         | 23,949         | 22,344         | 27,207         | 38,101         |
| Interest income                                                                  | 940            | 755            | 593            | 524            | 473            | 557            | 949            | 2,607          |
| Interest expense                                                                 | (359)          | (363)          | (359)          | (360)          | (359)          | (360)          | (359)          | (360)          |
| Other income (expense), net                                                      | 268            | 518            | 71             | 329            | (589)          | (844)          | (2,001)        | (774)          |
| Income before income taxes                                                       | 20,504         | 15,701         | 23,208         | 21,105         | 23,474         | 21,697         | 25,796         | 39,574         |
| Provision for income taxes <sup>(1)</sup>                                        | 498            | 1,671          | 1,837          | 845            | 2,479          | 2,522          | 1,064          | 3,180          |
| Non-GAAP net income                                                              | \$ 20,006      | \$ 14,030      | \$ 21,371      | \$ 20,260      | \$ 20,995      | \$ 19,175      | \$ 24,732      | \$ 36,394      |
| Non-GAAP net income per share, diluted                                           | \$ 0.14        | \$ 0.10        | \$ 0.15        | \$ 0.14        | \$ 0.14        | \$ 0.13        | \$ 0.17        | \$ 0.25        |
| Weighted-average shares used in computing non-GAAP net income per share, diluted | 143,372        | 144,623        | 144,913        | 145,674        | 147,541        | 148,801        | 146,915        | 146,407        |

<sup>(1)</sup> We use our GAAP provision for income taxes for purposes of determining our non-GAAP income tax expense. The difference between our GAAP and non-GAAP income tax expense represents the effects of stock-based compensation expense recognized in foreign jurisdictions and any income tax benefits associated with business combinations. The income tax benefit related to stock-based compensation expense included in the GAAP provision for income taxes was not material for all periods presented. In the fiscal quarter ended January 31, 2022 and July 31, 2022, we recorded a tax benefit of \$0.4 million and \$0.7 million, respectively, associated with intangible assets recognized as a result of our business acquisitions. In the fiscal quarter ended April 30, 2022, we recorded a tax benefit of \$1.5 million associated with a refund of certain foreign withholding taxes relating to the prior fiscal year.

**ZSCALER, INC.****Condensed Consolidated Balance Sheets***(in thousands)**(unaudited)*

| <b>Fiscal Quarter</b>                           | <b>Q1 FY21</b>      | <b>Q2 FY21</b>      | <b>Q3 FY21</b>      | <b>Q4 FY21</b>      | <b>Q1 FY22</b>      | <b>Q2 FY22</b>      | <b>Q3 FY22</b>      | <b>Q4 FY22</b>      |
|-------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| End of Fiscal Quarter                           | 10/31/2020          | 1/31/2021           | 4/30/2021           | 7/31/2021           | 10/31/2021          | 1/31/2022           | 4/30/2022           | 7/31/2022           |
| <b>Assets</b>                                   |                     |                     |                     |                     |                     |                     |                     |                     |
| Current assets:                                 |                     |                     |                     |                     |                     |                     |                     |                     |
| Cash and cash equivalents                       | \$ 102,016          | \$ 95,347           | \$ 106,590          | \$ 275,898          | \$ 371,696          | \$ 409,819          | \$ 594,893          | \$ 1,013,210        |
| Short-term investments                          | 1,313,938           | 1,349,402           | 1,361,019           | 1,226,654           | 1,212,946           | 1,211,390           | 1,062,981           | 718,129             |
| Accounts receivable, net                        | 105,942             | 170,412             | 164,923             | 257,109             | 172,028             | 269,449             | 272,092             | 399,745             |
| Deferred contract acquisition costs             | 35,589              | 39,902              | 44,541              | 57,373              | 62,067              | 69,025              | 75,897              | 86,210              |
| Prepaid expenses and other current assets       | 22,040              | 23,586              | 28,428              | 31,269              | 36,699              | 29,482              | 41,182              | 39,353              |
| Total current assets                            | 1,579,525           | 1,678,649           | 1,705,501           | 1,848,303           | 1,855,436           | 1,989,165           | 2,047,045           | 2,256,647           |
| Property and equipment, net                     | 83,976              | 90,527              | 106,812             | 108,576             | 112,999             | 121,195             | 141,692             | 160,633             |
| Operating lease right-of-use assets             | 45,586              | 45,942              | 49,727              | 44,339              | 44,153              | 42,837              | 45,185              | 72,357              |
| Deferred contract acquisition costs, noncurrent | 83,690              | 95,044              | 107,927             | 149,657             | 154,036             | 165,480             | 181,402             | 210,792             |
| Acquired intangible assets, net                 | 22,447              | 20,871              | 26,495              | 32,129              | 29,903              | 29,272              | 27,034              | 31,819              |
| Goodwill                                        | 30,059              | 30,059              | 53,291              | 58,977              | 58,977              | 59,823              | 59,823              | 78,547              |
| Other noncurrent assets                         | 7,664               | 8,325               | 12,523              | 15,650              | 15,614              | 14,249              | 22,363              | 21,870              |
| Total assets                                    | <u>\$ 1,852,947</u> | <u>\$ 1,969,417</u> | <u>\$ 2,062,276</u> | <u>\$ 2,257,631</u> | <u>\$ 2,271,118</u> | <u>\$ 2,422,021</u> | <u>\$ 2,524,544</u> | <u>\$ 2,832,665</u> |
| <b>Liabilities and stockholders' equity</b>     |                     |                     |                     |                     |                     |                     |                     |                     |
| Current liabilities:                            |                     |                     |                     |                     |                     |                     |                     |                     |
| Accounts payable                                | \$ 7,663            | \$ 13,170           | \$ 20,172           | \$ 12,547           | \$ 14,961           | \$ 13,499           | \$ 15,234           | \$ 26,154           |
| Accrued expenses and other current liabilities  | 13,871              | 14,208              | 16,622              | 22,908              | 22,859              | 31,096              | 43,160              | 46,496              |
| Accrued compensation                            | 37,097              | 47,861              | 61,276              | 93,622              | 72,667              | 83,863              | 102,678             | 111,948             |
| Deferred revenue                                | 340,035             | 406,184             | 445,835             | 571,286             | 584,325             | 687,919             | 731,904             | 923,749             |
| Operating lease liabilities                     | 17,796              | 20,152              | 20,974              | 19,842              | 20,488              | 19,665              | 19,600              | 26,100              |
| Total current liabilities                       | 416,462             | 501,575             | 564,879             | 720,205             | 715,300             | 836,042             | 912,576             | 1,134,447           |
| Convertible senior notes, net                   | 874,359             | 887,186             | 900,263             | 913,538             | 927,014             | 940,692             | 954,578             | 968,674             |
| Deferred revenue, noncurrent                    | 31,865              | 40,633              | 49,599              | 59,315              | 63,491              | 72,012              | 86,839              | 97,374              |
| Operating lease liabilities, noncurrent         | 35,266              | 33,829              | 35,472              | 31,225              | 30,534              | 29,280              | 31,028              | 50,948              |
| Other noncurrent liabilities                    | 2,890               | 3,490               | 3,956               | 4,453               | 4,580               | 4,628               | 7,946               | 7,922               |
| Total liabilities                               | 1,360,842           | 1,466,713           | 1,554,169           | 1,728,736           | 1,740,919           | 1,882,654           | 1,992,967           | 2,259,365           |
| <b>Stockholders' equity</b>                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Common stock                                    | 134                 | 136                 | 137                 | 139                 | 140                 | 141                 | 142                 | 143                 |
| Additional paid-in capital                      | 886,815             | 964,214             | 1,027,888           | 1,131,006           | 1,225,224           | 1,341,346           | 1,450,139           | 1,590,885           |
| Accumulated other comprehensive income (loss)   | (267)               | 472                 | 659                 | (650)               | (2,764)             | (9,299)             | (24,478)            | (25,850)            |
| Accumulated deficit                             | (394,577)           | (462,118)           | (520,577)           | (601,600)           | (692,401)           | (792,821)           | (894,226)           | (991,878)           |
| Total stockholders' equity                      | 492,105             | 502,704             | 508,107             | 528,895             | 530,199             | 539,367             | 531,577             | 573,300             |
| Total liabilities and stockholders' equity      | <u>\$ 1,852,947</u> | <u>\$ 1,969,417</u> | <u>\$ 2,062,276</u> | <u>\$ 2,257,631</u> | <u>\$ 2,271,118</u> | <u>\$ 2,422,021</u> | <u>\$ 2,524,544</u> | <u>\$ 2,832,665</u> |

**ZSCALER, INC.**
**Condensed Consolidated Statements of Cash flows**
*(in thousands)*
*(unaudited)*

| <b>Fiscal Quarter</b>                                                                | <b>Q1 FY21</b>    | <b>Q2 FY21</b>   | <b>Q3 FY21</b>    | <b>Q4 FY21</b>    | <b>Q1 FY22</b>    | <b>Q2 FY22</b>    | <b>Q3 FY22</b>    | <b>Q4 FY22</b>      |
|--------------------------------------------------------------------------------------|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| End of Fiscal Quarter                                                                | 10/31/2020        | 1/31/2021        | 4/30/2021         | 7/31/2021         | 10/31/2021        | 1/31/2022         | 4/30/2022         | 7/31/2022           |
| Beginning of Fiscal Quarter                                                          | 8/1/2020          | 11/1/2020        | 2/1/2021          | 5/1/2021          | 8/1/2021          | 11/1/2021         | 2/1/2022          | 5/1/2022            |
| <b>Cash flows from operating activities</b>                                          |                   |                  |                   |                   |                   |                   |                   |                     |
| Net loss                                                                             | \$ (55,006)       | \$ (67,541)      | \$ (58,459)       | \$ (81,023)       | \$ (90,801)       | \$ (100,420)      | \$ (101,405)      | \$ (97,652)         |
| Adjustments to reconcile net loss to cash provided by operating activities:          |                   |                  |                   |                   |                   |                   |                   |                     |
| Depreciation and amortization expense                                                | 6,092             | 7,235            | 8,074             | 8,262             | 9,017             | 9,988             | 10,432            | 11,019              |
| Amortization expense of acquired intangible assets                                   | 1,577             | 1,576            | 1,576             | 2,066             | 2,226             | 2,231             | 2,238             | 2,315               |
| Amortization of deferred contract acquisition costs                                  | 8,678             | 9,445            | 10,454            | 11,981            | 14,912            | 16,126            | 17,755            | 19,738              |
| Amortization of debt discount and issuance costs                                     | 12,690            | 12,882           | 13,076            | 13,275            | 13,476            | 13,680            | 13,887            | 14,098              |
| Non-cash operating lease costs                                                       | 4,513             | 4,987            | 5,656             | 5,839             | 6,031             | 6,380             | 6,577             | 6,638               |
| Stock-based compensation expense                                                     | 57,185            | 61,380           | 59,973            | 79,997            | 89,903            | 98,988            | 105,854           | 114,817             |
| Amortization (accretion) of investments purchased at a premium (discount)            | 2,605             | 2,841            | 3,154             | 3,115             | 2,671             | 1,991             | 1,280             | 638                 |
| Deferred income taxes                                                                | (520)             | (461)            | (521)             | (904)             | (223)             | (436)             | 138               | (41)                |
| Impairment of assets                                                                 | 416               | —                | —                 | —                 | —                 | —                 | —                 | —                   |
| Other                                                                                | 29                | 30               | (56)              | 304               | (13)              | 308               | 354               | (254)               |
| Changes in operating assets and liabilities, net of effects of business acquisitions |                   |                  |                   |                   |                   |                   |                   |                     |
| Accounts receivable                                                                  | 41,634            | (66,315)         | 4,553             | (91,477)          | 84,927            | (97,549)          | (2,827)           | (127,887)           |
| Deferred contract acquisition costs                                                  | (18,042)          | (25,112)         | (27,976)          | (66,543)          | (23,985)          | (34,528)          | (40,549)          | (59,441)            |
| Prepaid expenses, other current and noncurrent assets                                | 7,883             | (1,161)          | (4,925)           | (5,185)           | (4,126)           | 9,029             | (15,257)          | 67                  |
| Accounts payable                                                                     | 76                | 4,551            | 1,794             | 1,030             | (1,088)           | 985               | 3,069             | 11,392              |
| Accrued expenses, other current and noncurrent liabilities                           | (1,243)           | 2,976            | 1,275             | 3,524             | (192)             | 5,221             | 5,121             | 3,227               |
| Accrued compensation                                                                 | (12,347)          | 10,764           | 13,166            | 32,294            | (20,955)          | 11,196            | 18,815            | 9,270               |
| Deferred revenue                                                                     | 2,133             | 76,751           | 49,530            | 134,011           | 17,381            | 112,213           | 59,001            | 202,584             |
| Operating lease liabilities                                                          | (4,821)           | (4,424)          | (6,976)           | (5,830)           | (5,890)           | (7,141)           | (7,242)           | (7,390)             |
| <b>Net cash provided by operating activities</b>                                     | <b>53,532</b>     | <b>30,404</b>    | <b>73,368</b>     | <b>44,736</b>     | <b>93,271</b>     | <b>48,262</b>     | <b>77,241</b>     | <b>103,138</b>      |
| <b>Cash flows from investing activities:</b>                                         |                   |                  |                   |                   |                   |                   |                   |                     |
| Purchases of property, equipment and other assets                                    | (8,904)           | (10,499)         | (14,812)          | (13,950)          | (6,454)           | (13,988)          | (27,604)          | (21,250)            |
| Capitalized internal-use software                                                    | (2,401)           | (1,871)          | (2,775)           | (3,085)           | (3,450)           | (4,825)           | (5,892)           | (7,117)             |
| Payments for business acquisitions, net of cash acquired                             | —                 | —                | (29,420)          | (11,110)          | —                 | (380)             | —                 | (24,907)            |
| Strategic investments                                                                | —                 | —                | (2,877)           | (200)             | —                 | —                 | —                 | —                   |
| Purchases of short-term investments                                                  | (174,663)         | (244,975)        | (304,834)         | (91,008)          | (312,840)         | (311,414)         | (185,857)         | (34,833)            |
| Proceeds from maturities of short-term investments                                   | 76,582            | 207,233          | 278,929           | 222,473           | 322,677           | 306,734           | 325,868           | 379,595             |
| Proceeds from sale of short-term investments                                         | 11,500            | —                | 10,999            | —                 | —                 | —                 | —                 | —                   |
| <b>Net cash provided by (used in) investing activities</b>                           | <b>(97,886)</b>   | <b>(50,112)</b>  | <b>(64,790)</b>   | <b>103,120</b>    | <b>(67)</b>       | <b>(23,873)</b>   | <b>106,515</b>    | <b>291,488</b>      |
| <b>Cash flows from financing activities:</b>                                         |                   |                  |                   |                   |                   |                   |                   |                     |
| Proceeds from issuance of common stock upon exercise of stock options                | 4,519             | 6,726            | 2,665             | 4,311             | 2,644             | 2,227             | 1,319             | 753                 |
| Proceeds from issuance of common stock under the employee stock purchase plan        | —                 | 8,563            | —                 | 17,141            | —                 | 11,509            | —                 | 23,140              |
| Payment of deferred consideration related to business acquisitions                   | —                 | (2,250)          | —                 | —                 | (50)              | —                 | —                 | (200)               |
| Other                                                                                | —                 | —                | —                 | —                 | —                 | (2)               | (1)               | (2)                 |
| <b>Net cash provided by financing activities</b>                                     | <b>4,519</b>      | <b>13,039</b>    | <b>2,665</b>      | <b>21,452</b>     | <b>2,594</b>      | <b>13,734</b>     | <b>1,318</b>      | <b>23,691</b>       |
| Net increase (decrease) in cash and cash equivalents <sup>(1)</sup>                  | (39,835)          | (6,669)          | 11,243            | 169,308           | 95,798            | 38,123            | 185,074           | 418,317             |
| Cash and cash equivalents at beginning of period <sup>(1)</sup>                      | 141,851           | 102,016          | 95,347            | 106,590           | 275,898           | 371,696           | 409,819           | 594,893             |
| Cash and cash equivalents at end of period <sup>(1)</sup>                            | <u>\$ 102,016</u> | <u>\$ 95,347</u> | <u>\$ 106,590</u> | <u>\$ 275,898</u> | <u>\$ 371,696</u> | <u>\$ 409,819</u> | <u>\$ 594,893</u> | <u>\$ 1,013,210</u> |

<sup>(1)</sup> We did not hold restricted cash for any periods presented.

**ZSCALER, INC.**
**GAAP to Non-GAAP Reconciliations**
*(in thousands, except percentages and per share amounts)(unaudited)*

| <b>Fiscal Quarter</b>                                                  | <b>Q1 FY21</b>    | <b>Q2 FY21</b>    | <b>Q3 FY21</b>    | <b>Q4 FY21</b>    | <b>Q1 FY22</b>    | <b>Q2 FY22</b>    | <b>Q3 FY22</b>    | <b>Q4 FY22</b>    |
|------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| End of Fiscal Quarter                                                  | 10/31/2020        | 1/31/2021         | 4/30/2021         | 7/31/2021         | 10/31/2021        | 1/31/2022         | 4/30/2022         | 7/31/2022         |
| Beginning of Fiscal Quarter                                            | 8/1/2020          | 11/1/2020         | 2/1/2021          | 5/1/2021          | 8/1/2021          | 11/1/2021         | 2/1/2022          | 5/1/2022          |
| <b>GAAP gross profit</b>                                               | <b>\$ 110,851</b> | <b>\$ 122,909</b> | <b>\$ 137,427</b> | <b>\$ 151,596</b> | <b>\$ 178,348</b> | <b>\$ 197,780</b> | <b>\$ 222,785</b> | <b>\$ 249,751</b> |
| Stock-based compensation expense and related payroll taxes             | 3,266             | 3,308             | 3,665             | 5,033             | 5,319             | 5,766             | 6,511             | 7,696             |
| Amortization expense of acquired intangible assets                     | 1,504             | 1,503             | 1,503             | 1,958             | 2,056             | 2,000             | 1,980             | 1,939             |
| <b>Non-GAAP gross profit</b>                                           | <b>\$ 115,621</b> | <b>\$ 127,720</b> | <b>\$ 142,595</b> | <b>\$ 158,587</b> | <b>\$ 185,723</b> | <b>\$ 205,546</b> | <b>\$ 231,276</b> | <b>\$ 259,386</b> |
| Non-GAAP gross margin                                                  | 81 %              | 81 %              | 81 %              | 80 %              | 81 %              | 80 %              | 81 %              | 82 %              |
| <b>GAAP sales and marketing expense</b>                                | <b>\$ 96,889</b>  | <b>\$ 110,403</b> | <b>\$ 115,730</b> | <b>\$ 136,385</b> | <b>\$ 153,786</b> | <b>\$ 175,073</b> | <b>\$ 192,132</b> | <b>\$ 214,228</b> |
| Stock-based compensation expense and related payroll taxes             | 32,654            | 33,864            | 34,798            | 42,957            | 43,464            | 47,666            | 53,576            | 57,505            |
| Amortization expense of acquired intangible assets                     | 73                | 73                | 73                | 108               | 170               | 178               | 178               | 178               |
| <b>Non-GAAP sales and marketing expense</b>                            | <b>\$ 64,162</b>  | <b>\$ 76,466</b>  | <b>\$ 80,859</b>  | <b>\$ 93,320</b>  | <b>\$ 110,152</b> | <b>\$ 127,229</b> | <b>\$ 138,378</b> | <b>\$ 156,545</b> |
| Non-GAAP sales and marketing expense as a percentage of revenue        | 45 %              | 49 %              | 46 %              | 47 %              | 48 %              | 50 %              | 48 %              | 49 %              |
| <b>GAAP research and development expense</b>                           | <b>\$ 35,770</b>  | <b>\$ 41,751</b>  | <b>\$ 40,952</b>  | <b>\$ 56,180</b>  | <b>\$ 65,216</b>  | <b>\$ 69,195</b>  | <b>\$ 76,578</b>  | <b>\$ 78,150</b>  |
| Stock-based compensation expense and related payroll taxes             | 14,900            | 17,747            | 15,033            | 25,558            | 28,570            | 30,000            | 31,366            | 33,486            |
| Amortization expense of acquired intangible assets                     | —                 | —                 | —                 | —                 | —                 | 53                | 80                | 198               |
| <b>Non-GAAP research and development expense</b>                       | <b>\$ 20,870</b>  | <b>\$ 24,004</b>  | <b>\$ 25,919</b>  | <b>\$ 30,622</b>  | <b>\$ 36,646</b>  | <b>\$ 39,142</b>  | <b>\$ 45,132</b>  | <b>\$ 44,466</b>  |
| Non-GAAP research and development expense as a percentage of revenue   | 15 %              | 15 %              | 15 %              | 16 %              | 16 %              | 15 %              | 16 %              | 14 %              |
| <b>GAAP general and administrative expense</b>                         | <b>\$ 20,859</b>  | <b>\$ 24,653</b>  | <b>\$ 24,595</b>  | <b>\$ 26,428</b>  | <b>\$ 33,717</b>  | <b>\$ 37,444</b>  | <b>\$ 40,672</b>  | <b>\$ 39,902</b>  |
| Stock-based compensation expense and related payroll taxes             | 9,509             | 12,194            | 11,681            | 12,395            | 18,741            | 20,613            | 20,113            | 19,628            |
| Asset impairment related to facility exit <sup>(1)</sup>               | 416               | —                 | —                 | —                 | —                 | —                 | —                 | —                 |
| <b>Non-GAAP general and administrative expense</b>                     | <b>\$ 10,934</b>  | <b>\$ 12,459</b>  | <b>\$ 12,914</b>  | <b>\$ 14,033</b>  | <b>\$ 14,976</b>  | <b>\$ 16,831</b>  | <b>\$ 20,559</b>  | <b>\$ 20,274</b>  |
| Non-GAAP general and administrative expense as a percentage of revenue | 8 %               | 8 %               | 7 %               | 7 %               | 6 %               | 7 %               | 7 %               | 6 %               |
| <b>GAAP total operating expenses</b>                                   | <b>\$ 153,518</b> | <b>\$ 176,807</b> | <b>\$ 181,277</b> | <b>\$ 218,993</b> | <b>\$ 252,719</b> | <b>\$ 281,712</b> | <b>\$ 309,382</b> | <b>\$ 332,280</b> |
| Stock-based compensation expense and related payroll taxes             | 57,063            | 63,805            | 61,512            | 80,910            | 90,775            | 98,279            | 105,055           | 110,619           |
| Amortization expense of acquired intangible assets                     | 73                | 73                | 73                | 108               | 170               | 231               | 258               | 376               |
| Asset impairment related to facility exit <sup>(1)</sup>               | 416               | —                 | —                 | —                 | —                 | —                 | —                 | —                 |
| <b>Non-GAAP total operating expenses</b>                               | <b>\$ 95,966</b>  | <b>\$ 112,929</b> | <b>\$ 119,692</b> | <b>\$ 137,975</b> | <b>\$ 161,774</b> | <b>\$ 183,202</b> | <b>\$ 204,069</b> | <b>\$ 221,285</b> |
| Non-GAAP total operating expenses as a percentage of revenue           | 67 %              | 72 %              | 68 %              | 70 %              | 70 %              | 72 %              | 71 %              | 70 %              |

| <b>Fiscal Quarter</b>                                                                       | <b>Q1 FY21</b>     | <b>Q2 FY21</b>     | <b>Q3 FY21</b>     | <b>Q4 FY21</b>     | <b>Q1 FY22</b>     | <b>Q2 FY22</b>      | <b>Q3 FY22</b>      | <b>Q4 FY22</b>     |
|---------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|--------------------|
| End of Fiscal Quarter                                                                       | 10/31/2020         | 1/31/2021          | 4/30/2021          | 7/31/2021          | 10/31/2021         | 1/31/2022           | 4/30/2022           | 7/31/2022          |
| Beginning of Fiscal Quarter                                                                 | 8/1/2020           | 11/1/2020          | 2/1/2021           | 5/1/2021           | 8/1/2021           | 11/1/2021           | 2/1/2022            | 5/1/2022           |
| <b>GAAP loss from operations</b>                                                            | <b>\$ (42,667)</b> | <b>\$ (53,898)</b> | <b>\$ (43,850)</b> | <b>\$ (67,397)</b> | <b>\$ (74,371)</b> | <b>\$ (83,932)</b>  | <b>\$ (86,597)</b>  | <b>\$ (82,529)</b> |
| Stock-based compensation expense and related payroll taxes                                  | 60,329             | 67,113             | 65,177             | 85,943             | 96,094             | 104,045             | 111,566             | 118,315            |
| Amortization expense of acquired intangible assets                                          | 1,577              | 1,576              | 1,576              | 2,066              | 2,226              | 2,231               | 2,238               | 2,315              |
| Asset impairment related to facility exit <sup>(1)</sup>                                    | 416                | —                  | —                  | —                  | —                  | —                   | —                   | —                  |
| <b>Non-GAAP income from operations</b>                                                      | <b>\$ 19,655</b>   | <b>\$ 14,791</b>   | <b>\$ 22,903</b>   | <b>\$ 20,612</b>   | <b>\$ 23,949</b>   | <b>\$ 22,344</b>    | <b>\$ 27,207</b>    | <b>\$ 38,101</b>   |
| Non-GAAP operating margin                                                                   | 14 %               | 9 %                | 13 %               | 10 %               | 10 %               | 9 %                 | 9 %                 | 12 %               |
| <b>GAAP interest expense</b>                                                                | <b>\$ (13,049)</b> | <b>\$ (13,245)</b> | <b>\$ (13,436)</b> | <b>\$ (13,634)</b> | <b>\$ (13,835)</b> | <b>\$ (14,040)</b>  | <b>\$ (14,246)</b>  | <b>\$ (14,458)</b> |
| Amortization of debt discount and issuance costs                                            | 12,690             | 12,882             | 13,077             | 13,274             | 13,476             | 13,680              | 13,887              | 14,098             |
| <b>Non-GAAP interest expense</b>                                                            | <b>\$ (359)</b>    | <b>\$ (363)</b>    | <b>\$ (359)</b>    | <b>\$ (360)</b>    | <b>\$ (359)</b>    | <b>\$ (360)</b>     | <b>\$ (359)</b>     | <b>\$ (360)</b>    |
| <b>GAAP net loss</b>                                                                        | <b>\$ (55,006)</b> | <b>\$ (67,541)</b> | <b>\$ (58,459)</b> | <b>\$ (81,023)</b> | <b>\$ (90,801)</b> | <b>\$ (100,420)</b> | <b>\$ (101,405)</b> | <b>\$ (97,652)</b> |
| Stock-based compensation expense and related payroll taxes                                  | 60,329             | 67,113             | 65,177             | 85,943             | 96,094             | 104,045             | 111,566             | 118,315            |
| Amortization expense of acquired intangible assets                                          | 1,577              | 1,576              | 1,576              | 2,066              | 2,226              | 2,231               | 2,238               | 2,315              |
| Asset impairment related to facility exit <sup>(1)</sup>                                    | 416                | —                  | —                  | —                  | —                  | —                   | —                   | —                  |
| Amortization of debt discount and issuance costs                                            | 12,690             | 12,882             | 13,077             | 13,274             | 13,476             | 13,680              | 13,887              | 14,098             |
| Benefit for income taxes <sup>(2)</sup>                                                     | —                  | —                  | —                  | —                  | —                  | (361)               | (1,554)             | (682)              |
| <b>Non-GAAP net income</b>                                                                  | <b>\$ 20,006</b>   | <b>\$ 14,030</b>   | <b>\$ 21,371</b>   | <b>\$ 20,260</b>   | <b>\$ 20,995</b>   | <b>\$ 19,175</b>    | <b>\$ 24,732</b>    | <b>\$ 36,394</b>   |
| Non-GAAP net income as a percentage of revenue                                              | 14 %               | 9 %                | 12 %               | 10 %               | 9 %                | 8 %                 | 9 %                 | 11 %               |
| <b>GAAP net loss per share, basic and diluted</b>                                           | <b>\$ (0.41)</b>   | <b>\$ (0.50)</b>   | <b>\$ (0.43)</b>   | <b>\$ (0.59)</b>   | <b>\$ (0.65)</b>   | <b>\$ (0.71)</b>    | <b>\$ (0.72)</b>    | <b>\$ (0.69)</b>   |
| Stock-based compensation expense and related payroll taxes                                  | 0.42               | 0.46               | 0.45               | 0.59               | 0.65               | 0.70                | 0.76                | 0.81               |
| Amortization expense of acquired intangible assets                                          | 0.01               | 0.01               | 0.01               | 0.01               | 0.02               | 0.01                | 0.02                | 0.02               |
| Asset impairment related to facility exit <sup>(1)</sup>                                    | —                  | —                  | —                  | —                  | —                  | —                   | —                   | —                  |
| Amortization of debt discount and issuance costs                                            | 0.09               | 0.09               | 0.09               | 0.09               | 0.09               | 0.09                | 0.09                | 0.10               |
| Benefit for income taxes <sup>(2)</sup>                                                     | —                  | —                  | —                  | —                  | —                  | —                   | (0.01)              | —                  |
| Adjustment to total fully diluted earnings per share <sup>(3)</sup>                         | 0.03               | 0.04               | 0.03               | 0.04               | 0.03               | 0.04                | 0.03                | 0.01               |
| <b>Non-GAAP net income per share, diluted</b>                                               | <b>\$ 0.14</b>     | <b>\$ 0.10</b>     | <b>\$ 0.15</b>     | <b>\$ 0.14</b>     | <b>\$ 0.14</b>     | <b>\$ 0.13</b>      | <b>\$ 0.17</b>      | <b>\$ 0.25</b>     |
| <b>Weighted-average shares used in computing GAAP net loss per share, basic and diluted</b> | <b>133,452</b>     | <b>135,024</b>     | <b>136,385</b>     | <b>137,778</b>     | <b>139,296</b>     | <b>140,515</b>      | <b>141,422</b>      | <b>142,355</b>     |
| Potentially diluted shares                                                                  | 9,920              | 10,719             | 10,220             | 9,869              | 10,944             | 10,687              | 8,233               | 4,260              |
| Antidilutive impact of capped call transactions <sup>(4)</sup>                              | —                  | (1,120)            | (1,692)            | (1,973)            | (2,699)            | (2,401)             | (2,740)             | (208)              |
| <b>Weighted-average shares used in computing non-GAAP net income per share, diluted</b>     | <b>143,372</b>     | <b>144,623</b>     | <b>144,913</b>     | <b>145,674</b>     | <b>147,541</b>     | <b>148,801</b>      | <b>146,915</b>      | <b>146,407</b>     |

<sup>(1)</sup> Consists of asset impairment charges related to the relocation of our corporate headquarters.

<sup>(2)</sup> We use our GAAP provision for income taxes for purposes of determining our non-GAAP income tax expense. The difference between our GAAP and non-GAAP income tax expense represents the effects of stock-based compensation expense recognized in foreign jurisdictions and any income tax benefits associated with business combinations. The income tax benefit related to stock-based compensation expense included in the GAAP provision for income taxes was not material for all periods presented. In the fiscal quarters ended January 31, 2022 and July 31, 2022, we recorded a tax benefit of \$0.4 million and \$0.7 million, respectively, associated with intangible assets recognized as a result of our business acquisitions. In the fiscal quarter ended April 30, 2022, we recorded a tax benefit of \$1.5 million associated with a refund of certain foreign withholding taxes relating to the prior fiscal year.

<sup>(3)</sup> The sum of the fully diluted earnings per share impact of individual reconciling items may not total to fully diluted non-GAAP net income per share due to the weighted-average shares used in computing the GAAP net loss per share differs from the weighted-average shares used in computing the non-GAAP net income per share, and due to rounding of the individual reconciling items. The GAAP net loss per share calculation uses a lower share count as it excludes potentially dilutive shares, which are included in calculating the non-GAAP income per share.

<sup>(4)</sup> We exclude the in-the-money portion of our convertible senior notes for non-GAAP weighted-average diluted shares as they are covered by our capped call transactions. Our outstanding capped call transactions are antidilutive under GAAP but are expected to mitigate the dilutive effect of our convertible notes and therefore are included in the calculations of non-GAAP diluted shares outstanding.

**ZSCALER, INC.****Free Cash Flow and Free Cash Flow Margin***(in thousands, except percentages)**(unaudited)*

| <b>Fiscal Quarter</b>                                                               | <b>Q1 FY21</b>    | <b>Q2 FY21</b>    | <b>Q3 FY21</b>    | <b>Q4 FY21</b>    | <b>Q1 FY22</b>    | <b>Q2 FY22</b>    | <b>Q3 FY22</b>    | <b>Q4 FY22</b>    |
|-------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| End of Fiscal Quarter                                                               | 10/31/2020        | 1/31/2021         | 4/30/2021         | 7/31/2021         | 10/31/2021        | 1/31/2022         | 4/30/2022         | 7/31/2022         |
| Beginning of Fiscal Quarter                                                         | 8/1/2020          | 11/1/2020         | 2/1/2021          | 5/1/2021          | 8/1/2021          | 11/1/2021         | 2/1/2022          | 5/1/2022          |
| <b>Revenue</b>                                                                      | <b>\$ 142,578</b> | <b>\$ 157,044</b> | <b>\$ 176,404</b> | <b>\$ 197,074</b> | <b>\$ 230,517</b> | <b>\$ 255,563</b> | <b>\$ 286,807</b> | <b>\$ 318,059</b> |
| <b>Free cash flows</b>                                                              |                   |                   |                   |                   |                   |                   |                   |                   |
| Net cash provided by operating activities                                           | \$ 53,532         | \$ 30,404         | \$ 73,368         | \$ 44,736         | \$ 93,271         | \$ 48,262         | \$ 77,241         | \$ 103,138        |
| Less: Purchases of property, equipment and other assets                             | (8,904)           | (10,499)          | (14,812)          | (13,950)          | (6,454)           | (13,988)          | (27,604)          | (21,250)          |
| Less: Capitalized internal-use software                                             | (2,401)           | (1,871)           | (2,775)           | (3,085)           | (3,450)           | (4,825)           | (5,892)           | (7,117)           |
| <b>Free cash flow</b>                                                               | <b>\$ 42,227</b>  | <b>\$ 18,034</b>  | <b>\$ 55,781</b>  | <b>\$ 27,701</b>  | <b>\$ 83,367</b>  | <b>\$ 29,449</b>  | <b>\$ 43,745</b>  | <b>\$ 74,771</b>  |
| <b>Year-over-year growth</b>                                                        | <b>348 %</b>      | <b>(1035)%</b>    | <b>(513)%</b>     | <b>154 %</b>      | <b>97 %</b>       | <b>63 %</b>       | <b>(22)%</b>      | <b>170 %</b>      |
| <b>Free cash flow margin</b>                                                        |                   |                   |                   |                   |                   |                   |                   |                   |
| Net cash provided by operating activities, as a percentage of revenue               | 38 %              | 19 %              | 42 %              | 23 %              | 40 %              | 19 %              | 27 %              | 32 %              |
| Less: Purchases of property, equipment and other assets, as a percentage of revenue | (6)%              | (7)%              | (8)%              | (7)%              | (3)%              | (5)%              | (10)%             | (6)%              |
| Less: Capitalized internal-use software, as a percentage of revenue                 | (2)%              | (1)%              | (2)%              | (2)%              | (1)%              | (2)%              | (2)%              | (2)%              |
| <b>Free cash flow margin</b>                                                        | <b>30 %</b>       | <b>11 %</b>       | <b>32 %</b>       | <b>14 %</b>       | <b>36 %</b>       | <b>12 %</b>       | <b>15 %</b>       | <b>24 %</b>       |

**ZSCALER, INC.****Calculated Billings and Other Selected Key Metrics***(in thousands, except percentages and customer data)**(unaudited)*

| <b>Fiscal Quarter</b>                             | <b>Q1 FY21</b>    | <b>Q2 FY21</b>    | <b>Q3 FY21</b>    | <b>Q4 FY21</b>    | <b>Q1 FY22</b>    | <b>Q2 FY22</b>    | <b>Q3 FY22</b>    | <b>Q4 FY22</b>    |
|---------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| End of Fiscal Quarter                             | 10/31/2020        | 1/31/2021         | 4/30/2021         | 7/31/2021         | 10/31/2021        | 1/31/2022         | 4/30/2022         | 7/31/2022         |
| Beginning of Fiscal Quarter                       | 8/1/2020          | 11/1/2020         | 2/1/2021          | 5/1/2021          | 8/1/2021          | 11/1/2021         | 2/1/2022          | 5/1/2022          |
| <b>Calculated billings</b>                        |                   |                   |                   |                   |                   |                   |                   |                   |
| Revenue                                           | \$ 142,578        | \$ 157,044        | \$ 176,404        | \$ 197,074        | \$ 230,517        | \$ 255,563        | \$ 286,807        | \$ 318,059        |
| Add: Total deferred revenue, end of period        | 371,900           | 446,817           | 495,434           | 630,601           | 647,816           | 759,931           | 818,743           | 1,021,123         |
| Less: Total deferred revenue, beginning of period | (369,767)         | (371,900)         | (446,817)         | (495,434)         | (630,601)         | (647,816)         | (759,931)         | (818,743)         |
| <b>Calculated billings</b>                        | <b>\$ 144,711</b> | <b>\$ 231,961</b> | <b>\$ 225,021</b> | <b>\$ 332,241</b> | <b>\$ 247,732</b> | <b>\$ 367,678</b> | <b>\$ 345,619</b> | <b>\$ 520,439</b> |
| Year-over-year growth                             | 64 %              | 71 %              | 71 %              | 70 %              | 71 %              | 59 %              | 54 %              | 57 %              |

**Other key business metrics**

|                                                                                     |       |       |       |       |       |       |       |       |
|-------------------------------------------------------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Customers with equal or greater than \$100,000 annualized recurring revenue ("ARR") | 1,057 | 1,182 | 1,314 | 1,480 | 1,616 | 1,751 | 1,891 | 2,089 |
| Customers with equal or greater than \$1 million ARR                                | 120   | 136   | 163   | 202   | 224   | 251   | 288   | 327   |