

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

**FORM 10-K**

**(Mark One)**

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

**For the fiscal year ended July 31, 2025**

**OR**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_ to \_  
**Commission File Number: 001-38413**

**ZSCALER, INC.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**26-1173892**  
(I.R.S. Employer  
Identification Number)

120 Holger Way  
San Jose, California 95134  
(Address of principal executive offices)

**Registrant's telephone number, including area code: (408) 533-0288**

**Securities registered pursuant to Section 12(b) of the Act:**

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 Par Value	ZS	The Nasdaq Stock Market LLC

**Securities registered pursuant to Section 12(g) of the Act:**

**None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act of 1933, as amended. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files) Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer   
Non-accelerated filer

Accelerated filer   
Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The aggregate market value of the common stock held by non-affiliates of the registrant, based on the closing price of a share of the registrant's common stock on January 31, 2025 (the last business day of the registrant's most recently completed second fiscal quarter) as reported by the Nasdaq Global Select Market on such date was approximately \$17.9 billion.

As of August 29, 2025, the number of shares of registrant's common stock outstanding was 158,300,823.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's definitive Proxy Statement relating to its fiscal year 2025 Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K where indicated. Such Proxy Statement will be filed with the United States Securities and Exchange Commission within 120 days after the end of the fiscal year to which this Annual Report on Form 10-K relates.

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ZSCALER, INC.

TABLE OF CONTENTS

	<u>Page</u>
<b>PART I</b>	
Item 1. <a href="#">Business</a>	<a href="#">3</a>
Item 1A. <a href="#">Risk Factors</a>	<a href="#">20</a>
Item 1B. <a href="#">Unresolved Staff Comments</a>	<a href="#">58</a>
Item 1C. <a href="#">Cybersecurity</a>	<a href="#">58</a>
Item 2. <a href="#">Properties</a>	<a href="#">59</a>
Item 3. <a href="#">Legal Proceedings</a>	<a href="#">59</a>
Item 4. <a href="#">Mine Safety Disclosures</a>	<a href="#">59</a>
<b>PART II</b>	
Item 5. <a href="#">Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</a>	<a href="#">60</a>
Item 6. <a href="#">Reserved</a>	<a href="#">62</a>
Item 7. <a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	<a href="#">63</a>
Item 7A. <a href="#">Quantitative and Qualitative Disclosures about Market Risk</a>	<a href="#">85</a>
Item 8. <a href="#">Financial Statements and Supplementary Data</a>	<a href="#">86</a>
Item 9. <a href="#">Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</a>	<a href="#">139</a>
Item 9A. <a href="#">Controls and Procedures</a>	<a href="#">139</a>
Item 9B. <a href="#">Other Information</a>	<a href="#">140</a>
Item 9C. <a href="#">Disclosure Regarding Foreign Jurisdictions that Prevent Inspections</a>	<a href="#">140</a>
<b>PART III</b>	
Item 10. <a href="#">Directors, Executive Officers and Corporate Governance</a>	<a href="#">141</a>
Item 11. <a href="#">Executive Compensation</a>	<a href="#">141</a>
Item 12. <a href="#">Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</a>	<a href="#">141</a>
Item 13. <a href="#">Certain Relationships and Related Transactions and Director Independence</a>	<a href="#">141</a>
Item 14. <a href="#">Principal Accountant Fees and Services</a>	<a href="#">141</a>
<b>PART IV</b>	
Item 15. <a href="#">Exhibits, Financial Statement Schedules</a>	<a href="#">142</a>
Item 16. <a href="#">Form 10-K Summary</a>	<a href="#">144</a>
<a href="#">Signatures</a>	

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## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding our financial outlook and market positioning. These forward-looking statements are made as of the date they were first issued and were based on current expectations, estimates, forecasts and projections as well as the beliefs and assumptions of management. The words "believe," "may," "will," "potentially," "estimate," "continue," "anticipate," "intend," "could," "would," "project," "plan," "expect" and similar expressions that convey uncertainty of future events or outcomes are intended to identify forward-looking statements.

These forward-looking statements include, but are not limited to, statements concerning the following:

- the impact of macroeconomic and geopolitical events, developments and conditions on our business;
- our future financial performance, including our expectations regarding our revenue, cost of revenue, gross profit or gross margin, operating expenses (including changes in sales and marketing, research and development and general and administrative expenses) and our ability to achieve, and maintain, future profitability;
- market acceptance of our cloud platform;
- the effects of increased competition in our markets and our ability to compete effectively;
- our ability to maintain the security and availability of our cloud platform;
- our ability to maintain and expand our customer base, including by attracting new customers;
- our ability to develop new solutions or enhancements to our existing solutions, including artificial intelligence and machine learning capabilities, and bring them to market in a timely manner;
- market acceptance of any new solutions or enhancements to our existing solutions;
- anticipated trends, growth rates and challenges in our business and in the markets in which we operate;
- our business plan and our ability to effectively manage our growth and associated investments;
- beliefs about and objectives for future operations;
- beliefs about and objectives for future acquisitions, strategic investments, partnerships and alliances and our ability to successfully integrate completed acquisitions;
- our relationships with third parties, including channel partners;
- our ability to maintain, protect and enhance our intellectual property rights;
- our ability to successfully defend litigation brought against us;
- our ability to successfully expand in our existing markets and into new markets;
- sufficiency of cash to meet cash needs for at least the next 12 months and service our outstanding debt;
- our need and ability to raise additional capital in future debt or equity financings;
- our expectations regarding settlement of the 2028 Notes (as defined in Note 10, Convertible Senior Notes to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K);

- our ability to comply with laws and regulations, including tariffs and trade regulations, that currently apply or become applicable to our business both in the United States and internationally;
- beliefs about the impacts of legal developments upon our business;
- the attraction and retention of qualified employees and key personnel; and
- the future trading prices of our common stock.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in "Risk Factors" elsewhere in this Annual Report on Form 10-K. Moreover, we operate in a very competitive and rapidly changing environment, and new risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Annual Report on Form 10-K may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements and you should not place undue reliance on our forward-looking statements.

The forward-looking statements made in this Annual Report on Form 10-K relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Annual Report on Form 10-K to reflect events or circumstances after the date of this Annual Report on Form 10-K or to reflect new information or the occurrence of unanticipated events, except as required by law.

## PART I

### Item 1. Business

#### Overview

We enable our customers to succeed in a digital world where technology decisions not only impact growth and competitiveness, but also directly impact enterprise risk. We were incorporated in 2007, during the early stages of cloud adoption and mobility, based on a vision that the internet would become the new corporate network, as the cloud became the new data center.

We correctly predicted that with rapid cloud adoption and increasing workforce mobility, traditional perimeter security approaches would fail to protect users and data, become prohibitively expensive and deliver poor user experience. Enterprises now rely on external software as a service, or SaaS, applications for critical business functions and have moved, or are moving, their internally managed applications to the public cloud infrastructure. As a result, users now expect to be able to seamlessly access applications and data, wherever they are hosted, from any device, anywhere in the world. The emergence and rapid adoption of artificial intelligence, or AI, is revolutionizing the transformational impact of cloud adoption and mobility. AI is fundamentally changing how organizations operate, creating new cybersecurity threats and IT challenges.

Our cloud native, multitenant architecture is distributed across more than 160 public exchanges globally and thousands of private exchanges at the edge, which brings security and business policy close to users and devices in over 185 countries and provides fast, secure and reliable access. Each day, we block over 225 million threats and perform over 250,000 unique security updates. Our customers benefit from the cloud security effect of our ever-expanding ecosystem, enhanced by our advanced AI and ML capabilities, because once a new threat is detected, it can be blocked across our customer base within minutes.

Many of the largest enterprises and government agencies in the world rely on our solutions to help them accelerate their move to the cloud. We have over 9,400 customers across all major geographies, with an emphasis on larger organizations, and we currently count approximately 40% of the Forbes Global 2000 and over 45% of Fortune 500 companies as customers. Our customers span every major industry, including financial services, healthcare, insurance, manufacturing, automotive, airlines and transportation, conglomerates, consumer goods and retail, media and communications, public sector and education, energy, technology and telecommunications services.

We have experienced significant growth, with revenue increasing from \$1,617.0 million in fiscal 2023 to \$2,167.8 million in fiscal 2024 to \$2,673.1 million in fiscal 2025, representing year-over-year revenue growth of 34% and 23%, respectively. We experienced net losses of \$41.5 million, \$57.7 million and \$202.3 million in fiscal 2025, fiscal 2024 and fiscal 2023, respectively. We expect we will continue to incur net losses for the foreseeable future.

We pioneered a cloud platform, the Zscaler Zero Trust Exchange™ platform, which represented a fundamental shift in the architectural design and approach to networking and security that allows companies to securely accelerate their digital transformation initiatives.

The Zscaler Zero Trust Exchange is a cloud-native platform, which implements Zero Trust principles to securely connect users, devices, applications and workloads, including AI agents, without relying on traditional hub-and-spoke network architecture and firewall-centric security. These technologies have become a roadblock to transformation for organizations that want to compete in today's digital world. Firewalls and virtual private networks, or VPNs, create a perimeter around the corporate network and everything inside the perimeter is implicitly trusted. This is one of the root causes of ransomware attacks. Zscaler's Zero Trust model operates on the principle that users, workloads, devices and AI

Agents are untrusted by default, irrespective of the network they are connected to. This approach reduces the attack surface and prevents lateral threat movement, while improving business resilience. We believe that Zero Trust combined with AI is rapidly becoming the new foundation for enterprise security architectures. Zscaler is pioneering this convergence of Zero Trust + AI, enabling enterprises to embrace technologies in a manner that is more secure, more scalable, more resilient and increasingly adaptable to the modern world.

Our ever-evolving platform provides our customers with a flexible and scalable approach to better secure their operations, optimize user experience, eliminate complexity, reduce costs and respond to the challenges and opportunities of AI and future new technologies. As the threat landscape evolves and companies look to further embrace AI and the cloud, our platform has evolved to focus on four core solutions: Zero Trust Everywhere, Data Security Everywhere, Security for AI and Agentic Operations.

- **Zero Trust Everywhere** – extends the principles of Zero Trust across all locations – branches, campuses, cloud, factories, entities, users, workloads, IoT/OT systems and autonomous AI agents.
- **Data Security Everywhere** – is Zscaler’s approach to safeguarding sensitive information across its entire lifecycle, from creation to storage, transmission and access, regardless of location, device or application.
- **Security for AI** – allows organizations to securely embrace public and private AI applications.
- **Agentic Operations** – refers to the integration of advanced AI technologies to empower both Security Operations, or SecOps, and IT Operations, or ITOps, teams with increased efficiency and actionable insights.

### **Zero Trust Everywhere**

Our Zero Trust Exchange cloud security platform delivers our core Zero Trust Everywhere products through the deployment of our comprehensive and integrated solutions, each built natively in the cloud to power digital transformation.

Zero Trust Everywhere spans three core domains: Zero Trust Users, where users are never placed on the corporate network; Zero Trust Cloud, where workloads communicate only through the Exchange; and Zero Trust Branch, where branches, factories, warehouses, IoT/OT devices and autonomous AI agents are secured as independent entities and connected solely through policy-based access. Together, these capabilities deliver a unified Zero Trust architecture that replaces legacy firewalls, VPNs and SD-WANs with a model purpose-built for the modern enterprise.

#### ***Zero Trust Users***

People remain the weakest link in enterprise security. Compromised credentials, unmanaged devices and phishing attacks continue to be the entry point for many breaches. Zero Trust Users is designed to protect the workforce, third parties, business-to-business, or B2B, partners and suppliers by assuming no user is trusted by default. Every user – internal or external, on any device, from any location – must prove their identity, demonstrate a secure posture and meet policy requirements before being granted access to an application.

This approach eliminates the risks of putting users on a corporate network. Instead, users connect only to the specific applications they are authorized to use – whether SaaS, internet, AI applications or private applications hosted in data centers, clouds or factories. By removing the network path, threats cannot move laterally if a user is compromised.

By treating every user as untrusted, continuously analyzing risk and enforcing adaptive, per-session policies, Zero Trust Users reduces the likelihood of breaches, protects sensitive data and ensures a secure, reliable experience for everyone

accessing enterprise applications and services. Zscaler delivers this functionality via the following core services: Zscaler Internet Access™, or ZIA™, Zscaler Private Access™, or ZPA™, and Zscaler Digital Experience™, or ZDX™.

### Zscaler Internet Access

ZIA provides secure access to externally managed applications, including SaaS applications and internet destinations regardless of device, location or network. ZIA provides inline content inspection and firewall access controls across all ports and protocols to protect organizations and users from external threats, secure data in motion and prevent data from leaking out to unauthorized sites. Policies follow the user to provide identical protection on any device, regardless of location; any policy changes are enforced for users worldwide. Our inline cloud security platform assesses and correlates the risk of the content to protect against sophisticated attacks, including ransomware and phishing. The cloud platform applies AI and machine learning, or ML, across over 500 billion daily transactions to quickly identify and block unknown threats and to identify and categorize unknown destinations.

ZIA enables the following capabilities:

**Cyberthreat Capabilities** – Our holistic, future-ready threat defense functionality enables protection against threats using a range of approaches and techniques. Our threat prevention capabilities provide multiple layers of protection to prevent sophisticated ransomware, phishing and zero-day cyber attacks. Built on the principle of least privilege, our proxy architecture enables full Transport Layer Security, or TLS./Secure Sockets Layer inspection at scale, with connections brokered between users and applications based on identity, context and business policies. We provide functionality that traditionally has been offered by disparate, stand-alone products. Our core cloud platform threat prevention capabilities include:

- **Advanced Threat Protection:** Our advanced threat protection functionality uses techniques including AI/ML, advanced heuristics, signatures and reputation to deliver real-time protection from malicious internet content like browser exploits, scripts, zero-pixel iFrames, malware and botnet callbacks. Over 250,000 unique security updates are performed every day to the Zscaler cloud to keep organizations protected. Once we detect a new threat to a user, we block it for all users across all customers. We call this the “cloud security effect.”
- **Sandbox:** Our cloud sandbox enables enterprises to block zero-day exploits and advanced persistent threats by analyzing unknown files for malicious behavior, and it can scale to every user regardless of location. Our cloud sandbox was designed and built to be multi-tenant and allows customers, using AI, among other analytics, to determine which traffic should be sent for detonation. As an integrated cloud security platform, customers can set policies by users and destinations to prevent patient-zero scenarios and to analyze, hold and detonate suspicious files in the cloud sandbox before they are sent to a user.
- **Browser Isolation:** Our cloud browser isolation functionality creates an isolated browsing session that enables users to access any webpage on the internet without downloading any of the web content served by the webpage onto a local device or the corporate network. With cloud browser isolation, users are not directly accessing active web content; instead, only a safe rendering of pixels is delivered to the user. Malicious code that may be hidden in the web content is kept at bay. Customers can select and isolate traffic based on specific policies and/or automatically based on our AI enabled risk determination. The combination of cloud browser isolation and cloud sandbox enables administrators to perform content disarm and reconstruction to flatten, sanitize and securely deliver files free of active content.

## Zscaler Private Access

ZPA provides Zero Trust Network Access to secure access to internally managed applications, either hosted internally in data centers or hosted in private or public clouds. ZPA is designed around four key tenets that fundamentally change the way users access internal applications:

- connect users to applications without bringing users on the network, preventing lateral movement;
- never expose applications to the internet;
- segment access to applications without relying on the traditional approach of network segmentation; and
- provide remote access over the internet without VPNs.

ZPA leverages a global policy engine that governs access to internally managed applications regardless of location. If access is granted to a user, our ZPA solution connects the user's device only to the authorized application without exposing the identity or location of the application. As a result, applications are not exposed to the internet, further limiting the external attack surface. This results in reduced cost and complexity, while offering better security and an improved user experience.

Our ZPA solution includes broad functionality, which we categorize by the following areas:

- **Cyberthreat Protection and Data Protection:** Our ZPA solution delivers the same cyberthreat protection and data protection functionality that is applied to internet traffic via our ZIA solution.
- **Application Discovery:** Similar to cloud access security broker, or CASB, application discovery reports for internet hosted SaaS applications, our ZPA solution provides granular discovery of internally managed applications to aid in the creation and oversight of segmentation policies. Because our ZPA solution sits on the application layer and is name-based or domain-based, organizations can quickly and seamlessly identify their internally-managed applications and then easily provision appropriate policies.
- **Secure Application Access:** Since our ZPA solution delivers seamless connectivity to internally managed applications and assets whether they are in the cloud, enterprise data center or both, administrators can set global policies from a single console, enabling policy-driven access that is agnostic to the network the users are on. By creating seamless access to applications regardless of a user's network, our ZPA solution eliminates the need for traditional remote access VPNs, reverse proxies and other similar products.
- **Application Segmentation:** Our architecture provides capabilities that enable user and application level segmentation, a vast improvement over traditional network segmentation. As each user-to-application connection is segmented with microtunnels, each of which is a temporary session between a specific user and a specific application, lateral movement across the network is prevented, significantly reducing security risk. Since users are granted access only to applications for which they have permission and are not granted full access to the network, microtunnels eliminate the need for an internal firewall.
- **Application Protection:** Our ZPA solution initiates outbound-only connections between authenticated users and internally managed applications using microtunnels. Access is provided to users without bringing them onto the corporate network and without exposing applications to the internet. Internally managed applications are not discoverable or identifiable. With no inbound connections and no public IP addresses, there is no inbound attack surface and therefore no threat of distributed denial-of-service, or DDoS, attacks. For allowed connections, our ZPA solution also provides Web Application Firewall functionality, including OWASP Top 10 protections for threats, such as Structured Query Language injection and cross-site scripting, to block common attack vectors.

- **Reduce Attack Surface:** Our architecture utilizes inside out connections that are outbound from users to the Zero Trust Exchange platform, which allows customers to deny all inbound connections. This reduces their attack surface by not exposing IP addresses of all devices, applications, appliances or workloads to the internet. Reduced attack surface results in lower exposure to zero-day application vulnerabilities and eliminates the need for DDoS mitigation.
- **Browser Isolation:** Our cloud browser isolation is used with our ZPA solution to provide isolated sessions to internal web applications without allowing data to transfer down to unmanaged devices or active content to be uploaded into sensitive internal applications. Combining cloud browser isolation with browser-based access provides a simplified, more cost-effective alternative to VDI for employees, contractors and B2B partners, by effectively keeping sensitive data off unmanaged devices.

The primary use cases for our ZPA solution include:

- remote workforce access to private applications without legacy VPN, providing Zero Trust from office to data center;
- deliver user-to-application segmentation, thus eliminating the risk of lateral threat propagation enabled by legacy Firewall and VPN based security architecture;
- providing non-employees with secure access to internal applications;
- securely connecting B2B customers, service providers and supplier access to applications typically deployed as B2B portals in an extranet;
- direct-to-cloud access to internally managed applications hosted in public cloud environments, such as Azure, AWS and GCP; and
- access to applications following a merger or acquisition by providing named users with access to named applications, without the need to merge networks.

### **Zscaler Digital Experience**

ZDX is designed to measure end-to-end user experience across key business applications, providing an easy-to-understand digital experience score for each user, application and location within an enterprise. As users have become mobile and applications have moved to the cloud, traditional network performance monitoring tools have become increasingly irrelevant. Enterprises can no longer reliably collect performance metrics or indicators along the traditional network path as they could when they owned the network and applications ran in their own data centers. ZDX leverages advanced AI-enabled root cause analysis to proactively pinpoint issues in the network path, providing detailed insights into whether disruptions stem from a user's device, WiFi connection, local internet, service provider or the destination application itself. With ZDX's expanded functionality, enterprises can now utilize predictive analytics to identify potential performance degradations before they impact end users, enabling faster remediation and minimizing downtime. Additionally, ZDX can easily differentiate localized issues – such as problems affecting a single user, application or location – from broader systemic issues impacting multiple users or locations, ensuring quicker and more focused responses. Administrators benefit from enhanced real-time monitoring and seamless integration into existing IT workflows, all via a simple visual interface that eliminates the need for additional hardware or software.

### **Zero Trust Cloud**

Our Zero Trust Cloud offers a comprehensive solution for securing customer workloads across hybrid environments, encompassing both public clouds and private data centers. This platform is built on a Zero Trust architecture, utilizing our

Zero Trust Exchange for centralized security policy enforcement and robust data protection. Zero Trust Cloud is designed to securely connect workloads and inspect all traffic, enabling the detection and mitigation of cyber threats like ransomware, preventing data loss and facilitating workload segmentation to halt the lateral movement of threats. This strategy aims to provide customers with consistent threat and data protection, eliminate the attack surface, reduce operational complexity and lower overall costs.

Our Zero Trust Cloud solution includes broad functionality, which we categorize by the following ideas:

- **Secure Workload to Internet:** Our Zero Trust Cloud provides a solution for securing outbound communications from customer workloads to the internet. This capability is designed to protect workloads hosted in public clouds, private data centers or hybrid environments when they connect to external resources such as application programming interfaces, or APIs, SaaS platforms, third-party services or AI agents. Rather than trusting the underlying network, our Zero Trust model is founded on verifying the identity of the workload itself and enforcing granular access policies for any internet-bound request. To protect against cyber threats and data loss, the solution performs cloud-scale TLS inspection, which is designed to identify and block malicious attacks and prevent the unauthorized exfiltration of sensitive data from our customers' cloud workloads.
- **Zero Trust Gateway:** Zero Trust Gateway is a new deployment model for Zero Trust Cloud that dramatically improves operational efficiency. Customers can now rapidly deploy Zero Trust Cloud. Zero Trust Gateway, a fully managed Zscaler service available in the cloud service provider, allows customers to route traffic to Zscaler via an endpoint service using the most optimized path. This enables real-time inspection and filtering of traffic, preventing unauthorized access and mitigating threats. Zero Trust Cloud, deployed via Zero Trust Gateway, secures workload-to-internet and workload-to-workload traffic across multi-cloud environments, eliminating the need for traditional cloud firewalls, VPNs, express routes or direct connects.
- **Workload Microsegmentation:** Our Workload Microsegmentation solution secures mission critical applications inside public clouds and data centers to stop lateral threat movement, preventing application compromise and reducing the risk of data breaches. Our agent-based offering solution utilizes an innovative, AI-enabled approach that is simpler to deploy and operate than traditional segmentation solutions, and improves the security of east-west communication by verifying the identity of the communicating application software, services and processes to achieve a Zero Trust environment. This reduces the attack surface, resulting in lower risk of application compromise and data breaches.

### ***Zero Trust Branch***

Our Zero Trust Branch solution brings Zero Trust principles to secure communications between and within branches, factories, data centers and campuses. It reimagines branches as independent “café-like” environments, connecting directly to our Zero Trust Exchange over broadband, 5G or satellite. The network becomes pure transport, while business policies determine who can access what, when and where. With this model, branches become like islands and are invisible to the internet, dramatically reducing the attack surface and eliminating lateral threat movement. This eliminates the need for north-south firewalls, VPNs, network access control, or NAC, systems and costly routing infrastructure, sharply lowering complexity, risk and cost.

Legacy branch architectures built on MPLS or legacy SD-WAN solutions inherently enable lateral movement, allowing compromised devices in one location to infect applications and systems across the corporate network. This model creates unnecessary cyber risk and adds costly complexity. Zero Trust Branch neutralizes that risk by eliminating implicit trust and lateral movement, stopping ransomware and malware spread.

Our Zero Trust Branch solution includes broad functionality, which we categorize by the following ideas:

- **Zero Trust SD-WAN:** Our Zero Trust SD-WAN solution provides branches and data centers with fast, reliable access to the internet and private applications with our Direct-to-Cloud™ architecture that provides strong security and operational simplicity, with the ability to deploy locally by virtual machine or by purchasing a plug-and-play appliance. Our Zero Trust SD-WAN solution eliminates lateral threat movement by connecting users and IoT/OT devices to applications through our Zero Trust Exchange platform. Branch traffic can be securely forwarded directly to the Zero Trust Exchange, where ZIA or ZPA policies can be applied for full security inspection and access identity-based control of branch and data center communications.
- **Zero Trust Device Segmentation:** Our Zero Trust Device Segmentation solution provides agentless segmentation for enterprise IT and OT environments, creating a "network of one" where even devices on the same network can only communicate with each other if authorized. The combination of Zero Trust SD-WAN with Zero Trust Device Segmentation extends the Zero Trust Exchange platform to protect east-west traffic in branch offices, campuses, factories and plants with critical OT infrastructure, eliminating the need for east-west firewalls, NACs and traditional microsegmentation solutions, while simultaneously delivering operational simplicity.

### **Data Security Everywhere**

Our data security functionality enables enterprises to prevent unauthorized sharing or exfiltration of confidential information by users, devices, servers, workloads and AI agents, thereby reducing business and compliance risks for our customers. We provide inline monitoring of data flows between users and applications, workload to workload, API to API and applications to LLMs with AI-powered auto data discovery, reducing the risk of inadvertently transmitting sensitive data and intellectual property. We also provide out-of-band discovery and remediation of data risks across a wide range of data stores, including SaaS, IaaS/PaaS, cloud data lakes and warehouses and on-prem systems. Core cloud platform data security services include:

- **Advanced AI-Powered Data Classification:** Our data classification engines leverage a variety of technologies and techniques to identify customer sensitive data. Predefined, custom dictionaries and automated AI discovery tools identify sensitive customer data by leveraging efficient pattern-matching algorithms, regular expressions, AI-based training models and keywords. Additional advanced classification techniques, including exact data match, indexed document matching and ML-based optical character recognition, enable our customers to identify and secure sensitive data across billions of unique structured data fields.
- **Enterprise Data Loss Prevention:** Our data loss prevention, or DLP, technology enables enterprises to alert and/or block transmission or sharing of sensitive data across exfiltration channels. This includes inline data in motion to external internet destinations and unmanaged endpoints, data at rest in SaaS environments through out-of-band API integrations, securing public cloud infrastructure data in Azure, AWS and GCP and protecting endpoints by preventing printing or copying to local storage, including USB devices. Additionally, our Email DLP solutions secure corporate email traffic, including Microsoft Exchange and Gmail.
- **Unified SaaS Security:** Our CASB, SaaS security posture management, or SSPM, and our SaaS supply chain security combine to discover and control known and unknown applications, identify SaaS misconfigurations, find and mitigate potentially risky third-party connections into those SaaS applications and scan data residing in those applications for threats and data protection violations. By doing TLS inspection at scale, we provide malware protection, DLP and CASB functions that can be performed both inline and out-of-band, for specific sanctioned and unsanctioned applications. Business policies can be defined with granular access control for specified cloud applications, such as the ability to upload or download files or post comments on videos based on different user or group identity.

- **Email Security:** Our email security solution leverages advanced cloud-delivered protections to secure inbound and outbound email traffic against sophisticated threats, such as phishing, malware and ransomware. Integrated with our Zero Trust Exchange platform, it ensures comprehensive inspection and policy enforcement without relying on traditional email gateways. The solution employs AI and ML to detect and block malicious payloads, suspicious links and compromised accounts in real time. Additionally, this solution enhances DLP by identifying and mitigating risks associated with sensitive information being shared via email.
- **Data Security Posture Management:** Our Data Security Posture Management, or DSPM, technology enables enterprises to discover and mitigate risk across their vast range of data stores – including public cloud, SaaS, data lakes and warehouses and on-premise data systems. Advanced classification and contextual analysis enables enterprises to understand where sensitive data resides, and to uncover risks related to posture configuration, access entitlements or compliance. Automated workflows enable organizations to remediate these risks, integrating with mainstream IT Service Management tools such as Service Now and Jira. The solution empowers organizations to proactively remediate data risks and avoid sensitive data exposures or compliance violations.

## **Security for AI**

The emergence of generative AI models is fundamentally transforming businesses, as enterprises and their stakeholders have rapidly embraced this new technology. Enterprises are adopting public GenAI SaaS applications, such as ChatGPT, Microsoft Copilot, Gemini and others, and are also investing to develop their private AI applications, such as customer-facing, employee-facing or supplier-facing chatbots and agents. This growing adoption of AI is leading to an emergence of a new category of risks that go beyond traditional cyber and data risks, including prompt injection, toxicity, training data leakage, model poisoning, tool poisoning and other risks. To enable our customers to safely and securely adopt these public and private AI applications, we are expanding our Security for AI Applications portfolio.

**Security for Public AI Applications** – Public GenAI SaaS applications can improve employee productivity, however they also present new risks for organizations, such as data loss and unauthorized access to classified or sensitive information. Zscaler’s Public AI security solutions give visibility, provide access control, protect sensitive information leakage and defend against emerging adversarial attacks. Our solutions for public AI applications include:

- **GenAI Security:** Our GenAI security offerings provide enterprises with comprehensive visibility and control over generative AI tool usage to prevent data loss while enabling productivity benefits. Our solution allows organizations to create and enforce policies around which generative AI tools users can access and how they interact with them, including through secure browser isolation to protect sensitive data. The platform delivers granular controls including prompt-level visibility, AI/ML-based URL filtering, DLP enforcement and the ability to restrict data upload methods while allowing productive AI interactions. In addition to inline controls, our solution offers proactive discovery and analysis of AI systems in cloud environments. This solution helps organizations deal with model sprawl, identify new AI attack vectors and govern data connected to AI systems. Our solutions also help safeguard the use of AI embedded in SaaS applications, such as Microsoft Copilot, to help ensure that data being used by Copilot is properly protected. This comprehensive approach enables organizations to harness the innovation and efficiency benefits of generative AI while maintaining robust data security and regulatory compliance.
- **Zscaler AI Guard for Users:** Our Zscaler AI Guard for Users secures the prompts and responses between employees of our customers and public GenAI applications. AI Guard enforces policies on prompts and responses to protect against toxicity, prompt injection, code sharing, sensitive-data leakage and other adversarial attacks. In addition, AI Guard provides granular visibility into prompts, responses and log events, including the associated metadata, for consumption and analysis by security operations center, or SOC, teams.

**Security for Private AI Applications** – Enterprises are developing private AI applications, such as chatbots and AI-agents, using large language models, or LLMs, such as ChatGPT, Anthropic, Gemini, Llama, DeepSeek and more. Our private AI security solutions provide visibility and policy enforcement. Our solutions for private AI applications include:

- **AI-SPM:** Zscaler AI-SPM provides deep visibility into all AI services, agents and models deployed in a customers’ environment. Leveraging advanced LLM classification, Zscaler AI-SPM discovers, classifies and assesses risks of sensitive data that maps to any AI services, providing a 360-degree view of all of data and its correlated risks.
- **AI Guard for Private LLMs:** Zscaler’s AI Guard provides guardrails with purpose-built detectors sitting inline between LLMs and private AI apps. With continuous monitoring, secure deployment and advanced protection, AI Guard enables organizations to harness the power of AI while keeping their models and data safe from exploitation.
- **AI Decoys for LLMs:** AI Decoys for LLMs is designed to prevent sensitive data leakages and unauthorized access in environments leveraging LLMs, extending our existing deception capabilities. It uses AI-generated decoy information to mislead and neutralize potential threats, safeguarding critical organizational assets.

## Agentic Operations

### **Security Operations**

Reducing cyber risk is a priority for all enterprises, especially at the executive and board of directors level, making holistic security operations a key area of focus for our customers. Our security operations solutions include both proactive security initiatives, focused on identifying security gaps before they can be exploited, and reactive security programs, centered on finding and containing incidents after they happen. These solutions include broad and differentiated capabilities in both domains and are categorized into the following areas:

#### *Proactive Security Operations*

**Exposure Management** – Zscaler’s exposure management platform ingests and analyzes a wide range of exposure intelligence sources to deliver a comprehensive view of organizational risk. It integrates data from Zscaler systems, such as our Zero Trust Exchange platform, and third-party data from more than 150 sources including: vulnerability scans; misconfigurations; shadow IT discovery and unmanaged devices (including IoT/OT); security information and event management, or SIEMs; security orchestration, automation and response systems; endpoint protection platforms; and global threat intelligence feeds. It also integrates contextual data such as asset criticality, business impact and user behavior. Our Data Fabric for Security ingests, synthesizes and enriches this data to yield compelling insights for exposure management by security teams. Our exposure management platform includes:

- **Unified Vulnerability Management:** Our unified vulnerability management solution provides dynamic and customizable prioritization, streamlined reporting, automated workflows for remediation and contextualized risk-based assessments of a customer’s risk landscape. This solution leverages our Data Fabric for Security to deliver actionable insights, prioritized risk analysis and operational efficiencies. Our customers gain significantly enhanced and automated analytics and decision-making in real-time without the need for manual data aggregation and collection.
- **Asset Exposure Management:** Our asset exposure management capabilities provide organizations with deep visibility into their digital attack surface, enabling them to identify, assess and remediate asset vulnerabilities before they can be exploited. By continuously monitoring all assets – whether hosted on-premises, in the cloud or within hybrid environments – our solution helps uncover shadow IT, misconfigurations, unpatched systems and other hidden risks. This solution leverages our Data Fabric for Security to provide advanced analytics and automation,

prioritize critical exposures based on business impact and threat likelihood and empower organizations to proactively reduce their attack surface and strengthen their overall security posture. This approach aligns with our commitment to providing comprehensive, scalable solutions that help customers minimize risk in a rapidly evolving threat landscape.

### ***Reactive Security Operations***

**Threat Management** – Zscaler delivers advanced capabilities including deception technologies, identity threat detection and managed detection and response. Our acquisition of Red Canary, Inc, or Red Canary, strengthens this portfolio with its agentic AI-driven threat detection that autonomously reduces alert fatigue, hunts threats and delivers faster, more accurate incident containment. We will integrate these advanced SOC capabilities with our Data Fabric for Security, enabling more robust SOC capabilities over time and helping customers reduce or eliminate their dependence on costly legacy SIEM systems. Our threat management offerings include:

- **Deception:** Our deception solution augments our customers’ ability to detect the presence of an adversary in their network by deploying decoys. These decoys disrupt adversaries by detecting their presence in the network and initiating mitigation using automatic orchestration via the Zscaler platform and other third-party solutions. Customers can quickly deploy these capabilities by leveraging a diverse library of built-in decoys including various types of applications, network components and IoT services. The high-fidelity low-volume alerts allow customers to implement meaningful automation workflows to prevent lateral spread.
- **Red Canary Managed Detection and Response:** Our Managed Detection and Response (MDR) service offering, added through our acquisition of Red Canary, provides threat detection and on-demand incident response services to augment our customers’ security operations capabilities and reduce reliance on extensive internal resources or specialized expertise. This capability leverages advanced technologies including agentic workflows, AI-supported threat intelligence, expert analysis and automated runbooks to identify and address complex cybersecurity threats.
- **Identity Protection:** Attackers commonly target users and identities as the point of entry and use that access to escalate privileges and move laterally. Our Identity Protection capability provides continuous visibility into identity misconfigurations and at-risk permissions by scanning common identity providers. Identity Protection augments this visibility with guidance in the form of scripts, commands and tutorials to remediate identity risk and reduce customers’ internal attack surface. In addition to preventive capabilities, Identity Protection also provides high-fidelity detection for identity-based attacks like stolen credentials, multi-factor authentication bypasses and privilege escalation techniques that typically pass through existing defenses in cases of identity compromise.

### **Agentic IT Operations**

Zscaler is also extending Agentic Operations to IT through our ZDX product. Traditional IT operations depend on siloed monitoring tools that provide limited visibility and require manual troubleshooting across networks, devices and applications. These limitations result in long ticket resolution times, frustrated users and higher operating costs. With ZDX’s expanded functionality, enterprises can now utilize predictive analytics to identify potential performance degradations before they impact end users, enabling faster remediation and minimizing downtime. ZDX leverages advanced AI-enabled root cause analysis to proactively pinpoint issues in the network path, providing detailed insights into whether disruptions stem from a user’s device, WiFi connection, local internet, service provider or the destination application itself. It also leverages AI-driven automation to deliver end-to-end visibility into user experience, network performance and application health. With agentic remediation capabilities, ZDX can detect endpoint issues, resolve tickets and proactively improve performance without human intervention. For example, ZDX can identify device misconfigurations, degraded application paths or network bottlenecks, and automatically correct them, reducing resolution time, avoiding downtime and creating a better user experience.

By transforming IT operations from reactive to proactive, ZDX enables enterprises to improve user productivity and satisfaction, reduce IT operations cost and deliver consistent digital experiences at global scale.

## Our Technology and Architecture

We are driven by technology and innovation. We developed a highly scalable, multi-tenant, globally distributed cloud capable of providing inline inspection of internet and SasS traffic, securing access to private applications, protecting cloud applications, managing digital experience and scanning for exposures and misconfigurations. We designed a purpose-built three-tier architecture starting with our core operating system and adding layers of security and networking innovations over time. Our cloud platform is protected by more than 725 issued and pending patents in the United States and other countries. Our cloud is distributed across more than 160 public exchanges globally and thousands of private exchanges at the edge, and processes over 500 billion requests per day from users across over 185 countries.

Our platform is designed to be resilient, redundant and high-performing. It is built as software modules that run on standard x86 platforms without dependency on custom hardware. The platform modules are split into the control plane (Zscaler Central Authority), the enforcement plane (Zscaler Enforcement Nodes) and the logging and statistics plane (Zscaler Log Servers) as described below:

- **Zscaler Central Authority:** The Zscaler Central Authority monitors our entire security cloud and provides a central location for software and database updates, policy and configuration settings and threat intelligence. The collection of Zscaler Central Authority instances together act like the brain of the cloud, and they are geographically distributed for redundancy and performance.
- **Zscaler Enforcement Nodes:** Customer traffic is directed to the nearest Zscaler Enforcement Node, where security, management and compliance policies served by the Zscaler Central Authority are enforced. The Zscaler Enforcement Node also incorporates our differentiated authentication and policy distribution mechanism that enables any user to connect to any Zscaler Enforcement Node at any time to ensure full policy enforcement. The Zscaler Enforcement Node utilizes a full proxy architecture and is built to ensure data is not written to disk to maintain the highest level of data security. Data is scanned in random-access memory only and then erased. Logs are continuously created in memory and forwarded to our logging module.
- **Zscaler Log Servers:** Our technology is built into the Zscaler Enforcement Node to perform lossless compression of logs, enabling our platform to collect over 130 terabytes of unique raw log data every day. We do not collect customer data other than logs, and those logs are encrypted and transmitted to our log server at a destination of choice selected by the customer without ever writing to disk at the enforcement nodes. Logs are transmitted to our logging servers over secure connections and multicast to multiple servers for redundancy. Our dashboards provide our customers visibility into their traffic to enable troubleshooting, policy changes and other administrative actions. Our analytics capabilities allow customers to interactively mine billions of transaction logs to generate reports that provide insight on network utilization and traffic. We do not rely on batch reporting; we continuously update our dashboards and reporting and can stream logs to a third-party SIEM service as they arrive. Regardless of where users are located, customers can choose to have logs stored in the United States or the European Union/Switzerland. Customer data is isolated as part of our multi-tenant architecture.
- **Data Fabric for Security:** Our Data Fabric for Security capabilities empower organizations to seamlessly integrate, analyze and act on security data across distributed environments. By unifying data from user activity, applications, devices and workloads across on-premises, cloud and hybrid networks, our platform provides real-time visibility into potential threats and vulnerabilities. This interconnected “fabric” enables security teams to break down silos, correlate insights from multiple sources and make proactive, data-driven decisions to mitigate risks. With advanced automation and AI-driven analytics, our Data Fabric for Security transforms raw security data into actionable

intelligence, helping organizations respond faster to incidents, comply with regulatory requirements and maintain a robust security posture across their increasingly complex IT ecosystems.

Our platform is a critical integration point positioned in the data path providing secure access to the internet, cloud and internal applications. We complement and interoperate with key technology and cloud vendors across major market segments, including identity and access management device and endpoint management, as well as SIEM for reporting and analytics. Many of these vendors, like us, were developed in the cloud and together provide a foundation for a modern access and security architecture.

## Growth Strategies

The growing use of the internet and the increasing adoption of the cloud and mobility are driving network and application transformation. As a provider of a fully integrated, multi-tenant cloud security solution, we enable our customers to accelerate this secure transformation to the cloud and believe we are uniquely positioned to maximize value as they undertake these transitions. Key elements of our growth strategy include:

- **Continue to win new customers.** We believe that we have a significant opportunity to expand our customer base, both in the United States and internationally. We have invested significantly in our sales and marketing organization to execute against this opportunity.
- **Expansion in existing customers.** We leverage a land-and-expand approach with our existing customers to sell subscriptions for additional users, additional solutions and premium solution bundles that contain more functionality.
- **Leverage channel partners to participate in cloud transformation initiatives.** We have invested in establishing long-standing relationships with global telecommunications service providers and are expanding our network of global system integrators and regional telecommunications service providers and cloud-centric value-added resellers and public cloud marketplaces.
- **Expansion and innovation of services.** We continue to invest in research and development and acquire new technologies and products to add new and differentiated solutions to our existing product portfolio and to improve the overall functionality, reliability, availability and scalability of our cloud security platform.
- **Expansion into additional market segments.** We are targeting the expansion of our immediate addressable market into additional markets, segments and verticals. For example, we are targeting our expansion into new geographies in the Asia Pacific, Latin America and Middle East regions.

We sell to enterprises of all sizes. As of July 31, 2025, we had over 9,400 customers, including approximately 40% of the Forbes Global 2000 and over 45% of Fortune 500 companies. Many of our customers include major global enterprises that send virtually all of their internet traffic through our cloud security platform. Our customers operate in a variety of industries, including automotive, airlines and transportation, conglomerates, consumer goods and retail, energy, financial services, healthcare, insurance, manufacturing, media and communications, public sector and education, technology and telecommunications services. Approximately 49% of our revenue was from customers outside the United States for all periods presented. No end customer contributed more than 10% of our revenue in fiscal 2025, fiscal 2024 and fiscal 2023.

## **Sales and Marketing**

Although we have a channel sales model, we use a joint sales approach in which our sales force develops relationships directly with our customers, and together with our channel account teams, works with our channel partners on account penetration, account coordination, sales and overall market development. Our customer care and success teams maintain high-touch relationships with our customers to deploy and manage our cloud platform, identify, analyze and resolve performance issues and respond to security threats. We believe customer service touchpoints are opportunities to further develop our relationship with our customers and potentially generate incremental revenue through the addition of new users and services.

Our channel partners consist of global telecommunications service providers, system integrators, value-added reseller partners and public cloud marketplaces, and we leverage their relationships to expand our reach, improve procurement and accelerate customer fulfillment.

We enter into agreements with our channel partners in the ordinary course of business. The contracts typically have a one-year term and renew automatically, subject to cancellation by either party upon 90 days' notice. These agreements contain standard commercial terms and conditions, including payment terms, billing frequency, warranties and indemnification. Our channel partners generally place purchase orders with us after receiving orders from customers. We generally maintain privity of contract with customers through end user subscription agreements.

We expect to continue investing in our channel partners as we provide them with education, training and programs, including supporting their independent sales of our solutions. We believe that such investment, and investments in our sales force, will lead to significant expansion in our customer base, which will materially impact our business and results of operations.

Our marketing strategy is focused on platform and brand awareness, which drives our opportunity pipeline and customer demand. This strategy is account-based, enabling us to pursue targeted marketing activities across both digital and non-digital channels. We anticipate increasing our marketing team headcount and are investing in programs designed to elevate our brand in the market and engage new enterprise accounts. We also participate in a number of cloud and security industry events. In addition, we have a deeply integrated ecosystem of channel partners, with whom we engage in joint marketing activities.

## **Data Center Operations**

We have expanded the Zero Trust Exchange over 160 public exchanges and thousands of private exchanges at the edge, which are built to be highly resilient, have multiple levels of redundancy and provide failover to other data centers in our network. Our data centers are co-located within top-tier internet interconnection hubs that have direct connectivity, known as peering, to major telecommunication service providers, SaaS providers, public cloud providers, internet content providers and popular internet destinations. A number of our data centers are also located with our service provider partners.

## **Compliance**

Our platform has received numerous industry standard and internationally recognized certifications upon successful completion of further independent third-party assessments, including ISO 27001, ISO 27701, ISO 27018, ISO 27017, SOC2, SOC 3 CSA-STAR and HIPAA.

We also built a leading U.S. and international government compliance portfolio. We are authorized at the FedRAMP Moderate and High levels and Impact Level 5 with the DOD for ZPA. In addition, in the U.S. we are authorized at both the FedRAMP Moderate and High levels for ZIA, among others. We also hold CMMC Level 2 certification, ITAR, FIPS, CJIS

and VPAT 508 in our U.S. Government portfolio. We also became the first cloud-based SaaS security company to achieve StateRamp for state and local governments. Internationally, we are IRAP Protected and APRA in Australia, Cyber Essentials and G-Cloud in the UK, C5 in Germany, ITSG-33 Prob B in Canada, ISMAP in Japan, MTCS in Singapore and, most recently, Spain Gov CPSTIC catalog listing and ENS-High.

## **Research and Development**

Our research and development organization is responsible for the design, architecture, operation and quality of our cloud platform. In addition to improving on our features and functionality, this organization works closely with our cloud operations team to ensure that our platform is reliable, available and scalable. ThreatLabZ, our internal team of security experts, researchers and network engineers, analyzes the global threat landscape, works to eliminate threats across our cloud platform and reports on emerging security issues.

Research and development expense was \$672.5 million, \$499.8 million and \$350.8 million for fiscal 2025, fiscal 2024 and fiscal 2023, respectively. Our research and development leadership team is predominantly located in San Jose, California, and we also maintain research and development centers internationally, including in India, Canada, Israel and Spain.

## **Competition**

The market for security solutions is defined by changing technologies, an evolving threat landscape and complex enterprise needs. Our competitors and potential competitors include legacy on-premises appliance vendors and other vendors across a number of categories:

- independent IT security vendors, which offer a broad mix of network and endpoint security products;
- large networking and other vendors, which offer security appliances and/or incorporate security capabilities in their networking products and other services;
- companies with point solutions that compete with some of the features of our cloud platform, such as proxy, firewall, CASB, sandboxing and advanced threat protection, AI security, data loss prevention, encryption, load balancing and VPN; and
- other providers of IT security services that offer, or may leverage related technologies to introduce, products that compete with or are alternatives to our cloud platform.

The principal competitive factors in the markets in which we operate include:

- delivering security from the cloud regardless of location of the user;
- platform features, effectiveness and extensibility;
- platform reliability, availability and scalability;
- rapid development and delivery of new capabilities and services;
- ability to integrate with other participants in the security and networking ecosystem;
- price, total cost of ownership and network cost savings;
- brand awareness, reputation and trust in the provider's services;
- strength of sales, marketing and channel partner relationships; and

- quality of customer support.

We believe we are positioned favorably against our competitors based on these factors. Our cloud platform integrates many of the point products offered by our competitors and potential competitors, which is a key differentiator. However, many of our competitors have substantially greater financial, technical and other resources, greater brand recognition, larger sales forces and marketing budgets, broader distribution networks, more diverse product and services offerings and larger and more mature intellectual property portfolios. They may be able to leverage these resources to gain business in a manner that discourages users from purchasing our services, including through selling at zero or negative margins, offering concessions, product bundling or maintaining closed technology platforms. Further, many organizations have invested substantial personnel and financial resources to design and operate their appliance-based network security architecture and may not be willing or ready to abandon those historical investments. As our market grows and rapidly changes, we expect it will continue to attract new companies, including smaller emerging companies, which could introduce new products and services. In addition, we may expand into new markets and encounter additional competitors in such markets.

## **Intellectual Property**

Our success depends in part upon our ability to protect and use our core technology and intellectual property rights. We rely on a combination of patents, copyrights, trademarks, trade secret laws, contractual provisions and confidentiality procedures to protect our intellectual property rights. As of July 31, 2025, we had more than 725 issued patents and pending patent applications, including more than 325 issued patents in the United States and other countries. Our issued patents expire between 2028 and 2044 and cover various aspects of our cloud platform. In addition, we have registered “Zscaler” as a trademark in the United States and other jurisdictions, and we have registered other trademarks and filed other trademark applications in the United States. We are also the registered holder of a variety of domestic and international domain names that include “Zscaler” and similar variations. In addition to the protection provided by our intellectual property rights, we enter into confidentiality and invention assignment or similar agreements with our employees, consultants and contractors. We further control the use of our proprietary technology and intellectual property rights through provisions in our subscription and license agreements. Despite our efforts to protect our trade secrets and proprietary rights through intellectual property rights, licenses and confidentiality agreements, unauthorized parties may still copy or otherwise obtain and use our software and technology. In addition to our internally developed technology, we also license software, including open source software, from third parties that we integrate into or bundle with our cloud platform.

Our industry is characterized by the existence of a large number of patents and frequent claims and related litigation based on allegations of patent infringement or other violations of intellectual property rights. We believe that competitors will try to develop products and services that are similar to ours and that may infringe our intellectual property rights. Our competitors or other third-parties may also claim that our platform infringes their intellectual property rights. In particular, companies in our industry have extensive patent portfolios. From time to time, third parties, including certain of these companies and non-practicing entities, have in the past and may in the future, assert claims of infringement, misappropriation and other violations of intellectual property rights against us or our customers or channel partners, with whom our license or other agreements may obligate us to indemnify against these claims. Successful claims of infringement by a third-party could prevent us from offering certain services or features, require us to develop alternate, non-infringing technology, which could require significant time and during which we could be unable to continue to offer our affected subscriptions or services, require us to obtain a license, which may not be available on reasonable terms or at all, or force us to pay substantial damages, royalties or other fees. As we face increasing competition and gain an increasingly higher profile, the possibility of intellectual property rights claims against us grows. We cannot assure you that we do not currently infringe, or that we will not in the future infringe, upon any third-party patents or other proprietary rights. See “Risk Factors—Risks Related to Our Business—Claims by others that we infringe their proprietary technology or other rights, or other lawsuits asserted against us, could result in significant costs and substantially harm our business, financial condition, results of operations and prospects” for additional information.

## **Government Regulation**

Our business activities are subject to various federal, state, local and foreign laws, rules and regulations. Compliance with these laws, rules and regulations has not had, and is not expected to have, a material effect on our capital expenditures, results of operations and competitive position as compared to prior periods. Nevertheless, compliance with existing or future governmental regulations, including, but not limited to, those pertaining to global trade, business acquisitions, consumer and data protection, privacy, employment, labor and taxes, could have a material impact on our business in subsequent periods. For more information on the potential impacts of government regulations affecting our business, see “Item 1A - Risk Factors.”

## **Human Capital**

As of July 31, 2025, we had a total of 7,923 employees in locations around the world. We have not experienced any work stoppages and we consider our relations with our employees to be positive and collaborative.

Zscaler's vision is to create a world in which the exchange of information is always secure and seamless. Specifically, ensuring that our people and culture are aligned with this vision is critical to our success. In order to continue to innovate and to execute our business strategy, we must attract, develop and retain skilled employees, particularly in the areas of product development, engineering, sales and customer success.

### ***Our Culture***

Our culture is about creating an environment where our global workforce can contribute their best work to help our customers and our business succeed. Zscaler's cultural values are:

- Teamwork
- Ownership
- Passion
- Innovation
- Customer Obsession

We build this culture through the feedback we receive from our employees through company-wide surveys as well as informal feedback channels throughout the year. We ultimately view and measure the success of our culture by our ability to sustain great business results.

### ***Employee Development***

We invest in our employees through a suite of programs from their first day of employment to develop their talent and skills as our business grows. Our leadership approach establishes clear expectations, enables measurement and actionable feedback and ensures that our people managers have access to learning and resources that help them to embody our leadership principles.

In addition, new employees in our customer care and success teams are enrolled in structured sales and product training to build their knowledge. Our technical teams have access to live and online training resources and participate in frequent company tech talks where training on best practices and latest developments are shared. We build the skills and capabilities of our senior leaders through intentional investment in their development and opportunities for them to network, collaborate and problem solve together.

To supplement our internal resources, we work with external experts to offer focused development for our leaders, as well as targeted offerings on topics that are critical to enhancing the capabilities of our talent. We offer tuition reimbursement for eligible employees to further enhance their career growth through higher education.

### ***Compensation and Benefits***

We provide competitive compensation and benefits packages to attract and retain our talent. In addition to base pay, employees may be eligible for performance based bonuses that are tied to our financial performance and long-term equity incentives that vest subject to continued service. Certain employees may also need to achieve defined performance metrics for parts of their long-term incentives to vest. Our employee performance management program aligns individual achievement and corporate goal attainment with compensation. Employees are assessed on both what was achieved and how they achieved it to help build a high-performance culture that delivers for our customers and is aligned to our cultural values.

We offer an employee stock purchase plan, which allows employees to contribute a percentage of their wages to purchase our stock at a discount. In addition to cash and equity compensation, we offer our employees a robust portfolio of benefits, such as health, well-being, parental leave and retirement programs, to meet their individual and family needs.

### ***Health, Safety and Well-being***

The health and safety of our employees is our top priority. We recognize the need to create a flexible working environment that balances collaboration, innovation and connectivity with personal preferences for employees to do their best work. Our employee wellness programs support employees across four pillars: physical, emotional, social and financial. These programs are designed to meet the needs of our employees through connection and support, with flexibility for local and targeted approaches. We will continue to review and invest in programs to provide for the health, safety and well-being of our employees.

### **Corporate Information**

We were incorporated in the state of Delaware in September 2007 as SafeChannel, Inc., and in August 2008, we changed our name to Zscaler, Inc. Our principal executive offices are located at 120 Holger Way, San Jose, CA 95134, and our telephone number is (408) 533-0288. Our website address is [www.zscaler.com](http://www.zscaler.com). Information contained on, or that can be accessed through, our website does not constitute part of this Annual Report on Form 10-K.

### **Available Information**

Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statement, and all amendments to these filings, are available free of charge from our investor relations website (<https://ir.zscaler.com/financial-information/sec-filings>) as soon as reasonably practicable following our filing with or furnishing to the SEC of any of these reports. The SEC's website (<https://www.sec.gov>) contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

Zscaler investors and others should note that we announce material information to the public about our company, products and services and other issues through a variety of means, including our website (<https://www.zscaler.com>), our investor relations website (<https://ir.zscaler.com>), our blogs (<https://www.zscaler.com/blogs>), press releases, SEC filings, public conference calls and social media, in order to achieve broad, non-exclusionary distribution of information to the public. We encourage our investors and others to review the information we make public in these locations as such information could be deemed to be material information. Please note that this list may be updated from time to time.

The contents of any website referred to in this Form 10-K are not intended to be incorporated into this Annual Report on Form 10-K or in any other report or document we file.

## Item 1A. Risk Factors

*A description of the risks and uncertainties associated with our business is set forth below. You should carefully consider the risks and uncertainties described below, as well as the other information in this Annual Report on Form 10-K, including the consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations." The occurrence of any of the events or developments described below, or of additional risks and uncertainties not presently known to us or that we currently deem immaterial, could materially and adversely affect our business, results of operations, financial condition and growth prospects. In such an event, the market price of our common stock could decline, and you could lose all or part of your investment.*

### Summary of Risk Factors

Investing in our common stock involves a high degree of risk because our business is subject to numerous risks and uncertainties, as more fully described in this section below this summary. The principal factors and uncertainties that make investing in our common stock risky include, among others:

- we have a history of annual net losses and may not be able to achieve or sustain profitability in the future;
- if organizations do not adopt our cloud platform, our ability to grow our business and operating results may be adversely affected;
- if we are unable to attract new customers or our customers do not renew their subscriptions for our services and add additional users and services to their subscriptions, our future results of operations could be harmed;
- we face intense and increasing competition and could lose market share to our competitors;
- we have experienced rapid revenue and other growth in recent periods, which may not be indicative of our future performance;
- our operating results may fluctuate significantly, which could make our future results difficult to predict and could cause our operating results to fall below expectations;
- if the delivery of our services to our customers is interrupted or delayed for any reason, our business would suffer;
- the actual or perceived failure of our cloud platform to block malware or prevent a security breach or incident could harm our reputation and adversely impact our business;
- our business and growth depend in part on the success of our relationships with our channel partners;
- if our cloud platform or internal networks, systems or data are or are perceived to have been breached, our solution may be perceived as insecure, our reputation may be damaged and our financial results may be negatively impacted;
- we rely on our key technical, sales and management personnel to grow our business, and the loss of one or more key employees or the inability to attract and retain qualified personnel could harm our business;
- claims by others that we infringe their proprietary technology or other rights, or other lawsuits asserted against us, could result in significant costs and substantially harm our business;
- if we are unable to effectively manage certain risks and challenges related to our India operations, our business could be harmed;
- servicing our debt may require a significant amount of cash, and we may not have sufficient cash flow from our business or the ability to raise funds to pay our substantial debt; and

- the impact of global economic disruptions and changing macroeconomic and geopolitical conditions remains uncertain and may have a material adverse impact on our business.

## **Risks Related to Our Business**

### Risks Related to Our Growth

***We have a history of annual net losses and may not be able to achieve or sustain profitability in the future.***

We have incurred net losses in all annual periods since our inception, and we expect we will continue to incur annual net losses for the foreseeable future. We experienced net losses of \$41.5 million, \$57.7 million and \$202.3 million for fiscal 2025, fiscal 2024 and fiscal 2023, respectively. As of July 31, 2025, we had an accumulated deficit of \$1,189.6 million. Because the market for our cloud platform is rapidly evolving and cloud-based security solutions have not yet reached widespread adoption, it is difficult for us to predict our future results of operations. We expect our operating expenses to increase significantly over the next several years as we continue to hire additional personnel, particularly in research and development and sales and marketing, expand our operations and infrastructure, both domestically and internationally, and continue to develop our platform. If we fail to increase our revenue to offset the increases in our operating expenses, we may not achieve or sustain profitability in the future.

Additionally, our business strategy continues to focus primarily on long-term growth. As we execute on this strategy, we may ultimately be unable to achieve or sustain profitability at the level contemplated by industry or financial analysts and our stockholders, or at all, and as a result, our stock price may decline.

***If organizations do not adopt our cloud platform, our ability to grow our business and operating results may be adversely affected.***

Cloud security technologies are still evolving, and it remains difficult to predict customer demand and adoption rates for our solutions. We believe that our cloud platform offers superior protection to our customers, who are moving their applications and data to the cloud and embracing AI applications and agents. We also believe that our cloud platform represents a major shift from on-premises appliance-based security solutions. While cloud-based security solutions have seen increased adoption, traditional on-premises security appliances continue to be entrenched in the infrastructure of many of our potential customers, particularly large enterprises, because of their prior investment in and the familiarity of their IT personnel with on-premises appliance-based solutions. As a result, our sales process often involves extensive efforts to educate our customers on the benefits and capabilities of our cloud platform, particularly as we continue to pursue customer relationships with large organizations. Even with these efforts, we cannot predict long-term market acceptance of our cloud platform, or the adoption of competing products, services or technologies. If we fail to achieve broad market acceptance of our cloud platform or are unable to keep pace with industry changes, our ability to grow our business and our operating results will be materially and adversely affected.

***If we are unable to attract new customers, our future results of operations could be harmed.***

To increase our revenue and achieve and maintain profitability, we must add new customers. To add new customers, we must successfully convince IT decision makers that security delivered through our cloud platform provides significant advantages over legacy on-premises appliance-based security products and competing cloud-based products. Additionally, many of our customers broadly deploy our products, which requires a significant commitment of resources from our customers. These factors significantly impact our ability to add new customers and increase the time, resources and sophistication required to do so.

In addition, numerous other factors, many of which are out of our control, have impacted and may in the future impact our ability to add new customers, including:

- potential customers' commitments to legacy IT security vendors and products;
- real or perceived switching costs;
- the current or potential implementation of tariffs or retaliatory measures due to tariffs on the sales of our products in countries where our customers or potential paying customers are located;
- competition from hybrid or cloud security products;
- our failure to expand, retain and motivate our sales and marketing personnel;
- our failure to develop or expand relationships with our channel partners or to attract new channel partners;
- failure by us or our partners to help our customers to successfully deploy our cloud platform;
- negative media or industry or financial analyst commentary regarding us or our solutions, or similar solutions offered by other vendors;
- litigation; and
- general economic conditions.

As a result of challenging or uncertain macroeconomic conditions, we have experienced and may experience in the future increased scrutiny and a longer approval process for initial purchases by new customers, particularly for larger transactions. We cannot predict how challenging or uncertain macroeconomic conditions will impact potential customers' purchasing decisions and whether potential customers may decide to delay purchases, decrease the size of purchases or entirely forego purchasing our services.

If our efforts to attract new customers are not successful, our revenue and rate of revenue growth may decline, we may not achieve profitability and our future results of operations could be materially harmed.

***If our customers do not renew their subscriptions for our services and add additional users and services to their subscriptions, our future results of operations could be harmed.***

In order for us to maintain or improve our results of operations, it is important that our customers renew their subscriptions for our services when existing contract terms expire, and that we expand our commercial relationships with our existing customers. Our customers have no obligation to renew their subscriptions for our services after the expiration of their contractual subscription period, which is typically one to three years, and in the normal course of business, some customers have elected not to renew. In addition, in certain cases, including under the new EU Data Act, customers may cancel their subscriptions without cause either at any time or upon advance written notice (commonly ranging from 30 days to 60 days), typically subject to an early termination penalty for unused services. In addition, our customers may renew for fewer users, renew for shorter contract lengths or switch to a lower-cost product suite. If our customers do not renew their subscription services, we could incur impairment losses related to our deferred contract acquisition costs. It is difficult to accurately predict long-term customer retention because of our varied customer base and given the length of our subscription contracts. Our customer retention and expansion may decline or fluctuate as a result of a number of factors, including our customers' satisfaction with our services, our prices and pricing plans, our customers' spending levels, decreases in the number of users to which our customers deploy our solutions, new laws and regulations impacting service contract terms, mergers and

acquisitions involving our customers, competition and deteriorating or uncertain general economic conditions, which may result in reductions in IT budgets and lower employee headcounts.

Our future success also depends in part on the rate at which our current customers add additional users or services to their subscriptions, which is driven by a number of factors, including customer satisfaction with our services, customer security and networking issues and requirements, general economic conditions and customer reaction to the price per additional user or of additional services. If our efforts to expand our relationships with our existing customers are not successful, our business may materially suffer.

***We have experienced rapid revenue and other growth in recent periods, which may not be indicative of our future performance.***

We have experienced rapid growth in revenue, operations and employee headcount in recent periods. In addition, the number of customers, users and internet traffic on our cloud platform has increased rapidly in recent years. Our growth may not be sustainable and may not be sufficient to achieve and sustain profitability, as we also expect our costs to increase in future periods as we expand our operations and significantly increase our headcount. In addition, we expect our recent revenue growth rates will decline in the future as the size of our revenue base increases. As a result, we believe that historical comparisons of our revenue may not be meaningful and should not be relied upon as an indication of future performance. Accordingly, you should not rely on our revenue and other growth for any prior quarter or fiscal year as an indication of our future revenue or revenue growth.

***If we fail to effectively manage our growth, we may be unable to execute our business plan, maintain high levels of service, adequately address competitive challenges or maintain our corporate culture, and our business, financial condition and results of operations would be harmed.***

Our growth has placed, and future growth will continue to place, a significant strain on our management and our administrative, operational and financial infrastructure. Our success will depend in part on our ability to manage this growth effectively, which will require that we continue to improve our administrative, operational, financial and management systems and controls by, among other things:

- effectively attracting, retaining, training and integrating, including collaborating with, a large number of new employees;
- further improving our key business applications, processes and IT infrastructure, including through the use of AI, to support our business needs;
- enhancing our information and communication systems to ensure that our employees and offices around the world are well coordinated and can effectively communicate with each other and our growing base of channel partners, customers and users; and
- appropriately documenting and testing our IT systems and business processes.

These and other improvements in our systems and controls will require significant capital expenditures and the allocation of valuable management and employee resources. If we fail to implement these improvements effectively, our ability to manage our expected growth, ensure uninterrupted operation of our cloud platform and key business systems and comply with the rules and regulations applicable to public companies could be impaired, the quality of our platform and services could suffer and we may not be able to adequately address competitive challenges.

In addition, we believe that our corporate culture has been a contributor to our success, which we believe fosters innovation, teamwork and an emphasis on customer-focused results. We also believe that our culture creates an environment

that drives and perpetuates our strategy and cost-effective distribution approach. In the past we have, and in the future we may, restructure or reduce our workforce to align people, roles and projects to our strategic priorities. Any restructuring, reduction or realignment in the workforce has the potential to negatively impact employee morale or make it more difficult to attract and retain talent. As we continue to grow, we may find it difficult to maintain our corporate culture. Preservation of our corporate culture is also made more difficult following the implementation of our hybrid work environment, and many of our employees continue to work from home on a full time or part time basis. Any failure to preserve our culture could harm our future success, including our ability to retain and recruit personnel, innovate and operate effectively and execute on our business strategy. If we experience any of these effects in connection with future growth, it could materially impair our ability to attract new customers, support and retain existing customers and expand their use of our platform, all of which would materially and adversely affect our business, financial condition and results of operations.

***Our operating results may fluctuate significantly, which could make our future results difficult to predict and could cause our operating results to fall below expectations.***

Our operating results may fluctuate from quarter to quarter as a result of a number of factors, many of which are outside of our control and may be difficult to predict. Some of the factors that may cause our results of operations to fluctuate from quarter to quarter include:

- broad market acceptance and the level of demand for our cloud platform;
- our ability to attract new customers, particularly large enterprises;
- our ability to retain customers and expand their usage of our platform, particularly our largest customers;
- our ability to successfully expand internationally and penetrate key markets;
- the effectiveness of our sales and marketing programs;
- the length of our sales cycle;
- the timing and availability of renewals;
- the mix of billings among monthly in advance, quarterly in advance, annually in advance and multi-year in advance;
- technological changes and the timing and success of new service introductions by us or our competitors or any other change in the competitive landscape of our market;
- increases in and timing of operating expenses that we may incur to grow and expand our operations and to remain competitive;
- pricing pressure as a result of competition or otherwise;
- seasonal buying patterns for IT spending, including the possible slowdown in IT spending due to the current macroeconomic and geopolitical environment;
- the quality and level of our execution of our business strategy and operating plan;
- reputational harm as a result of actual, perceived or purported technological failure or disruption;
- adverse litigation judgments, settlements or other litigation-related costs;
- changes in the legislative or regulatory environment;
- the impact and costs related to the acquisition of businesses, talent, technologies or intellectual property rights;

- fluctuations in currency exchange rates and changes in the proportion of our revenue and expenses denominated in foreign currencies;
- changes in U.S. generally accepted accounting principles; and
- general economic conditions in either domestic or international markets, including as a result of macroeconomic and geopolitical events, developments and conditions.

Any one or more of the factors above may result in significant fluctuations in our results of operations. We also intend to continue to invest significantly to grow our business in the near future rather than optimizing for profitability or cash flows. In addition, we generally experience seasonality in terms of when we enter into agreements with customers. We typically enter into a higher percentage of agreements with new customers, as well as renewal agreements with existing customers, in the second half of our fiscal year. This seasonality is reflected to a much lesser extent, and sometimes is not immediately apparent, in revenue, due to the fact that we recognize subscription revenue ratably over the term of the subscription, which is generally one to three years. We expect that seasonality will continue to affect our operating results in the future and may reduce our ability to predict cash flow and optimize the timing of our operating expenses.

The variability and unpredictability of our quarterly results of operations or other operating metrics could result in our failure to meet our expectations or those of industry or financial analysts. If we fail to meet or exceed such expectations for these or any other reasons, the market price of our common stock could fall substantially, and we could face costly lawsuits, including securities class action suits.

***Our business and growth depend in part on the success of our relationships with our channel partners.***

We currently derive most of our revenue from sales through our channel partner network, and we expect for the foreseeable future most of our future revenue growth will also be driven through this network. Not only does our joint sales approach require additional investment to grow and train our sales force, but we believe that continued growth in our business is dependent upon identifying, developing and maintaining strategic relationships with our existing and potential channel partners, including global systems integrators and regional telecommunications service providers that will in turn drive substantial revenue and provide additional value-added services to our customers. Our agreements with our channel partners are generally non-exclusive, meaning our channel partners may offer customers the products of several different companies, including products that compete with our cloud platform. Our channel partners may also cease marketing or reselling our platform with limited or no notice and without penalty. If our channel partners do not effectively market and sell subscriptions to our cloud platform, choose to promote our competitors' products or fail to meet the needs of our customers, our ability to grow our business and sell subscriptions to our cloud platform may be adversely affected. For example, sales through our top five channel partners and their affiliates, in aggregate, represented 28% of our revenue for fiscal 2025, 25% of our revenue for fiscal 2024 and 26% of our revenue for fiscal 2023. In addition, our channel partner structure could subject us to lawsuits or reputational harm if, for example, a channel partner misrepresents the functionality of our cloud platform to customers or violates applicable laws or our corporate policies. Moreover, our channel partners' operations may be negatively impacted by events including pandemics, international conflicts, trade regulations including tariffs, inflation and other events affecting the global economy in general. For example, these events could increase credit risk of end customers and create uncertainty in credit markets. Our ability to achieve revenue growth in the future will depend in large part on our success in maintaining successful relationships with our channel partners, identifying additional channel partners and training our channel partners to independently sell and deploy our platform. If we are unable to maintain our relationships with our existing channel partners or develop successful relationships with new channel partners or if our channel partners fail to perform, our business, financial position and results of operations could be materially and adversely affected.

## Risks Related to Our Products and Services

***We face intense and increasing competition and could lose market share to our competitors, which could adversely affect our business, financial condition and results of operations.***

The market for network security solutions is intensely competitive and characterized by rapid changes in technology, customer requirements, industry standards and frequent introductions of new products and services and improvements of existing products and services. We compete with many established network and security vendors who are aggressively competing against us with their legacy appliance-based solutions and have also introduced cloud-based services that purport to have functionality similar to our cloud platform. We are also experiencing increased competition as other established and emerging companies enter the cloud-based security solutions market and introduce new products, services and technologies to address evolving customer requirements. If we are unable to anticipate or effectively react to these competitive challenges, our competitive position could weaken, and we could experience a decline in revenue or our growth rate that could materially and adversely affect our business and results of operations.

Our competitors and potential competitors include:

- independent IT security vendors, which offer a broad mix of network and endpoint security products;
- large networking and other vendors, which offer security appliances and/or incorporate security capabilities in their networking products and other services;
- companies with point solutions that compete with some of the features of our cloud platform, such as proxy, firewall, CASB, sandboxing and advanced threat protection, AI security, data loss prevention, encryption, load balancing and VPN; and
- other providers of IT security services that offer, or may leverage related technologies to introduce, products that compete with or are alternatives to our cloud platform.

Many of our existing competitors have, and some of our potential competitors could have, substantial competitive advantages such as:

- greater name recognition, longer operating histories and larger customer bases;
- larger sales and marketing budgets and resources;
- broader distribution and established relationships with channel partners and customers;
- greater customer support resources;
- greater resources to make acquisitions and enter into strategic partnerships;
- lower labor and research and development costs;
- larger and more mature intellectual property rights portfolios; and
- substantially greater financial, technical and other resources.

Our competitors may be successful in convincing IT decision makers that legacy appliance-based security products or hybrid security cloud solutions based on legacy technology are sufficient to meet their security needs and provide security performance that competes with our cloud platform. In addition, our competitors have and may develop cloud-based solutions with architectures similar to our products. Further, many organizations have invested substantial personnel and financial resources to design and operate their appliance-based networks and have established deep relationships with appliance

vendors. As a result, these organizations may prefer to purchase from their existing suppliers rather than add or switch to a new supplier.

Our larger competitors have substantially broader and more diverse product and services offerings, which may allow them to leverage their relationships based on other products or incorporate functionality into existing products to gain business in a manner that discourages users from purchasing our services, including through selling at zero or negative margins, offering free services and other concessions, bundling products or maintaining closed technology platforms. Many competitors that specialize in providing protection from a single type of security threat may be able to deliver these targeted security products to the market more quickly than we can or to convince organizations that these limited products meet their needs.

Conditions in our market change rapidly and significantly as a result of technological advancements, partnering or acquisitions by our competitors or continuing market consolidation. Start-up companies that innovate and large competitors that are making significant investments in research and development may introduce similar or superior products, services and technologies that compete with our cloud platform. In addition, large companies with substantial communications infrastructure, such as global telecommunications services provider partners or public cloud providers, have entered or could choose to enter the security solutions market. Some of our current or potential competitors have made or could make acquisitions of businesses or establish cooperative relationships that may allow them to offer more directly competitive and comprehensive solutions than were previously offered and adapt more quickly to new technologies and customer needs.

These competitive pressures in our market or our failure to compete effectively may result in price reductions, fewer orders, reduced revenue and gross margins, increased net losses and loss of market share. Any failure to meet and address these factors could materially harm our business and operating results.

***If the delivery of our services to our customers is interrupted or delayed for any reason, our business would suffer.***

Any interruption or delay in the delivery of our services will negatively impact our customers. Our solutions enable secure connections to cloud-based applications and other destinations via the internet, by directing our customers' internet traffic through our cloud platform. Our customers depend on the continuous availability of our cloud platform to access the internet, and our services are designed to operate without interruption in accordance with our service level commitments. However, our platform is complex and may contain defects or errors that are not detected until after deployment. If we fail to timely detect defects or errors before deployment, or if our entire platform were to fail, customers and users could lose access to critical services and applications until the disruption is resolved or customers deploy our disaster recovery solution that allows them to bypass our cloud platform to access the internet. The adverse effects of any service interruptions on our reputation and financial condition may be disproportionately heightened due to the nature of our business and the fact that our customers expect continuous and uninterrupted internet access and have a low tolerance for interruptions of any duration. While we do not consider them to have been material, we have experienced, and may in the future experience, service disruptions and other performance problems due to a variety of factors.

The following factors, many of which are beyond our control, can affect the delivery and availability of our services and the performance of our cloud:

- the development and maintenance of the infrastructure of the internet;
- the performance and availability of third-party telecommunications services with the necessary speed, data capacity and security for providing reliable internet access and services;
- decisions by the owners and operators of the data centers where our cloud infrastructure is deployed or by global telecommunications service provider partners who provide us with network bandwidth to terminate our contracts,

discontinue services to us, shut down operations or facilities, increase prices, change service levels, limit bandwidth, declare bankruptcy or prioritize the traffic of other parties;

- the occurrence of earthquakes, floods, fires, pandemics, power loss, system failures, physical or electronic break-ins, acts of war, international conflicts (such as the current conflicts between Russia and Ukraine and in the Middle East) or terrorism, human error or interference (including by disgruntled or negligent, current or former employees or contractors) and other catastrophic events;
- cyberattacks, including denial of service attacks, targeted at us, our data centers, our global telecommunications service provider partners or the infrastructure of the internet;
- government action to limit access to the internet;
- failure by us to maintain and update our cloud infrastructure to meet our traffic capacity requirements;
- errors, defects or performance problems in our software, including those potentially introduced by our software updates and third-party software incorporated in our software, which we use to operate our cloud platform;
- improper classification of websites by our vendors who provide us with lists of malicious websites;
- improper deployment or configuration of our services by our customers;
- the failure of our redundancy systems, in the event of a service disruption at one of our data centers, to provide failover to other data centers in our data center network;
- the failure of our disaster recovery and business continuity arrangements; and
- the potential implementation of export controls, tariffs or retaliatory measures on the sales of our products in countries where our customers or potential customers are located.

The occurrence of any of these factors, or if we are unable to efficiently and cost-effectively fix such errors or other problems that may be identified, could damage our reputation, negatively impact our relationship with our customers or otherwise materially harm our business, results of operations and financial condition.

In addition, we provide our services through a cloud-based inline proxy, and some governments, third-party products, websites or services may block proxy-based traffic under certain circumstances. For example, vendors may attempt to block traffic from our cloud platform or blacklist our IP addresses because they cannot identify the source of the proxy-based traffic. Our competitors may use this as an excuse to block traffic from their solutions or blacklist our IP addresses, which may result in our customers' traffic being blocked from our platform. If our customers experience significant instances of traffic blockages, they will experience reduced functionality or other inefficiencies, which would reduce customer satisfaction with our services and likelihood of renewal.

***If we fail to develop or introduce new enhancements to our cloud platform on a timely basis, our ability to attract and retain customers, remain competitive and grow our business could be impaired.***

The industry in which we compete is characterized by rapid technological change, frequent introductions of new products and services, evolving industry standards and changing regulations, as well as changing customer needs, requirements and preferences. Our ability to attract new customers and increase revenue from existing customers will depend in significant part on our ability to anticipate and respond effectively to these changes on a timely basis and continue to introduce enhancements to our cloud platform. For example, advancements in technology, such as AI and ML, are changing the way our industry identifies and responds to cyber threats, and businesses that are slow to adopt or fail to adopt these new

technologies may face a competitive disadvantage. The success of our cloud platform depends on our continued investment in our research and development organization to increase the reliability, availability and scalability of our existing solutions. The success of any enhancement depends on several factors, and any new service that we develop or acquire might not be introduced in a timely or cost-effective manner and might not achieve the broad market acceptance necessary to generate significant revenue. If new technologies, including AI-enabled technologies, emerge that deliver competitive products and services at lower prices, more efficiently, more conveniently or more securely, these technologies could adversely impact our ability to compete effectively. Any delay or failure in the introduction of enhancements could materially harm our business, results of operations and financial condition.

***If our global network of data centers, which deliver our services, was damaged or otherwise failed to meet the requirements of our business, our ability to provide services to our customers and maintain the performance of our cloud platform could be negatively impacted, which could cause our business to suffer.***

We currently host our cloud platform and serve our customers from a global network of over 160 public exchanges globally and thousands of private exchanges at the edge. While we have electronic access to the components and infrastructure of our cloud platform that are hosted by third parties, we do not control the operation of these facilities. Consequently, we may be subject to service disruptions as well as a lack of adequate support for our data center operations due to reasons that are outside of our control. Our data centers are vulnerable to damage and connections to our data centers may be interrupted by a variety of sources, including earthquakes, floods, fires, power loss, system or infrastructure failures, computer viruses, physical or electronic break-ins, human error or interference (including by disgruntled or negligent, current or former employees or contractors) and other catastrophic events. Our data centers may also be subject to national or local administrative actions, changes in government regulations, including, for example, the impact of global economic and other sanctions like those levied in response to the current conflict between Russia and Ukraine, changes to legal or permitting requirements and litigation to stop, limit or delay operations. Despite precautions taken at these facilities, a decision to close the facilities without adequate notice or other unanticipated problems at these facilities could result in interruptions or delays in our services, impede our ability to scale our operations or have other adverse impacts upon our business. In addition, if we do not accurately plan for our infrastructure capacity requirements or experience significant strains on our data center capacity, we may experience delays and additional expenses in arranging new data centers, and our customers could experience performance degradation or service outages that may subject us to financial liabilities, result in customer losses and materially harm our business.

***If our cloud platform or internal networks, systems or data are or are perceived to have been breached, our solution may be perceived as insecure, our reputation may be damaged and our financial results may be negatively impacted.***

It is virtually impossible for us to entirely mitigate the risk of breaches of our cloud platform or other security incidents affecting our cloud platform or our internal systems, networks or data. In addition, the functionality of our platform may be disrupted, either intentionally or due to negligence, including by disgruntled or negligent, current or former employees or contractors. The security measures we use internally and have integrated into our cloud platform, which are designed to detect unauthorized activity and prevent or minimize security breaches, may not function as expected or may not be sufficient to identify or protect against certain attacks. Enterprises are subject to a wide variety of attacks on their networks and systems, and techniques used to sabotage or to obtain unauthorized access to networks in which data is stored or through which data is transmitted change frequently and generally are not recognized until launched against a target. The growth in state sponsored cyber activity, including those actions taken in connection with the current conflict between Russia and Ukraine, showcase the increasing sophistication of cyber threats. As a result, we may be unable to anticipate these techniques or implement adequate measures to prevent an electronic intrusion into our customers through our cloud platform or to prevent breaches and other security incidents affecting our cloud platform, internal networks, systems or data. Further, once identified, we may be unable to remediate or otherwise respond to a breach or other incident in a timely manner. Actual,

perceived or purported security breaches of our cloud platform could result in actual, perceived or purported breaches of our customers' networks and systems.

Our internal systems are exposed to the same cybersecurity risks and consequences of a breach as our customers and other enterprises. However, since our business is focused on providing reliable security services to our customers, we believe that an actual, perceived or purported breach of, or security incident affecting, our internal networks, systems or data, could be especially detrimental to our reputation, customer confidence in our solution and our business. Additionally, many of our personnel work remotely on a hybrid or permanent basis, which may pose additional data security risks.

Further, our vendors and service providers have been, and may in the future be, the targets of cyberattacks, and their systems and networks have been, and may in the future be, breached or may contain exploitable defects or bugs that could result in a breach of or disruption to their or our systems and networks. Our ability to monitor our vendors' and service providers' data security is limited, and, in any event, third parties may be able to circumvent their security measures, resulting in the unauthorized access to, misuse, disclosure, loss, alteration, or destruction of our data, including confidential, sensitive, and other information about individuals. Geo-political factors including international conflicts, such as between Russia and Ukraine and in the Middle East, may increase the risk of such cyberattacks.

Any actual, perceived or purported security breaches or other security incidents that we suffer with regard to our platform, systems, networks or data, including any such actual, perceived or purported security breaches or security incidents that result, or are believed to result, in actual, perceived or purported breaches of our customers' networks or systems, could result in:

- the expenditure of significant financial resources in efforts to analyze, correct, eliminate, remediate or work around errors or defects, to address and eliminate vulnerabilities and to address any applicable legal or contractual obligations relating to any actual, perceived or purported security breach or other security incident;
- negative publicity and damage to our reputation, brand, and market position;
- harm to our relationships with, and a loss of, existing or potential customers or channel partners;
- delayed or lost sales and harm to our financial condition and results of operations;
- a delay in attaining, or the failure to attain, market acceptance; and
- legal claims and demands (including for stolen assets or information, repair of system damages and compensation to customers, customers of customers and business partners), litigation (including stockholder claims), regulatory inquiries or investigations and other liability.

Any of the above could materially and adversely affect our business, financial condition and results of operations.

While we maintain insurance, our insurance may be insufficient to cover all liabilities incurred in relation to actual, perceived or purported security breaches or other security incidents. We also cannot be certain that our insurance coverage will be adequate for liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, including our financial condition, operating results and reputation.

***If our cloud platform does not interoperate with our customers' network and security infrastructure or with third-party products, websites or services, our cloud platform may become less competitive and our results of operations may be harmed.***

Our cloud platform must interoperate with our customers' existing network and security infrastructure. These complex systems are developed, delivered and maintained by the customer and a myriad of vendors and service providers. As a result, the components of our customers' infrastructure have different specifications, rapidly evolve, utilize multiple protocol standards, include multiple versions and generations of products and may be highly customized. We must be able to interoperate and provide our security services to customers with highly complex and customized networks, which requires careful planning and execution between our customers, our customer support teams and our channel partners. Further, when new or updated elements of our customers' infrastructure or new industry standards or protocols are introduced, we may have to update or enhance our cloud platform to allow us to continue to provide services to customers. Our competitors or other vendors may refuse to work with us to allow their products to interoperate with our solutions, which could make it difficult for our cloud platform to function properly in customer networks that include these third-party products.

We may not deliver or maintain interoperability quickly or cost-effectively, or at all. These efforts require capital investment and engineering resources. If we fail to maintain compatibility of our cloud platform with our customers' network and security infrastructures, our customers may not be able to fully utilize our solutions, and we may, among other consequences, lose or fail to increase our market share and experience reduced demand for our services, which would materially harm our business, operating results and financial condition.

#### Risks Related to Our Sales and Operations

***If we are not able to maintain and enhance our brand, our business and results of operations may be adversely affected.***

We believe that maintaining and enhancing our reputation as a provider of high-quality security solutions is critical to our relationship with our existing customers and channel partners and our ability to attract new customers and channel partners. The successful promotion of our brand will depend on a number of factors, including our marketing efforts, our ability to continue to develop high-quality features and solutions for our cloud platform, uninterrupted delivery of our cloud services and our ability to successfully differentiate our platform from competitive products and services. Our brand promotion activities may not be successful or yield increased revenue. In addition, independent industry or financial analysts often provide reviews of our platform, as well as products and services of our competitors, and perception of our platform in the marketplace may be significantly influenced by these reviews. If these reviews are negative, or less positive as compared to those of our competitors' products and services, our brand may be adversely affected. Additionally, the performance of our channel partners may affect our brand and reputation if customers do not have a positive experience with our channel partners' services. The promotion of our brand requires us to make substantial expenditures, and we anticipate that the expenditures will increase as our market becomes more competitive, we expand into new markets and more sales are generated through our channel partners. To the extent that these activities yield increased revenue, this revenue may not offset the increased expenses we incur. If we do not successfully maintain and enhance our brand, our business may not grow, we may have reduced pricing power relative to competitors and we could lose customers or fail to attract potential customers, all of which would materially and adversely affect our business, results of operations and financial condition.

***If we do not effectively develop and expand our sales and marketing capabilities, we may be unable to add new customers or increase sales to our existing customers, and our business will be adversely affected.***

To increase the number of customers and increase the market acceptance of our platform, we will need to expand our sales and marketing operations, including our domestic and international sales force. Although we have a channel sales model, our sales representatives typically engage in direct interaction with our prospective customers. Therefore, we continue

to be substantially dependent on our sales force to obtain new customers. Increasing our customer base and achieving broader market acceptance of our cloud platform will depend, to a significant extent, on our ability to expand and further invest in our sales and marketing operations and activities. There is significant competition for sales personnel with the advanced sales skills and technical knowledge we need. We believe that selling a cloud-based security solution requires particularly talented sales personnel with the ability to communicate the transformative potential of our cloud platform. Our ability to achieve significant growth in revenue in the future will depend, in large part, on our success in recruiting, training and retaining enough talented sales personnel in both the U.S. and international markets.

New hires require significant training and may take significant time before they achieve full productivity. As a result, our new hires and planned hires may not become as productive as we would like, and we may be unable to hire or retain enough qualified individuals in the future. As a result of our rapid growth, a large percentage of our sales and marketing team is new to our company and selling our solutions, and therefore this team may be less effective than our more seasoned employees. Furthermore, hiring sales personnel in new countries, or expanding our existing presence, requires upfront and ongoing expenditures that we may not recover if the sales personnel fail to achieve full productivity. We cannot predict whether, or to what extent, our sales will increase as we expand our sales force or how long it will take for sales personnel to become productive. The effectiveness of our sales and marketing has also varied over time and, together with the effectiveness of any partners or resellers we may engage, may vary in the future. Our business and operating results may be harmed if our efforts do not generate a correspondingly significant increase in revenue. We may not achieve anticipated revenue growth from expanding our sales force if we are unable to hire, develop and retain talented sales personnel, if our new sales personnel are unable to achieve desired productivity levels in a reasonable period of time, or if our sales and marketing programs are not effective.

***Our sales cycles can be long and unpredictable, and our sales efforts require considerable time and expense.***

The timing of our sales and related revenue recognition is difficult to predict because of the length and unpredictability of the sales cycle for our cloud platform, particularly with respect to large organizations. Our sales efforts typically involve educating our prospective customers about the uses, benefits and the value proposition of our cloud platform. Customers often view the subscription to our cloud platform as a significant decision as part of a strategic transformation initiative and, as a result, frequently require considerable time to evaluate, test and qualify our platform prior to entering into or expanding a relationship with us. Large enterprises and government entities in particular often undertake a significant evaluation process that further lengthens the sales cycle. In addition, the impact of macroeconomic or geopolitical conditions could materially and adversely affect our business, operating results and financial condition by reducing sales, lengthening sales cycles and lowering prices for our services. We have experienced and may experience in the future increased scrutiny and a longer approval process for initial purchases by new customers, as a result of challenging macroeconomic conditions.

Our sales force develops relationships directly with our customers, and together with our channel account teams, works with our channel partners on account penetration, account coordination, sales and overall market development. We spend substantial time and resources on our sales efforts without any assurance that our efforts will produce a sale. Platform purchases are frequently subject to budget constraints, multiple approvals and unanticipated administrative, processing and other delays. As a result, it is difficult to predict whether and when a sale will be completed and when revenue from a sale will be recognized.

Sales to larger customers involve risks that may not be present, or that are present to a lesser extent, with sales to smaller customers, which can act as a disincentive to our sales team to pursue these larger customers. These risks include:

- competition from companies that traditionally target larger enterprises and that may have pre-existing relationships or purchase commitments from such customers;
- increased purchasing power and leverage held by larger customers in negotiating contractual arrangements with us;

- more stringent requirements in our support obligations; and
- longer sales cycles and the associated risk that substantial time and resources may be spent on a potential customer that elects not to purchase our solutions.

The failure of our efforts to secure sales after investing resources in a lengthy sales process could materially and adversely affect our business and operating results.

***Because we recognize revenue from subscriptions for our services over the term of the subscription, downturns or upturns in new business may not be immediately reflected in our operating results and may be difficult to discern.***

We generally recognize revenue from customers ratably over the terms of their subscriptions, which are typically one to three years. As a result, a substantial portion of the revenue we report in each period is attributable to the recognition of deferred revenue relating to agreements that we entered into during previous periods. Consequently, any increase or decline in new sales or renewals in any one period may not be immediately reflected in our revenue for that period. Any change, however, may affect our revenue in future periods. Additionally, subscriptions that are invoiced annually in advance or multi-year in advance contribute significantly to our short-term and long-term deferred revenue. Accordingly, the effect of downturns or upturns in new sales and potential changes in our rate of renewals may not be fully reflected in our results of operations until future periods. We may also be unable to reduce our cost structure in line with a significant deterioration in sales or renewals. Our subscription model also makes it difficult for us to rapidly increase our revenue through additional sales in any period, as revenue from new customers must be recognized over the applicable subscription term.

***We provide service level commitments under our customer contracts. If we fail to meet these contractual commitments, we could be obligated to provide credits for future service and our business could suffer.***

Our customer agreements contain service level commitments, which contain specifications regarding the availability and performance of our cloud platform. Any failure of or disruption to our infrastructure could impact the performance of our platform and the availability of services to customers. If we are unable to meet our stated service level commitments or if we suffer extended periods of poor performance or unavailability of our platform, we may be contractually obligated to provide affected customers with service credits for future subscriptions, and, in certain cases, refunds. In addition, the limitation of liability provisions in our customer agreements may not fully or effectively protect us from claims as a result of federal, state or local laws or ordinances or unfavorable judicial decisions in the United States or other countries. To date, there has not been a material failure to meet our service level commitments, and we do not currently have any material liabilities accrued on our balance sheet for such commitments. Our revenue, other results of operations and financial condition could be harmed if we suffer performance issues or downtime that exceeds the service level commitments under our agreements with our customers.

***Our ability to maintain customer satisfaction depends in part on the quality of our customer support, including the quality of the support provided on our behalf by certain channel partners. Failure to maintain high-quality customer support could have an adverse effect on our business, financial condition and results of operations.***

If we do not provide superior support to our customers, our ability to renew subscriptions, increase the number of users and sell additional services to customers may be adversely affected. We believe that successfully delivering our cloud solution requires a highly skilled level of customer support and engagement. We or our channel partners must assist our customers to deploy our cloud platform, resolve performance issues, address interoperability challenges with a customer's existing network and security infrastructure and respond to security threats and cyberattacks. Many enterprises, particularly large organizations, have very complex networks and require high levels of focused support, including premium support offerings, to fully realize the benefits of our cloud platform. Any failure by us to maintain the expected level of support could reduce customer satisfaction and hurt our customer retention, particularly with respect to our large enterprise customers.

Additionally, if our channel partners do not provide support to the satisfaction of our customers, we may be required to provide this level of support to those customers, which would require us to hire additional personnel and to invest in additional resources, including the possible use of AI support agents. We may not be able to hire or deploy such resources fast enough to keep up with demand, particularly if the sales of our platform exceed our internal forecasts. We may also not be successful in our efforts to fully onboard new hires and provide adequate training to our employees, many of whom continue to work remotely. To the extent that we or our channel partners are unsuccessful in hiring, training, retaining or deploying adequate support resources, our ability and the ability of our channel partners to provide adequate and timely support to our customers will be negatively impacted, and our customers' satisfaction with our cloud platform could be adversely affected. We currently rely in part on contractors provided by third-party service providers internationally to provide support services to our customers, and we expect to expand our international customer service support team to other countries. Any failure to properly train or oversee such contractors could result in a poor customer experience and an adverse impact on our reputation and ability to renew subscriptions or engage new customers. Furthermore, as we sell our solutions internationally, our support organization faces additional challenges, including those associated with delivering support, training and documentation in languages other than English. Any failure to maintain high-quality customer support, or a market perception that we do not maintain high-quality support, could materially harm our reputation, adversely affect our ability to sell our solutions to existing and prospective customers and could harm our business, financial condition and results of operations.

***We rely on our key technical, sales and management personnel to grow our business, and the loss of one or more key employees or the inability to attract and retain qualified personnel could harm our business.***

Our future success is substantially dependent on our ability to attract, retain and motivate the members of our management team and other key employees throughout our organization. In particular, we are highly dependent on the services of Jay Chaudhry, our Chief Executive Officer and chairman of our board of directors, who is critical to our future vision and strategic direction. We rely on our leadership team in the areas of operations, security, marketing, sales, support and general and administrative functions, and on individual contributors on our research and development team. Although we have entered into employment agreements with our key personnel, these agreements have no specific duration and constitute at-will employment. We do not maintain key person life insurance policies on any of our employees. The loss of one or more of our executive officers or key employees could seriously harm our business. We have added several new senior management employees in recent years, including our Chief Financial Officer. Any significant leadership change or senior management transition involves risk, especially nearly simultaneous changes involving so many leaders and employees, and any failure to transition effectively or to retain these new leaders could hinder our strategic planning, business execution and future performance.

To execute our growth plan, we must attract and retain highly qualified personnel. Competition for these personnel in the San Francisco Bay Area, where our headquarters are located, and in other locations where we operate, is often intense, especially for experienced sales professionals and for engineers experienced in designing and developing cloud applications, security software and AI and ML solutions. In addition, the United States and other regions in which we operate have in the past and may again in the future experience acute workforce shortages for highly skilled workers, which in turn, can create hyper-competitive wage environments that may impact our ability to attract and retain employees. We have from time to time experienced, and we may continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. For example, in recent years, recruiting, hiring and retaining employees with expertise in the cybersecurity industry has become increasingly difficult as the demand for cybersecurity professionals has increased as a result of the ongoing cybersecurity attacks on global corporations and governments. Many of the companies with which we compete for experienced personnel have greater resources than we have. In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. Volatility or lack of performance in our stock price may also affect our ability to attract and retain our key employees.

If we fail to successfully attract, integrate or retain qualified personnel to fulfill our current or future needs, or if we need to materially increase the value of the compensation packages necessary to attract and retain these employees, our business, operating results and financial condition could be materially and adversely affected.

***Our business depends, in part, on sales to the public sector and significant changes in the contracting or fiscal policies of public sector organizations could have an adverse effect on our business and operating results.***

We derive a significant portion of our revenue from contracts with government organizations, and we believe the success and growth of our business will in part depend on adding public sector customers and expanding sales to existing government customers. However, demand from government organizations is often unpredictable, and we may not be able to maintain or grow our revenue from the public sector. Sales to government entities are subject to substantial risks, including the following:

- selling to government agencies can be highly competitive, expensive and time-consuming, often involving significantly longer procurement cycles than commercial sales, and significant upfront time and expense without any assurance that such efforts will generate a sale;
- U.S. or other government requirements relating to the formation, administration and performance of contracts with the public sector affect how we and our channel partners do business with governmental agencies;
- U.S. or other government certification requirements applicable to our cloud platform, including the Federal Risk and Authorization Management Program (FedRAMP), are often difficult and costly to obtain and maintain and failure to do so will restrict our ability to sell to government customers;
- government demand and payment for our services may be impacted by public sector budgetary cycles and annual funding authorizations (including the impacts of possible government shutdowns and changes in governmental administrations) and government sales are inherently at risk of securing funding;
- sales to the U.S. and other governments are subject to procurement regulations, which impose heightened compliance obligations on us and our channel partners;
- governments routinely investigate and audit government contractors' administrative processes and compliance with procurement regulations and any unfavorable investigation or audit could result in fines, civil or criminal liability, further investigations, damage to our reputation and debarment from further government business;
- government customers procuring commercial items get the benefit of more favorable terms and conditions by operation of law, regardless of agreed upon contractual terms; and
- changes in government policy positions, including tariffs and other trade regulations, or the threat of such changes; spending priorities or reductions in government employees or programs, which result in a reduction of government spending in general or on technology and cybersecurity products in particular.

The occurrence of any of the foregoing could cause governments and governmental agencies to delay or refrain from purchasing our solutions in the future and could result in temporary suspension or permanent debarment from sales to government organizations. Any such penalties, disruptions or limitations in our or our channel partners' ability to do business with the public sector could have a material adverse effect on our business, operating results, financial condition and prospects.

***Our international operations expose us to significant risks, and failure to manage those risks could materially and adversely impact our business.***

Historically, we have derived a significant portion of our revenue from outside the United States. We derived approximately 49%, 50% and 50% of our revenue from our international customers in fiscal 2025, fiscal 2024 and fiscal 2023, respectively. As of July 31, 2025, approximately 63% of our full-time employees were located outside of the United States. We are continuing to adapt to and develop strategies to address international markets and our growth strategy includes continued expansion into target geographies, but there is no guarantee that such efforts will be successful. We expect that our international activities will continue to grow in the future, as we continue to pursue opportunities in international markets. These international operations will require significant management attention and financial resources and are subject to substantial risks, including:

- political, economic and social uncertainty or international conflict, such as the current conflicts between Russia and Ukraine and in the Middle East;
- unexpected costs for the localization of our services, including translation into foreign languages and adaptation for local practices and regulatory requirements;
- greater difficulty in enforcing contracts and accounts receivable collection, and longer collection periods;
- reduced or uncertain protection for intellectual property rights in some countries;
- greater risk of unexpected changes in regulatory practices or enforcement policies, trade regulations including tariffs and tax laws and treaties;
- greater risk of a failure of foreign employees, partners, distributors and resellers to comply with both U.S. and foreign laws, including antitrust regulations, anti-bribery laws, export and import control laws, trade and economic sanctions and applicable trade laws and regulations;
- requirements to comply with foreign privacy, data protection, cybersecurity and information security laws and regulations and the risks and costs of noncompliance;
- increased expenses incurred in establishing and maintaining office space and equipment for our international operations;
- difficulties in complying with regulations relating to AI and ML;
- greater difficulty in identifying, attracting and retaining local qualified personnel, and the costs and expenses associated with such activities;
- differing employment practices and labor relations issues;
- difficulties in managing and staffing international offices and increased travel, infrastructure and legal compliance costs associated with multiple international locations;
- fluctuations in exchange rates between the U.S. dollar and foreign currencies in markets where we do business, including the British Pound, Indian Rupee and Euro, and related impact on sales cycles; and
- the impact of natural disasters and public health pandemics and epidemics on customers, partners, suppliers, employees, travel and the global economy.

As we continue to develop and grow our business globally, our success will depend, in large part, on our ability to anticipate and effectively manage these risks. The expansion of our existing international operations and entry into additional

international markets will require significant management attention and financial resources. Our failure to successfully manage our international operations and the associated risks could limit the future growth of our business.

***Future acquisitions, strategic investments, partnerships or alliances could be difficult to identify and integrate, divert the attention of key management personnel, disrupt our business, dilute stockholder value and adversely affect our operating results, financial condition and prospects.***

Our business strategy includes acquiring other complementary solutions, technologies or businesses. We have in the past acquired, and expect in the future to acquire, businesses that we believe will complement or augment our existing business. In order to expand our security offerings and features, we also may enter into relationships with other businesses, which could involve preferred or exclusive licenses, additional channels of distribution or investments in other companies. Negotiating these transactions can be time-consuming, difficult and costly, and our ability to close these transactions may be subject to third-party approvals, such as government regulatory approvals, which are beyond our control. Consequently, we cannot assure you that these transactions, once undertaken and announced, will close.

These kinds of acquisitions or investments may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties assimilating or integrating the businesses, technologies, products and services, personnel or operations of companies that we may acquire, particularly if the key personnel of an acquired business choose not to work for us. We may have difficulty retaining the customers of any acquired business or using or continuing the development of the acquired technologies. Acquisitions may also disrupt our ongoing business, divert our resources and require significant management attention that would otherwise be available for development of our business. We may not successfully evaluate or utilize the acquired technology or personnel, or accurately forecast the financial impact of an acquisition transaction, including accounting charges. Any acquisition or investment could expose us to unknown liabilities. Moreover, we cannot assure you that the anticipated benefits of any acquisition or investment would be realized or that we would not be exposed to unknown liabilities. In connection with these types of transactions, we may:

- issue additional equity securities that would dilute our stockholders;
- use cash that we may need in the future to operate our business;
- incur debt on terms unfavorable to us or that we are unable to repay;
- incur large charges or substantial liabilities;
- encounter difficulties integrating diverse business cultures;
- experience delays in extending our internal control over financial reporting to new acquisitions or investments;
- experience delays in our quarterly close process and related filings with the SEC; and
- become subject to adverse tax consequences, substantial depreciation or deferred compensation charges.

These challenges related to acquisitions or investments could adversely affect our business, operating results, financial condition and prospects.

***If we are unable to effectively manage certain risks and challenges related to our India operations, our business could be harmed.***

We believe that our significant presence in India provides important advantages for our business, such as direct access to a large pool of skilled professionals. However, it also creates certain risks that we must effectively manage. As of July 31, 2025, 37% of our global work force is based in India and is comprised mostly of R&D, finance and operations professionals.

Wage costs in India for skilled professionals are currently lower than in the United States for comparably skilled professionals. However, wages and benefit costs in India are increasing at a faster rate than in the United States, which could result in us incurring increased costs for technical professionals. There is intense competition in India for skilled technical professionals, and we expect such competition to increase. As a result, we may be unable to retain our current employee base in India or hire additional new talent or do so cost-effectively. In addition, India has experienced natural disasters, civil unrest and terrorism and, in the past, has been and may again be involved in conflicts with neighboring countries, such as the recent conflict with Pakistan. If we are unable to effectively manage any of the foregoing risks related to our India operations, our development efforts and operations could be impaired, which could materially and negatively impact our growth and operating results.

***Our failure to raise additional capital necessary to expand our operations and invest in new solutions could reduce our ability to compete and could harm our business.***

We expect that our existing cash, cash equivalents and short-term investments will be sufficient to meet our anticipated cash needs for working capital, capital expenditures and Notes repayment requirements for at least the next 12 months. We may, however, need to raise additional funds to fund our operating expenses, make capital purchases, acquire or invest in business or technology, and we may not be able to obtain those funds on favorable terms, or at all. If we raise additional equity financing, our stockholders may experience significant dilution of their ownership interests and the per share value of our common stock could decline. Furthermore, if we engage in additional debt financing, the holders of our debt would have priority over the holders of our common stock, and we may be required to accept terms that restrict our ability to incur additional indebtedness or our ability to pay any dividends on our common stock, though we do not intend to pay dividends in the foreseeable future. We may also be required to take other actions, any of which could harm our business and operating results. If we need to access the capital markets, there can be no assurance that financing may be available on attractive terms, if at all. If we are unable to obtain adequate financing, or financing on terms satisfactory to us, when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly limited, and our business, operating results, financial condition and prospects could be materially and adversely affected.

Risks Related to Information Technology, Intellectual Property, Data Security and Privacy

***The actual or perceived failure of our cloud platform to block malware or prevent a security breach or incident could harm our reputation and adversely impact our business, financial condition and results of operations.***

Our cloud platform may fail to detect or prevent security breaches or incidents for any number of reasons. Our cloud platform is complex and may contain performance issues that are not detected until after its deployment. We also provide frequent solution updates and fundamental enhancements, which increase the possibility of errors, and our reporting, tracking, monitoring and quality assurance procedures may not be sufficient to ensure we detect any such defects in a timely manner. The performance of our cloud platform can be negatively impacted by our failure to enhance, expand or update our cloud platform, bugs, errors or defects in our software, improper classification of websites by our vendors who provide us with lists of malicious websites, improper deployment or configuration of our services and many other factors.

In addition, the techniques used by cyber threat actors, including state sponsored actors, to access or sabotage networks and other systems change frequently and generally are not recognized until launched against a target. As a result, there is a risk that a cyber threat could emerge that our services are unable to detect or prevent until after some of our customers are impacted. The growth in state sponsored cyber activity showcases the increasing sophistication of cyber threats and dramatically expands the global threat landscape. Moreover, as our services are adopted by an increasing number of enterprises, it is possible that the individuals and organizations behind cyber threats will focus on finding ways to defeat our services or to target our systems. If this happens, our cloud platform could be targeted by attacks specifically designed to disrupt our business and create the perception that our cloud platform is not capable of providing superior security, which, in

turn, could have a serious impact on our reputation as a provider of security solutions. Further, high profile security breaches or incidents, in particular those of cloud-based service providers, may cause our customers and potential customers to lose trust in cloud solutions generally, and with respect to security in particular, which could materially and adversely impact our ability to retain existing customers or attract new customers.

Increasingly, enterprises are subject to a wide variety of attacks on their networks and systems, including traditional threat actors, malicious code (such as viruses and worms), social engineering attacks (such as deep fakes), targeted phishing attacks, distributed denial-of-service attacks, advanced attacks conducted or sponsored by nation-states, advanced persistent threat intrusions, ransomware and other malware, attacks on their vendors and supply chains, and theft or misuse of intellectual property or business or personal data, including by disgruntled or negligent, current or former employees or contractors. No security solution, including our cloud platform, can address all possible security threats, which are becoming increasingly frequent and sophisticated with the development of AI and ML, or block all methods of penetrating a network or otherwise perpetrating a security breach or incident. Our customers typically rely on complex network and security infrastructures, which include products and services from multiple vendors, to secure their networks. If any of our customers becomes infected with malware or experiences a security breach or incident, they could be disappointed with our services, regardless of whether our services are intended to block the attack or would have blocked the attack if the customer had properly configured our cloud platform. Additionally, if any enterprises that are publicly known to use our services are the subject of a cyberattack that becomes publicized, our current or potential customers may look to our competitors for alternatives to our services.

From time to time, industry or financial analysts and research firms test our solutions against other security products. Our services may fail to detect or prevent threats in any particular test for a number of reasons, including misconfiguration. To the extent potential customers, industry or financial analysts or testing firms believe that the occurrence of a failure to detect or prevent any particular threat is a flaw or indicates that our services do not provide significant value, our reputation and business could be materially harmed.

Any real or perceived flaws in our cloud platform or any real, perceived or purported security breaches or other security incidents of our customers could result in:

- a loss of existing or potential customers or channel partners;
- delayed or lost sales and harm to our financial condition and results of operations;
- a delay in attaining, or the failure to attain, market acceptance;
- the expenditure of significant financial resources in efforts to analyze, correct, eliminate, remediate or work around errors or defects, to address and eliminate vulnerabilities and to address any applicable legal or contractual obligations relating to any actual, perceived or purported security breach or incident;
- negative publicity and damage to our reputation and brand; and
- legal claims and demands (including for stolen assets or information, repair of system damages, and compensation to customers and business partners), litigation, regulatory inquiries or investigations and other liability.

Any of the above results could materially and adversely affect our business, financial condition and results of operations.

Additionally, with data security being a critical competitive factor in our industry, we make public statements in our policies, on our website, and elsewhere describing the security of our platform and the performance of our solutions. As a result, we may face claims, including claims of unfair or deceptive trade practices alleging these statements are not accurate, brought by the U.S. Federal Trade Commission, state, local or foreign regulators and private litigants.

***Issues in the development, use and execution of AI and ML, combined with an uncertain regulatory environment, may harm our business.***

We are increasingly utilizing AI and ML capabilities, including, for example, those relating to generative AI and large language models, into our product offerings. The rapid evolution of AI and ML requires the application of resources to develop, test and maintain our products and services to help ensure that AI and ML are implemented responsibly to benefit our business, while also minimizing any unintended or harmful impact. As with many developing technologies, AI and ML present risks and challenges, many of which may be unknown, that could affect their further development, adoption and use. These risks and challenges could undermine public confidence in AI and ML, which could slow or even halt its adoption and negatively affect our business. Further, a quickly evolving legal and regulatory environment may cause us to incur increased research and development costs, or divert resources from other development efforts, to address social and ethical issues related to AI and ML. In addition, as the regulatory landscape for AI and ML evolves, we must develop and maintain robust internal policies and standards that clarify functional roles and responsibilities for the responsible and compliant development and deployment of AI technologies. The use of AI technologies presents emerging ethical issues that could become controversial and failure, or perceived failure, to establish or enforce such policies and clear lines of accountability could increase our risk of noncompliance, operational errors or reputational harm. As a result of these and other challenges associated with our use, implementation and training of AI and ML, or misunderstandings or misrepresentations by third parties about the type of data that we use to train AI or ML, we may in the future be subject to legal liability, competitive harm, negative media coverage or regulatory action, including new proposed, and in certain cases enacted, rules and legislation regulating AI in jurisdictions such as the European Union, new applications of existing data protection, privacy, cybersecurity, information security, intellectual property and other laws, and brand or reputational harm.

***We incorporate technology from third parties into our cloud platform, and our inability to obtain or maintain rights to the technology could harm our business.***

We license software and other technology from third parties that we incorporate into or integrate with, our cloud platform. We cannot be certain that our licensors are not infringing the intellectual property rights of third parties, that our licensors have sufficient rights to the licensed intellectual property in all jurisdictions in which we may sell our services or that our licensors' technology does not include flaws that could harm the performance of our cloud platform or malicious code that could expose our platform to cyberthreats. In addition, many licenses are non-exclusive, and therefore our competitors may have access to the same technology licensed to us. Some of our agreements with our licensors may be terminated for convenience by them, or otherwise provide for a limited term. If we are unable to continue to license any of this technology for any reason, our ability to develop and sell our services containing such technology could be harmed. Similarly, if we are unable to license necessary technology from third parties now or in the future, we may be forced to acquire or develop alternative technology, which we may be unable to do in a commercially feasible manner or at all, and we may be required to use alternative technology of lower quality or performance standards. This could limit and delay our ability to offer new or competitive products and services and increase our costs of production. As a result, our business and results of operations could be significantly harmed. Additionally, as part of our longer-term strategy to grow our business, we may consider opening our cloud platform to third-party developers and applications to further extend its functionality, but we cannot be certain that such efforts to grow our business will be successful.

***Some of our technology incorporates "open source" software, and we license some of our software through open source projects, which could negatively affect our ability to sell our platform and subject us to possible litigation.***

Our solutions incorporate software licensed by third parties under open source licenses, including open source software included in software we receive from third-party commercial software vendors. Use of open source software may entail greater risks than use of third-party commercial software, as open source licensors generally do not provide support, updates or warranties or other contractual protections regarding infringement claims or the quality of the code. In addition, the wide

availability of open source software used in our solutions could expose us to security vulnerabilities. In particular, some of the open source software we incorporate into our products may include LLMs. Using open source LLMs can present uncertainty regarding license terms and restrictions, potential exposure to intellectual property or privacy claims related to training data, increased risk of embedded bias or security vulnerabilities and challenges in compliance with evolving AI-specific regulations. Furthermore, the terms of many open source licenses have not been interpreted by U.S. and other courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market or commercialize our solutions. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be open source software. Litigation could be costly for us to defend, have a negative effect on our results of operations and financial condition or require us to devote additional research and development resources to change our solutions. In addition, by the terms of some open source licenses, under certain conditions we could be required to release the source code of our proprietary software, and to make our proprietary software available under open source licenses, including authorizing further modification and redistribution. In the event that portions of our proprietary software are determined to be subject to such requirements by an open source license, we could be required to publicly release the affected portions of our source code, re-engineer all or a portion of our platform or otherwise be limited in the licensing of our services, each of which provide an advantage to our competitors or other entrants to the market, create security vulnerabilities in our solutions and could reduce or eliminate the value of our services. Further, if we are held to have breached or otherwise failed to comply with the terms of an open source software license, we could be required to release certain of our proprietary source code under open source licenses, pay monetary damages, seek licenses from third parties to continue offering our services on terms that are not economically feasible or be subject to injunctions that could require us to discontinue the sale of our services if re-engineering could not be accomplished on a timely basis. Many of the risks associated with use of open source software cannot be eliminated and could negatively affect our business. Moreover, our processes for controlling our use of open source software in our platform may not be effective. Responding to any infringement or noncompliance claim by an open source vendor, regardless of its validity, or discovering open source software code in our platform could harm our business, operating results and financial condition by, among other things:

- resulting in time-consuming and costly litigation;
- diverting management's time and attention from developing our business;
- requiring us to pay monetary damages or enter into royalty and licensing agreements that we would not normally find acceptable;
- causing delays in the deployment of our platform or service offerings to our customers;
- requiring us to stop offering certain services on or features of our platform;
- requiring us to redesign certain components of our platform using alternative non-infringing or non-open source technology, which could require significant effort and expense;
- requiring us to disclose our software source code and the detailed program commands for our software; and
- requiring us to satisfy indemnification obligations to our customers.

***We rely on a limited number of suppliers for certain components of our cloud platform and the systems we use to operate our business and provide services to our customers, and any disruption in the availability of these components could delay our ability to expand or increase the capacity of our global data center network, replace defective equipment in our existing data centers or otherwise operate our business and provide services to our customers.***

We rely on a limited number of suppliers for several components of our cloud platform and the systems we use to operate our business and provide services to our customers, including sole or limited sourced hardware, software and SaaS services. Some of our suppliers also temporarily hold a portion of our assets for us. Our reliance on these suppliers exposes us

to risks, including reduced control over production costs, constraints based on the then-current availability, terms and pricing of these components and potential loss of assets. For example, we generally purchase equipment or the components of equipment on a purchase order basis, and do not have long-term contracts guaranteeing supply. We also rely on sole or limited sourced SaaS vendors to provide critical services that we use to operate our business. In addition, the technology industry has experienced component shortages, delivery delays, price increases and service interruptions in the past, and we may experience shortages, delays, materially increased costs or service interruptions in the future, including as a result of natural disasters, acts of war or international conflicts, epidemics or global pandemics, increased demand in the industry or if our suppliers do not have sufficient rights to supply the components in all jurisdictions in which we may host our services. While global economic conditions have not yet had a material impact on our supply chain, these conditions have increased our costs in the past and could result in disruptions and delays for components in the future. Additionally, changes to existing international trade agreements, tariffs, export controls or other trade measures and regulations that impact our sourcing partners or us could lead to increased costs to operate our business and to disruptions in our supply chain, which could limit our ability to support our customers. For instance, there is a risk that current geopolitical, diplomatic and other developments affecting the relationship between China and Taiwan may materially and negatively impact the availability of certain critical components that we use in our data centers, which we source from overseas. If our supply of certain components is disrupted or delayed, there can be no assurance that available alternatives can serve as adequate replacements for the existing components or that alternatives will be available on terms that are favorable to us, if at all, as it may take several months or longer to identify, qualify and engage a new supplier or integrator. Any disruption or delay in access to components may delay opening new data centers, delay increasing capacity or replacing defective equipment at existing data centers, cause other constraints on our operations that could damage our channel partner or customer relationships or otherwise have a material adverse impact on our business.

***Claims by others that we infringe their proprietary technology or other rights, or other lawsuits asserted against us, could result in significant costs and substantially harm our business, financial condition, results of operations and prospects.***

A number of companies in our industry hold a large number of patents and also protect their copyright, trade secret and other intellectual property rights, and companies in the networking and security industry frequently enter into litigation based on allegations of patent infringement or other violations of intellectual property rights. In addition, patent holding companies seek to monetize patents they previously developed, have purchased or otherwise obtained. Many companies, including our competitors, may now, and in the future, have significantly larger and more mature patent, copyright, trademark and trade secret portfolios than we have, which they may use to assert claims of infringement, misappropriation and other violations of intellectual property rights against us. In addition, intellectual property litigation may involve non-practicing entities or other patent owners who have no relevant product offerings or revenue and against whom our own patents may therefore provide little or no deterrence or protection. As we face increasing competition and gain an increasingly higher profile the possibility of intellectual property rights claims against us grows. Third parties have asserted in the past and may in the future assert claims of infringement of intellectual property rights against us and these claims, even without merit, could harm our business, including by increasing our costs, reducing our revenue, creating customer concerns that result in delayed or reduced sales, distracting our management from the running of our business and requiring us to cease use of important intellectual property. In addition, because patent applications can take years to issue and are often afforded confidentiality for some period of time, there may currently be pending applications, unknown to us, that later result in issued patents that could cover one or more of our services. Moreover, in a patent infringement claim against us, we may assert, as a defense, that we do not infringe the relevant patent claims, that the patent is invalid or both. The strength of our defenses will depend on the patents asserted, the interpretation of these patents, and our ability to invalidate the asserted patents. However, we could be unsuccessful in advancing non-infringement and/or invalidity arguments in our defense. In the United States, issued patents enjoy a presumption of validity, and the party challenging the validity of a patent claim must present clear and convincing evidence of invalidity, which is a high burden of proof. Conversely, the patent owner need only prove infringement by a preponderance of the evidence, which is a lower burden of proof. Furthermore, because of the substantial amount of

discovery required in connection with patent and other intellectual property rights litigation, there is a risk that some of our confidential information could be compromised by the discovery process.

As the number of products and competitors in our market increases and overlaps occur, claims of infringement, misappropriation and other violations of intellectual property rights may increase. Our insurance may not cover intellectual property rights infringement claims. Third parties have in the past and may in the future also assert infringement claims against our customers or channel partners, with whom our agreements may obligate us to indemnify against these claims. In addition, to the extent we hire personnel from competitors, we may be subject to allegations that such employees have divulged proprietary or other confidential information to us.

From time to time, the U.S. Supreme Court, other U.S. federal courts and the U.S. Patent and Trademark Appeals Board, and their foreign counterparts, have made and may continue to make changes to the interpretation of patent laws in their respective jurisdictions. We cannot predict future changes to the interpretation of existing patent laws or whether U.S. or foreign legislative bodies will amend such laws in the future. Any changes may lead to uncertainties or increased costs and risks surrounding the outcome of third-party infringement claims brought against us and the actual or enhanced damages, including treble damages, that may be awarded in connection with any such current or future claims and could have a material adverse effect on our business and financial condition.

We are unable to predict the likelihood of success in defending against future infringement claims. In the event that we fail to successfully defend ourselves against an infringement claim, a successful claimant could secure a judgment or otherwise require payment of legal fees, settlement payments, ongoing royalties or other costs or damages; or we may agree to a settlement that prevents us from offering certain services or features; or we may be required to obtain a license, which may not be available on reasonable terms, or at all, to use the relevant technology. If we are prevented from using certain technology or intellectual property, we may be required to develop alternative, non-infringing technology, which could require significant time, during which we could be unable to continue to offer our affected services or features, effort and expense and may ultimately not be successful. Any of these outcomes could result in a material adverse effect on our business. Even if we were to prevail, third-party infringement lawsuits could be costly and time-consuming, divert the attention of our management and key personnel from our business operations, deter channel partners from selling or licensing our services and dissuade potential customers from purchasing our services, which would also materially harm our business. In addition, any public announcements of the results of any proceedings in third-party infringement lawsuits could be negatively perceived by industry or financial analysts and investors and could cause our stock price to experience volatility or decline. Further, the expense of litigation and the timing of this expense from period to period are difficult to estimate, subject to change and could adversely affect our results of operations.

Any of these events could materially and adversely harm our business, financial condition and results of operations.

***The success of our business depends in part on our ability to protect and enforce our intellectual property rights.***

We believe our intellectual property is an essential asset of our business, and our success and ability to compete depend in part upon protection of our intellectual property rights. We rely on a combination of patent, copyright, trademark and trade secret laws, as well as confidentiality procedures and contractual provisions, to establish and protect our intellectual property rights, all of which provide only limited protection. The efforts we have taken to protect our intellectual property rights may not be sufficient or effective, and our patents, trademarks and copyrights may be held invalid or unenforceable. Moreover, we cannot assure you that any patents will be issued with respect to our currently pending patent applications in a manner that gives us adequate defensive protection or competitive advantages, or that any patents issued to us will not be challenged, invalidated or circumvented. We have filed for patents in the United States and in certain non-U.S. jurisdictions, but such protections may not be available in all countries in which we operate or in which we seek to enforce our intellectual property rights, or may be difficult to enforce in practice. For example, many foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, many countries limit the enforceability of patents

against certain third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. Moreover, we may need to expend additional resources to defend our intellectual property rights in these countries, and our inability to do so could impair our business or adversely affect our international expansion. Our currently issued patents and any patents that may be issued in the future with respect to pending or future patent applications may not provide sufficiently broad protection or they may not prove to be enforceable in actions against alleged infringers. Additionally, the U.S. Patent and Trademark Office and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process and to maintain issued patents. There are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. If this occurs, it could materially harm our business, operating results, financial condition and prospects.

We may not be effective in policing unauthorized use of our intellectual property rights, and even if we do detect violations, litigation may be necessary to enforce our intellectual property rights. In addition, our intellectual property may be stolen, including by cybercrimes, and we may not be able to identify the perpetrators or prevent the exploitation of our intellectual property by our competitors or others. Protecting against the unauthorized use of our intellectual property rights, technology and other proprietary rights is expensive and difficult, particularly outside of the United States. Any enforcement efforts we undertake, including litigation, could be time-consuming and expensive and could divert management's attention, either of which could harm our business, operating results and financial condition. Further, attempts to enforce our rights against third parties could also provoke these third parties to assert their own intellectual property or other rights against us, or result in a holding that invalidates or narrows the scope of our rights, in whole or in part. The inability to adequately protect and enforce our intellectual property and other proprietary rights could seriously harm our business, operating results, financial condition and prospects. Even if we are able to secure our intellectual property rights, we cannot assure you that such rights will provide us with competitive advantages or distinguish our services from those of our competitors or that our competitors will not independently develop similar technology, duplicate any of our technology, or design around our patents.

***Adverse economic conditions or reduced IT security spending may adversely impact our revenue and profitability.***

Our operations and performance depend in part on worldwide economic conditions and the impact these conditions have on levels of spending on IT networking and security solutions. Our business depends on the overall demand for these solutions and on the economic health and general willingness of our current and prospective customers to purchase our security services. A broad reduction in IT security spending would have a material impact to our business.

The United States and the global economy have recently experienced historically high levels of inflation. The existence of inflation in the U.S. and global economy, the pricing pressure created by rising inflation in prior periods and changes to trade regulations including tariffs may result in high interest rates and capital costs, high shipping costs, supply shortages, increased costs of labor, weakening exchange rates and other similar effects. Elevated inflation rates can affect our expenses, especially employee compensation. In addition, rising interest rates could adversely affect the value of our investments and cash on hand and increase our borrowing costs. Inflation and related increases in interest rates could also increase our customers' operating costs, which could result in reduced IT budgets, less demand for our solutions, or delays in new orders, renewals or payments due to us.

Governments have and are implementing fiscal policy interventions in response to high levels of inflation, including raising interest rates or keeping them at elevated levels. Even if these interventions lower inflation to desirable levels, they may also reduce economic growth rates, create recessions and increase unemployment rates. This could have an adverse effect on our consolidated financial condition and results of operations. For example, if our customers were to reduce their IT budgets or workforces in response to deteriorating economic conditions, they may not purchase or renew subscriptions for our services or may renew for fewer users or less expensive services. These policy changes have provided a benefit to us as a

result of the increased interest income we earn on our cash and investments, but a reduction of interest rates in the future would reduce this income.

The impact of economic conditions, including the ongoing effects of inflation, high interest rates, regional or global recessions and changing trade regulations including tariffs could materially and adversely affect our business, operating results and financial condition in a number of ways, including by reducing sales, lengthening sales cycles and requiring us to lower prices for our services.

#### Risks Relating to Legal, Regulatory, Accounting and Tax Matters

##### ***Failure to comply with laws and regulations applicable to our business could subject us to fines and penalties.***

Our business is subject to regulation by various federal, state, local and foreign governmental agencies, including agencies responsible for monitoring and enforcing laws and regulations relating to privacy, data protection, information security and cybersecurity, employment and labor laws, workplace safety, product safety, environmental laws, consumer protection laws, anti-bribery laws, import and export controls, federal securities laws and tax laws and regulations. In addition, emerging tools and technologies we utilize in providing our products, like AI and ML, are subject to regulation under new laws as well as new applications of existing laws. In certain jurisdictions, these regulatory requirements may be more stringent than in the United States. These laws and regulations impose added costs on our business. Noncompliance with applicable regulations or requirements could subject us to:

- investigations, enforcement actions and sanctions;
- mandatory changes to our cloud platform;
- disgorgement of profits, fines and damages;
- civil and criminal penalties or injunctions;
- claims for damages by our customers or channel partners;
- termination of contracts; and
- loss of intellectual property rights.

If any government sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, operating results and financial condition could be adversely affected. In addition, responding to any action will likely result in a significant diversion of management's attention and resources and an increase in professional fees. Enforcement actions and sanctions could materially harm our business, operating results and financial condition.

As a global employer, we are subject to various labor laws, including worker classification laws, that impact compliance obligations regarding working time, proper payment for time worked, time off regulations, as well as anti-retaliation, discrimination and harassment policies and compliance with employee representative rights. We take reasonable efforts to comply with applicable labor laws and regulations impacting our workforce, but failure to comply with such laws could result in government enforcement actions and penalties, may negatively impact business operations and may be harmful to our reputation and our ability to attract and retain employees.

These laws and regulations impose added costs on our business, and failure to comply with these or other applicable regulations and requirements could lead to claims for damages from our channel partners or customers, penalties, termination of contracts and loss of exclusive rights in our intellectual property.

***If we were not able to satisfy data protection, security, privacy and other government- and industry-specific requirements or regulations, our business, results of operations and financial condition could be harmed.***

The regulatory framework for privacy, data protection and security matters are rapidly evolving and are likely to remain volatile for the foreseeable future. Our handling of personal data is subject to various data protection, cybersecurity, information security and other telecommunications regulations or requirements where we offer our solutions around the world. We also may find it necessary or desirable to join industry or other self-regulatory bodies or other cybersecurity or information security or data protection-related organizations that require us to comply with rules pertaining to privacy, data protection, cybersecurity and information security. Further, we may be bound by additional, more stringent contractual obligations and other actual and asserted obligations, such as industry standards, relating to our collection, use and disclosure of personal, financial and other data. Changes in laws or regulations that adversely affect the use of the internet, including laws impacting net neutrality, could also impact our business.

The U.S. federal government, and various state and foreign governments, have adopted or proposed laws and regulations on the collection, distribution, use, storage, transfer and other processing of information relating to individuals. Such laws and regulations may, among other things, require companies to implement privacy and security policies, permit customers to access, correct and delete information stored or maintained by companies, inform individuals of security breaches that affect their information and, in some cases, obtain individuals' consent to use information for certain purposes. Numerous U.S. states have enacted, and others are expected to enact, privacy laws, and a federal privacy law is being considered. In addition, in certain jurisdictions, regulatory requirements may be more stringent than those in the U.S. For example, the European Union's General Data Protection Regulation, provides for substantial obligations relating to the handling, storage, disclosure, transfer and other processing of information relating to individuals and fines of up to €20 million or 4% of the annual global revenue of the noncompliant company, whichever is greater. Furthermore, cross-border data transfers face increasing restrictions and compliance requirements. Following the invalidation of the EU-US Privacy Shield and ongoing challenges to Standard Contractual Clauses, data localization requirements and transfer restrictions continue to evolve. Various countries have implemented or are considering data residency requirements that could limit our ability to provide global services efficiently or require significant infrastructure investments. In addition, the number of emerging and existing data protection, privacy and security laws and regulations creates the risk that obligations may be interpreted inconsistently between jurisdictions, which may make it difficult for us to comply with our privacy, data protection and security obligations globally.

We expect that there will continue to be new proposed laws, regulations and industry standards concerning privacy, data protection, cybersecurity, information security and telecommunications services in the jurisdictions in which we operate or may operate, and we cannot yet determine the impact such future laws, regulations and standards may have on our business. Needing to address new obligations and changes in the interpretation of existing obligations could require us to modify our solutions, restrict our business operations, increase our costs and impair our ability to maintain and grow our customer base and increase our revenue. New and evolving requirements may increase compliance costs, lead to increased regulatory scrutiny or liability, may require additional contractual negotiations, and may adversely impact our business, financial condition and operating results. Any failure or perceived failure by us to comply with applicable laws, regulations, standards or actual or asserted obligations, or any actual, perceived or purported security breach or other security incident, whether or not resulting in unauthorized access to, or acquisition, release or transfer of information relating to individuals or other data, may result in governmental investigations, enforcement actions and other proceedings, private claims and litigation, fines and penalties or adverse publicity, and could cause our customers and prospective customers to lose trust in us, which could have an adverse effect on our reputation and business.

***We are subject to governmental import and export controls and trade and economic sanctions and other trade controls including tariffs that could impair our ability to compete in international markets and subject us to liability if we are not in full compliance with applicable laws.***

Our business activities are subject to various restrictions under U.S. export and similar laws and regulations, including the U.S. Department of Commerce's Export Administration Regulations and various economic and trade sanctions regulations administered by the U.S. Department of the Treasury's Office of Foreign Assets Control. U.S. export controls and trade and economic sanctions include restrictions or prohibitions on the sale or supply of certain products and services to U.S. embargoed or sanctioned countries and governments of these countries, as well as other persons and entities. For example, the U.S. and other countries have implemented economic and other sanctions, as well as increased export controls in response to the current conflict between Russia and Ukraine. These measures have continued to increase. These export controls and sanctions and any additional restrictions may impact our ability to operate in Russia and other affected regions. In addition, various countries regulate the import of certain technology and have enacted or could enact laws that could limit our ability to provide our services and software and operate our cloud platform or could limit our customers' ability to access or use our services or software in those countries.

Although we take precautions to prevent our services and software from being provided in violation of such laws, our services and software may have been in the past, and could in the future be, provided inadvertently in violation of such laws, despite the precautions we take. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to civil or criminal penalties, including the possible loss of export privileges and fines. We may also be materially and adversely affected through penalties, reputational harm, loss of access to certain markets, or otherwise. Obtaining the necessary authorizations, including any required licenses, for a particular transaction may be time-consuming, is not guaranteed and may result in the delay or loss of sales opportunities.

In addition, changes in our platform; export, sanctions and import laws and regulations or tariffs and other trade regulations could delay the introduction of our products and reduce the sale of subscriptions to our platform in international markets, prevent users in certain countries from accessing our services or, in some cases, prevent the provision of our services to certain countries, governments, persons or entities altogether. Any change or threatened change in export or import regulations, tariffs, economic sanctions or related laws, shift in the enforcement or scope of existing regulations or change in the countries, governments, persons or technologies targeted by such regulations could decrease our ability to sell subscriptions to our platform or provide software to existing customers or potential new customers with international operations. Any decrease in our ability to sell subscriptions to our platform or provide software could materially and adversely affect our business, results of operations and financial condition.

***We are exposed to fluctuations in currency exchange rates, which could negatively affect our operating results.***

The vast majority of our sales contracts are denominated in U.S. dollars, and therefore, substantially all of our revenue is not subject to foreign currency risk. However, a strengthening of the U.S. dollar could increase the real cost of our solutions to our customers outside of the United States, which could adversely affect our financial condition and operating results. In addition, a portion of our operating expenses is incurred outside the United States and denominated in foreign currencies, which are subject to fluctuations due to changes in foreign currency exchange rates. A weakening U.S. dollar could increase the cost of these foreign currency-denominated expenses in dollar terms. We are also exposed to the impact of currency fluctuations on certain assets and liabilities denominated in nonfunctional currencies.

We have a foreign currency risk management program, in which we enter into foreign currency forward contracts which we designate as cash flow hedges. We also use foreign currency forward contracts to mitigate variability in gains and losses generated from the remeasurement of certain monetary assets and liabilities denominated in foreign currencies. The use of

these hedging activities may not be successful in effectively mitigating the potentially adverse impact on our financial statements due to unfavorable movements in foreign currency exchange rates.

If we become more exposed to currency fluctuations and are not able to successfully hedge against the risks associated with currency fluctuations, our operating results could be materially and adversely affected. Further, unanticipated changes in currency exchange rates may result in poorer overall financial performance than if we had not engaged in any such hedging transactions.

***We are subject to counterparty default risks.***

We have numerous arrangements with financial institutions that include cash and investment deposits, capped call contracts and non-collateralized interest rate swap contracts and foreign currency forward contracts. As a result, we are subject to the risk that the counterparty to one or more of these arrangements may default, on its performance under the terms of the arrangement. In times of market distress, a counterparty may default rapidly and without notice, and we may be unable to take action to cover our exposure, either because of lack of contractual ability to do so or because market conditions make it difficult to take effective action. If one of our counterparties becomes insolvent or files for bankruptcy, our ability eventually to recover any losses suffered as a result of that counterparty's default may be limited by the impaired liquidity of the counterparty or the applicable legal regime governing the bankruptcy proceedings. In the event of such a default, we could incur significant losses, which could harm our business and adversely affect our results of operations and financial condition.

***Our corporate structure and intercompany arrangements are subject to the tax laws of various jurisdictions, and we could be obligated to pay additional taxes, which would harm our results of operations.***

We are expanding our international operations and staff to support our business in international markets. Our corporate structure and associated transfer pricing policies contemplate the business flows and future growth into the international markets, and consider the functions, risks and assets of the various entities involved in the intercompany transactions. The amount of taxes we pay in different jurisdictions may depend on the application of the tax laws of the various jurisdictions, including the United States, to our international business activities, changes in tax rates, new or revised tax laws or interpretations of existing tax laws and policies, and our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. For example, certain jurisdictions have recently introduced a digital services tax, which is generally a tax on gross revenue generated from users or customers located in those jurisdictions, and other jurisdictions are considering enacting similar laws. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for pricing intercompany transactions pursuant to the intercompany arrangements or disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a challenge or disagreement were to occur, and our position was not sustained, or if there are changes in tax laws or the way existing tax laws are interpreted or applied, we could be required to pay additional taxes, interest and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows and lower overall profitability of our operations. Our financial statements could fail to reflect adequate reserves to cover such a contingency.

Many countries are beginning to implement legislation and other guidance to align their international tax rules with the Organization for Economic Cooperation and Development's, or OECD, Base Erosion and Profit Shifting recommendations and action plan that aim to standardize and modernize global corporate tax policy, including changes to cross-border tax, transfer pricing documentation rules and nexus-based tax incentive practices. The OECD is also continuing discussions surrounding fundamental changes in allocation of profits among tax jurisdictions in which companies do business, as well as the implementation of a global minimum tax (namely the "Pillar One" and "Pillar Two" proposals). Many countries have enacted or begun the process of enacting laws based on Pillar Two proposals, which may adversely impact our provision for income taxes, net income and cash flows.

***Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.***

As of July 31, 2025, we had net operating loss carryforwards for U.S. federal income tax purposes and state income tax purposes of approximately \$1,057.0 million and \$504.7 million, respectively, available to offset future taxable income. Beginning in 2025, \$426.8 million of state net operating losses began to expire at different periods. The remaining \$77.9 million of state net operating losses will carry forward indefinitely. As of July 31, 2025, we had foreign net operating loss carryforward of \$87.7 million, all of which will be carried forward indefinitely.

As of July 31, 2025, we also had U.S. federal, California, and foreign research and development and other tax credit carryforwards of \$192.8 million, \$102.6 million, and \$2.1 million, respectively. If not utilized, the federal research and development tax credit carryforwards will begin expiring at different periods beginning in 2037. Our California research and development tax credits may be carried forward indefinitely. Foreign tax credits will begin to expire in the fiscal year ending 2033. Realization of these net operating loss and research and development tax credit carryforwards depends on future income, and there is a risk that a portion of our existing carryforwards could expire unused and be unavailable to offset future income tax liabilities, which could materially and adversely affect our results of operations.

In addition, under Section 382 of the Internal Revenue Code of 1986, as amended, if a corporation undergoes an "ownership change," generally defined as a greater than 50% change (by value) in its equity ownership by "5% shareholders" over a three-year period, the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes, such as research and development tax credits, to offset its post-change income may be limited. As a result, in the event that it is determined that we have in the past experienced an ownership change, or if we experience one or more ownership changes in the future as a result of subsequent shifts in our stock ownership, our ability to use our pre-change net operating loss carryforwards and other pre-change tax attributes to offset U.S. federal taxable liability may be subject to limitations, which could potentially result in increased future tax liability to us. Furthermore, our state carryforwards may be subject to similar and additional limitations.

***Taxing authorities may successfully assert that we should have collected or in the future should collect sales and use, value added or similar taxes, and we could be subject to liability with respect to past or future sales, which could adversely affect our operating results.***

We do not collect sales and use, value added or similar taxes in all jurisdictions in which we have sales because we have been advised that such taxes are not applicable to our services in certain jurisdictions. Sales and use, value added and similar tax laws and rates vary greatly by jurisdiction. Certain jurisdictions in which we do not collect such taxes may assert that such taxes are applicable, which could result in tax assessments, penalties and interest, to us or our customers for the past amounts, and we may be required to collect such taxes in the future. If we are unsuccessful in collecting such taxes from our customers, we could be held liable for such costs, which may materially and adversely affect our operating results.

**Risks Related to the Ownership of Our Common Stock**

***The concentration of our stock ownership with insiders will likely limit your ability to influence corporate matters, including the ability to influence the outcome of director elections and other matters requiring stockholder approval.***

As of July 31, 2025, our executive officers, directors, current 5% or greater stockholders and affiliated entities together beneficially owned approximately 41.4% of our common stock outstanding with Jay Chaudhry, our Chief Executive Officer and chairman of our board of directors, and his affiliates beneficially owning approximately 17.0% of our common stock. As a result, these stockholders, acting together, will have significant control over most matters that require approval by our stockholders, including the election of directors and approval of significant corporate transactions. Corporate action might be

taken even if other stockholders oppose them. This concentration of ownership might also have the effect of delaying or preventing a change of control of us that other stockholders may view as beneficial.

***Certain provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove members of our board of directors or current management and may adversely affect the market price of our common stock.***

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that could delay or prevent a change in control of our company. These provisions could also make it difficult for stockholders to elect directors that are not nominated by the current members of our board of directors or take other corporate actions, including effecting changes in our management. These provisions include:

- a classified board of directors with three-year staggered terms, which could delay the ability of stockholders to change the membership of a majority of our board of directors;
- the ability of our board of directors to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of our board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- the requirement that a special meeting of stockholders may be called only by the chairperson of our board of directors, chief executive officer or president (in the absence of a chief executive officer) or a majority vote of our board of directors, which could delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors;
- the requirement for the affirmative vote of holders of at least 66 2/3% of the voting power of all of the then outstanding shares of the voting stock, voting together as a single class, to amend the provisions of our amended and restated certificate of incorporation relating to the issuance of preferred stock and management of our business or our amended and restated bylaws, which may inhibit the ability of an acquirer to affect such amendments to facilitate an unsolicited takeover attempt;
- the ability of our board of directors, by majority vote, to amend our amended and restated bylaws, which may allow our board of directors to take additional actions to prevent an unsolicited takeover and inhibit the ability of an acquirer to amend our amended and restated bylaws to facilitate an unsolicited takeover attempt; and
- advance notice procedures with which stockholders must comply to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

These provisions may prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a certain period of time.

***The market price of our common stock may be volatile, and you could lose all or part of your investment.***

The market price of our common stock has fluctuated substantially and may fluctuate significantly in the future in response to a number of factors, including those described in this "Risk Factors" section, many of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to lose all or part of your investment in our common stock. Factors that could cause fluctuations in the market price of our common stock include the following:

- actual or anticipated changes or fluctuations in our operating results;
- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;
- announcements by us or our competitors of new products or new or terminated significant contracts, commercial relationships or capital commitments;
- industry or financial analyst or investor reaction to our press releases, other public announcements and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- price and volume fluctuations in the overall stock market from time to time;
- volume fluctuations in the trading of our common stock from time to time;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- the sales of shares of our common stock by us or our stockholders;
- issuances of shares of our common stock, whether in connection with an acquisition or upon conversion of some or all of our outstanding Notes;
- failure of industry or financial analysts to maintain coverage of us, changes in financial estimates by any analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property rights or our solutions, or third-party proprietary rights;
- announced or completed acquisitions of businesses or technologies by us or our competitors;
- actual or perceived privacy, data protection, or security incidents or breaches;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business and our responses thereto;
- any major changes in our management or our board of directors, particularly with respect to Mr. Chaudhry;

- general economic conditions and slow or negative growth of our markets; and
- other events or factors, including those resulting from war, incidents of terrorism, global pandemics or responses to these events.

In addition, the stock market in general, and the market for technology companies in particular, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors may seriously affect the market price of our common stock, regardless of our actual operating performance. In addition, in the past, following periods of volatility in the overall market and the market prices of a particular company's securities, securities class action litigation has often been instituted against that company. Securities litigation, if instituted against us, could result in substantial costs and divert our management's attention and resources from our business. This could have an adverse effect on our business, operating results and financial condition.

***Sales of substantial amounts of our common stock in the public markets, or the perception that they might occur, as well as any issuances of our common stock in connection with the conversion of the 2028 Notes or other securities convertible into shares of our common stock, could reduce the price that our common stock might otherwise attain and may dilute your voting power and your ownership interest in us.***

Sales of a substantial number of shares of our common stock in the public market, particularly sales by our directors, executive officers and significant stockholders, or the perception that these sales could occur, could adversely affect the market price of our common stock and may make it more difficult for you to sell your common stock at a time and price that you deem appropriate. We may also issue our shares of common stock or securities convertible into shares of our common stock from time to time in connection with a financing, acquisition, investments or otherwise. Any such issuance could result in substantial dilution to our existing stockholders, cause the market price of our common stock to decline and dilute your voting power. For instance, prior to April 15, 2028, our 0.0% Convertible Senior Notes due 2028, or the 2028 Notes, are convertible at the option of the holders only under certain conditions or upon the occurrence of certain events. After April 15, 2028, holders may convert all or any portion of the 2028 Notes at their option at any time. If one or more holders elect to convert their 2028 Notes and we elect to settle all or any portion of such conversions in shares of our common stock, any sales in the public market of the common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock. In addition, certain holders of the 2028 Notes may engage in short selling to hedge their position in the 2028 Notes. Any anticipated future issuances of shares of our common stock upon conversion of the 2028 Notes could also depress the price of our common stock.

***We do not intend to pay dividends in the foreseeable future. As a result, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.***

We have never declared or paid any cash dividends on our common stock. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not anticipate paying any dividends on our common stock in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

***If industry or financial analysts issue inaccurate or unfavorable research regarding our common stock, our stock price and trading volume could decline.***

The trading market for our common stock is influenced by the research and reports that industry or financial analysts publish about us or our business. We do not control these analysts or the content and opinions included in their reports. If any of the analysts who cover us issues an inaccurate or unfavorable opinion regarding our stock price, our stock price would likely decline. In addition, the stock prices of many companies in the technology industry have declined significantly after

those companies have failed to meet, or significantly exceed, the financial guidance publicly announced by the companies or the expectations of analysts. If our financial results fail to meet, or significantly exceed, our announced guidance or the expectations of analysts or public investors, analysts could downgrade our common stock or publish unfavorable research about us. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, our visibility in the financial markets could decrease, which in turn could cause our stock price or trading volume to decline.

***Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware and the federal district courts of the United States are the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.***

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for:

- any derivative action or proceeding brought on our behalf;
- any action asserting a breach of fiduciary duty;
- any action asserting a claim against us arising under the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws;
- any action to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws; and
- any action asserting a claim against us that is governed by the internal-affairs doctrine.

Our amended and restated certificate of incorporation further provides that the federal district courts of the United States are the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act of 1933, as amended.

Each of these exclusive-forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage lawsuits against us and our directors, officers and other employees.

#### **Risks Related to the 2028 Notes**

***Servicing our debt will require a significant amount of cash, which may impact our cash available for working capital, capital expenditures and other corporate purposes.***

On July 3, 2025, we issued \$1,725 million in aggregate principal amount of our 0.0% Convertible Senior Notes due 2028, which mature on July 15, 2028. Prior to April 15, 2028, the 2028 Notes are convertible at the option of the holders only under certain conditions or upon the occurrence of certain events. During the quarter ended July 31, 2025, the conditions allowing holders of the 2028 Notes to convert were not met. After April 15, 2028, holders may convert all or any portion of their 2028 Notes at their option at any time. If one or more holders elect to convert their 2028 Notes when eligible, unless we elect to deliver solely shares of our common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments in respect of the 2028 Notes being converted.

Additionally, holders of the 2028 Notes have the right to require us to repurchase the 2028 Notes upon the occurrence of a fundamental change (as defined in the indenture governing the 2028 Notes) at a repurchase price equal to 100% of the principal amount of such 2028 Notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the

fundamental change repurchase date for such 2028 Notes. If the 2028 Notes have not previously been converted or repurchased, we will be required to repay the 2028 Notes in cash at maturity.

Our ability to make such payments or to refinance our indebtedness, including the 2028 Notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Such payments will reduce the funds available to us for working capital, capital expenditures and other corporate purposes and may limit our ability to obtain additional financing for working capital, capital expenditures, expansion plans and other investments. We plan to evaluate, on an ongoing basis, market conditions, our liquidity profile and various financing alternatives (including the issuance of equity, equity-linked or debt securities) for opportunities to enhance our capital structure.

***The capped call transactions may affect the value of our common stock.***

In connection with the pricing of the 2028 Notes, we entered into privately negotiated capped call transactions with certain of the initial purchasers and/or their respective affiliates and other financial institutions, or the Option Counterparties. The capped call transactions are expected generally to reduce the potential dilution to our common stock upon conversion of the 2028 Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted 2028 Notes, as the case may be, with such reduction and/or offset subject to a cap.

The Option Counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions prior to the maturity of the 2028 Notes (and are likely to do so during the observation period related to a conversion of the 2028 Notes, in connection with any fundamental change repurchase of the 2028 Notes and, to the extent we unwind a corresponding portion of the capped call transactions, following any other repurchase of the 2028 Notes). This activity could also cause or avoid an increase or a decrease in the market price of our common stock or the 2028 Notes.

***We are subject to counterparty risk with respect to the capped call transactions.***

The Option Counterparties are financial institutions, and we will be subject to the risk that any or all of them might default under the capped call transactions. Our exposure to the credit risk of the Option Counterparties will not be secured by any collateral. Past global economic conditions have resulted in the actual or perceived failure or financial difficulties of many financial institutions. If an Option Counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under the capped call transactions with such Option Counterparty. Our exposure will depend on many factors but, generally, an increase in our exposure will be correlated to an increase in the market price and in the volatility of our common stock. In addition, upon a default by an Option Counterparty, we may suffer more dilution than we currently anticipate with respect to our common stock. We can provide no assurance as to the financial stability or viability of the Option Counterparties.

**General Risks**

***Our business is subject to the risks of earthquakes, fire, floods and other natural catastrophic events, and to interruption by man-made problems such as power disruptions, computer viruses, acts of war, international conflicts, terrorism and security breaches or incidents.***

Our corporate headquarters are located in the San Francisco Bay Area, a region known for seismic activity. A significant natural disaster, such as an earthquake, fire, flood or public health emergency, occurring at our headquarters, in India, where we have significant facilities, or where a key channel partner, vendor or data center is located could adversely affect our business, results of operations and financial condition. Further, if a natural disaster or man-made problem were to affect our

component suppliers or other third-party providers, including our network bandwidth and SaaS solution providers, this could materially and adversely affect our ability to provide services in a timely or cost-effective manner.

In addition, natural disasters, acts of war, international conflicts, such as the current conflicts between Russia and Ukraine and in the Middle East, terrorism and other geopolitical unrest or health issues, such as an outbreak of a pandemic or epidemic disease, or fear of such events, could cause disruptions in our or our customers' businesses, national economies or the world economy as a whole. In addition, computer malware, viruses and computer hacking, fraudulent use attempts and phishing attacks have become more prevalent in our industry and may become more frequent and effective through the use of AI. As a result, our internal systems may be victimized by such attacks. Although we maintain incident management and disaster response plans, in the event of a major disruption caused by a natural disaster or man-made problem, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our development activities, lengthy interruptions in service, security breaches and incidents and loss of critical data. Though it is difficult to determine what, if any, harm may directly result from any specific interruption or attack, any failure to maintain performance, reliability, security and availability of our platform to the satisfaction of our users may materially harm our reputation and our ability to retain existing customers and attract new customers.

***We are subject to anti-corruption, anti-bribery and similar laws, and noncompliance with such laws can subject us to criminal penalties or significant fines and harm our business and reputation.***

We are subject to the U.S. Foreign Corrupt Practices Act of 1977, the U.K. Bribery Act 2010 and other anti-corruption, anti-bribery, anti-money laundering and similar laws in the United States and other countries in which we conduct activities. Anti-corruption and anti-bribery laws, which have been enforced aggressively and interpreted broadly, prohibit companies and their employees and agents from promising, authorizing, making or offering improper payments or other benefits to government officials and others in the private sector. We leverage third parties, including channel partners, to sell subscriptions to our platform and conduct our business abroad. We and these third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and we may be held liable for the corrupt or other illegal activities of these third-party business partners and intermediaries, our employees, representatives, contractors, channel partners and agents, even if we do not explicitly authorize such activities. While we have policies and procedures to address compliance with anti-bribery laws, our employees or agents may violate our policies and applicable law, and we could be ultimately held responsible for these violations. As we increase our international sales and business, our risks under these laws may increase. Noncompliance with these laws could subject us to investigations, severe criminal or civil sanctions, settlements, prosecution, loss of export privileges, suspension or debarment from U.S. government contracts, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, whistleblower complaints, adverse media coverage and other consequences. Any investigations, actions or sanctions could materially harm our reputation, business, results of operations and financial condition.

***If we fail to maintain an effective system of internal controls, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.***

As a public company, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, and the rules and regulations of The Nasdaq Global Select Market, or Nasdaq. The requirements of these rules and regulations will impose significant legal, accounting and financial compliance costs; make some activities more difficult, time-consuming and costly; and place significant strain on our personnel, systems and resources.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We have developed our disclosure controls, internal control over financial reporting and other procedures to ensure information required to be disclosed by us in the reports that we will file with the SEC is

recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers.

Our current controls and any new controls we develop may become inadequate because of changes in conditions in our business. Further, weaknesses in our internal controls may be discovered in the future. Any failure to develop or maintain effective controls, or any difficulties encountered in their implementation or improvement, could harm our operating results or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal controls also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we are required to include in our periodic reports we will file with the SEC under Section 404 of the Sarbanes-Oxley Act. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the market price of our common stock.

In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended and anticipate we will continue to expend significant resources, including accounting-related costs, and provide significant management oversight. Any failure to maintain the adequacy of our internal controls, or consequent inability to produce accurate financial statements on a timely basis, could increase our operating costs and could materially impair our ability to operate our business. If our internal controls are perceived as inadequate or we are unable to produce timely or accurate financial statements, investors may lose confidence in our operating results and our stock price could decline. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on Nasdaq.

Pursuant to Section 404 of the Sarbanes-Oxley Act, we are required to have our independent registered public accounting firm attest to the effectiveness of our internal control over financial reporting. This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting. We are also required to have our independent registered public accounting firm issue an opinion on the effectiveness of our internal control over financial reporting. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal controls are effective.

If we are unable to assert that our internal control over financial reporting is effective, or if, when required, our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, which would cause the price of our common stock to decline, and we may be subject to investigation or sanctions by the SEC.

***If our estimates or judgments relating to our critical accounting policies prove to be incorrect or financial reporting standards or interpretations change, our results of operations could be adversely affected.***

The preparation of financial statements in conformity with generally accepted accounting principles in the United States, or GAAP, requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations." The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Significant assumptions and estimates used in preparing the consolidated financial statements include those related to determination of revenue recognition, deferred revenue, deferred contract acquisition costs, capitalized internal-use software, valuation of acquired intangible assets, period of benefit generated from our deferred contract acquisition costs, allowance for doubtful accounts, valuation of common stock options and stock-based awards,

useful lives of property and equipment, useful lives of acquired intangible assets, recoverability of goodwill, valuation of deferred tax assets and liabilities, loss contingencies related to litigation, fair value of the 2028 Notes and the discount rate used for operating leases. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of industry or financial analysts and investors, resulting in a decline in the trading price of our common stock.

Additionally, we regularly monitor our compliance with applicable financial reporting standards and review new pronouncements and drafts thereof that are relevant to us. As a result of new standards, changes to existing standards and changes in their interpretation, we might be required to change our accounting policies, alter our operational policies and implement new or enhance existing systems so that they reflect new or amended financial reporting standards, or we may be required to restate our published financial statements. Such changes to existing standards or changes in their interpretation may have an adverse effect on our reputation, business, financial position and profit, or cause an adverse deviation from our revenue and operating profit target, which may negatively impact our financial results.

***We rely on third parties for certain essential financial and operational services, and a failure or disruption in these services could materially and adversely affect our ability to manage our business effectively.***

We rely on third parties to provide many essential financial and operational services to support our business. Many of these vendors are less established and have shorter operating histories than traditional software vendors. Moreover, these vendors provide their services to us via a cloud-based model instead of software that is installed on our premises. As a result, we depend upon these vendors to provide us with services that are always available and are free of errors or defects that could cause disruptions in our business processes. Any failure by these vendors to do so, or any disruption in our ability to access the internet, would materially and adversely affect our ability to manage our operations.

***We may become involved in litigation that may materially and adversely affect us.***

From time to time, we may become, involved in various legal proceedings relating to matters incidental to the ordinary course of our business, including patent, commercial, product liability, employment, class action, whistleblower and other litigation and claims, and governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources, cause us to incur significant expenses or liability and/or require us to change our business practices. In addition, the expense of litigation and the timing of this expense from period to period are difficult to estimate, subject to change and could adversely affect our results of operations. Because of the potential risks, expenses and uncertainties of litigation, we may, from time to time, settle disputes, even where we have meritorious claims or defenses, by agreeing to settlement agreements. Because litigation is inherently unpredictable, we cannot assure you that the results of any of these actions will not have a material adverse effect on our business, financial condition, results of operations and prospects.

## **Item 1B. Unresolved Staff Comments**

None.

## **Item 1C. Cybersecurity**

As a leading cybersecurity provider, we understand the importance of robust cybersecurity practices, and safeguarding and certifying our solutions to internationally recognized commercial and government standards. Trust is the foundation of everything we do, and we earn that trust through a comprehensive approach to identifying, managing and mitigating cybersecurity risk to our business and operations.

### **Risk Management and Strategy**

Our platform was built leveraging guidance from leading industry frameworks to effectively manage and mitigate cybersecurity risks. Our rigorous risk management processes, which include data privacy, product security and information security, are overseen by the audit committee of our board of directors and our internal security committee, and are designed to ensure confidentiality, integrity and availability of our platform. These processes have been integrated into our overall enterprise risk management framework, which is overseen by our board of directors.

Our internal security committee identifies and prioritizes protective measures across our enterprise and products, continuously driving improvements to our security approach as threats evolve. The committee members are key functional leaders from across the Company who share critical information and use data-driven strategies to manage cyber risks. The committee is led by our chief security officer and includes representatives from our security team, information technology, information security, incident response, engineering, enterprise risk, product management, cloud operations, legal and compliance teams. Our internal security committee has the primary responsibility for assessing, monitoring and managing our cybersecurity risks, including the prevention, detection, mitigation and remediation of cybersecurity incidents. The technical personnel comprising our internal security committee are experienced cybersecurity professionals and information security managers with many years of experience across a variety of technology sub-specialties.

As a provider of cybersecurity products and services, it is critical for us to identify and implement protective measures across our enterprise and products, continuously driving improvements to our security approach. Our in-house global threat research team, Zscaler ThreatLabZ, a team of more than 150 security experts, collectively works to identify and prevent emerging threats, using malware reverse engineering, behavior analytics, data science and AI. We use the threat intelligence generated by ThreatLabz and other sources to implement security checks and reviews throughout our product development lifecycle. Our internal security teams and external cybersecurity auditors continuously evaluate our products, including by performing regular penetration tests and risk assessments to identify potential vulnerabilities.

We regularly review our cybersecurity policies, standards and procedures to account for changes in the threat landscape, as well as in response to legal and regulatory developments. Our cybersecurity efforts also include mandatory training for all employees and contractors on our security and privacy policies.

Our cybersecurity risk management approach provides a framework for identifying, monitoring, evaluating and responding to risks from cybersecurity threats and incidents. This framework includes steps for identifying the sources of potential cybersecurity threats or incidents, including potential threats and incidents associated with a third-party vendor or service provider, assessing the severity and risk of potential threats and incidents and implementing cybersecurity countermeasures and mitigation strategies. We recognize that our relationships with third parties may pose significant risks, and therefore we have implemented practices for building vendor diligence, onboarding and monitoring capabilities to assess those risks. These efforts can include internal briefings from our security and technical personnel, as well as external reports and threat intelligence from governmental, public and private sources, including external consultants and reports produced by security tools deployed in our technical environment.

Our incident response plan includes processes and procedures for assessing potential internal and external threats, activation and notification, crisis management and post-incident analysis designed to safeguard the confidentiality, availability and integrity of our platform and assets. A cross-functional incident response team, comprised of representatives from our internal security committee including information technology, information security, engineering, cloud operations, compliance, privacy, legal and members of our executive leadership team, is responsible for the monitoring and disposition of potential incidents, such as data breaches, intrusions and other security events, and implementing our detailed incident response plan. Our approach includes procedures to appropriately inform management, the audit committee of the board of directors and the full board of directors, as applicable, about cybersecurity threats and incidents. In fiscal 2025, we did not identify any cybersecurity incidents that materially affected, or are reasonably likely to materially affect, our business, results of operations or financial condition.

For more information about these risks, please see “Risk Factors – Risks Related to Our Business” in this Annual Report on Form 10-K.

## **Governance**

Our board of directors has oversight responsibility for our overall enterprise risk management. The audit committee of the board of directors oversees cybersecurity risk, with input from our internal security committee, based on its oversight of our risk management processes. In accordance with our incident response plan, the internal security committee meets at least monthly, provides cybersecurity updates to the audit committee quarterly and apprises the full board of directors as needed.

## **Item 2. Properties**

Our corporate headquarters are located in San Jose, California, where we currently lease approximately 172,000 square feet of space under a sublease agreement that expires in 2026. Effective April 29, 2025, we entered into a lease agreement, or the lease, for our new headquarters. The property subject to the lease is located in Santa Clara, California, and consists of approximately 301,000 square feet of rentable space. The lease term begins on September 1, 2026, and ends on April 30, 2032, with an option for early access in January 2026 to facilitate tenant improvements. We also maintain offices elsewhere in the United States, as well as multiple locations internationally, including in Asia, Europe and the Middle East. We lease all of our facilities and do not own any real property. If necessary, we expect to add facilities as we grow our employee base and expand geographically.

We believe that our facilities are adequate to meet our needs for the immediate future and that, should it be needed, suitable additional space will be available to accommodate our operations.

## **Item 3. Legal Proceedings**

The information called for by this Item is incorporated herein by reference to Item 8. "Financial Statements and Supplementary Data," Note 12, Commitments and Contingencies, of the consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

## **Item 4. Mine Safety Disclosures**

Not applicable.

## PART II

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

#### Market Information for Common Stock

Our common stock has been listed on The Nasdaq Global Select Market under the ticker symbol "ZS" since March 16, 2018. Prior to that time, there was no public market for our common stock.

#### Holders of Record

As of July 31, 2025, we had 47 holders of record of our common stock. The actual number of stockholders is greater than this number of record holders and includes stockholders who are beneficial owners but whose shares are held in street name by brokers and other nominees.

#### Dividend Policy

We have never declared or paid cash dividends on our common stock. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not anticipate paying any dividends in the foreseeable future. Any future determination to declare dividends will be made at the discretion of our board of directors, subject to applicable laws, and will depend on our financial condition, operating results, capital requirements, general business conditions and other factors that our board of directors may deem relevant.

#### Securities Authorized for Issuance under Equity Compensation Plans

The information required by this item with respect to our equity compensation plans is incorporated by reference to our Proxy Statement for the 2025 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days of the fiscal year ended July 31, 2025.

#### Recent Sales of Unregistered Equity Securities and Use of Proceeds

##### (a) Sale of Unregistered Equity Securities

None.

##### (b) Use of Proceeds

None.

##### (c) Issuer Purchases of Equity Securities

None.

#### Stock Performance Graph

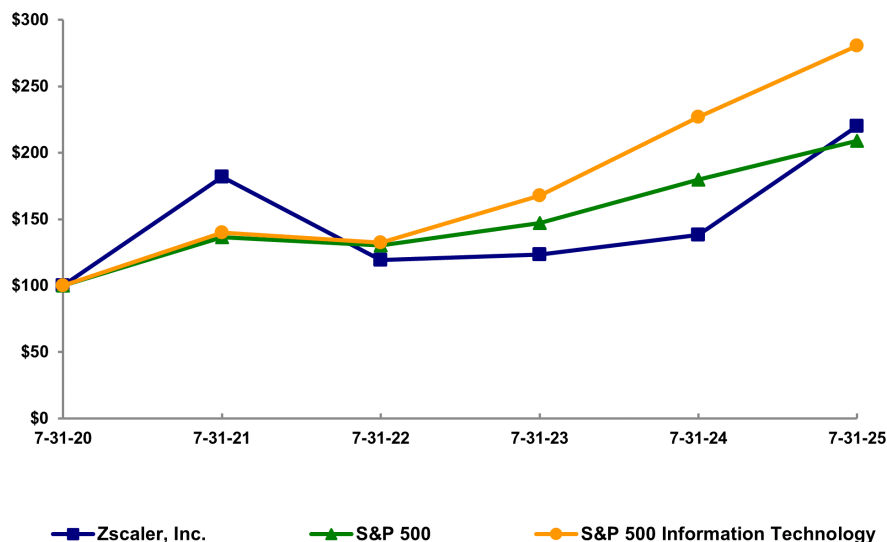
This performance graph shall not be deemed "soliciting material" or to be "filed" with the SEC for purposes of the Exchange Act, or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any filing of Zscaler, Inc. under the Securities Act or the Exchange Act.

This performance graph compares the cumulative total return to our stockholders to the Standard & Poor's 500 Index and Standard & Poor Information Technology Index for the five years ended July 31, 2025. All values assume a \$100 initial

investment and data for the Standard & Poor's 500 Index and Standard & Poor Information Technology Index assume reinvestment of dividends. The comparisons are based on historical data and are not indicative of, nor intended to forecast, the future performance of our common stock.

**COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN\***

Among Zscaler, Inc., the S&P 500 Index  
and the S&P 500 Information Technology Index



\*\$100 invested on 7/31/20 in stock or index, including reinvestment of dividends.  
Fiscal year ending July 31.

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Company/Index	July 31, 2020 (*)	July 31, 2021	July 31, 2022	July 31, 2023	July 31, 2024	July 31, 2025
Zscaler, Inc.	\$ 100.00	\$ 181.68	\$ 119.41	\$ 123.51	\$ 138.12	\$ 219.92
S&P 500 Index	\$ 100.00	\$ 136.45	\$ 130.12	\$ 147.05	\$ 179.62	\$ 208.96
S&P 500 Information Technology Index	\$ 100.00	\$ 140.03	\$ 132.31	\$ 167.84	\$ 226.91	\$ 280.58

(\*) Base period.

**Item 6. Reserved**

## **Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K. As discussed in the section titled "Special Note Regarding Forward-Looking Statements," the following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such difference include, but are not limited to, those identified below and those discussed in the section titled "Risk Factors" and elsewhere in this Annual Report on Form 10-K. Our fiscal year end is July 31, and our fiscal quarters end on October 31, January 31, April 30 and July 31. Our fiscal year ended July 31, 2025, July 31, 2024 and July 31, 2023 are referred to as fiscal 2025, fiscal 2024 and fiscal 2023, respectively.*

### **Overview**

Zscaler was incorporated in 2007, during the early stages of cloud adoption and mobility, based on a vision that the internet would become the new corporate network as the cloud becomes the new data center. We correctly predicted that with rapid cloud adoption and increasing workforce mobility, traditional perimeter security approaches would prove to be inadequate in protecting users and data, prohibitively expensive and result in poor user experience. Enterprises now rely on external SaaS applications for critical business functions and have or are moving their internally managed applications to the public cloud infrastructure. As a result, users now expect to be able to seamlessly access applications and data, wherever they are hosted, from any device, anywhere in the world. The emergence and rapid adoption of AI is revolutionizing the transformational impact of cloud adoption and mobility. AI is fundamentally changing how organizations operate, creating new cybersecurity threats and IT challenges, but also the opportunity to use AI to counter cybersecurity threats and improve IT operations.

We generate revenue primarily from sales of subscriptions to access our cloud platform, together with related support services. We also generate an immaterial amount of revenue from professional and other services, which consist primarily of fees associated with mapping, implementation, network design and training. Our subscription pricing is primarily calculated on a per-user basis. We recognize subscription and support revenue ratably over the life of the contract, which is generally one to three years. As of July 31, 2025, we had expanded our operations to over 9,400 customers across major industries, with users in over 185 countries. Government agencies and some of the largest enterprises in the world rely on us to support their secure digital transformation.

We operate our business as one reportable segment. Our revenue has experienced significant growth in recent periods. For fiscal 2025, fiscal 2024 and fiscal 2023, our revenue was \$2,673.1 million, \$2,167.8 million and \$1,617.0 million, respectively. We have incurred net losses in all annual periods since our inception. For fiscal 2025, fiscal 2024 and fiscal 2023, our net loss was \$41.5 million, \$57.7 million and \$202.3 million, respectively. We expect we will continue to incur net losses for the foreseeable future, as we continue to invest in our sales and marketing organization to maximize our market opportunity, to invest in research and development efforts to enhance the functionality of our cloud platform, and to address any legal matters and related accruals, as further described in Note 12, Commitments and Contingencies, of the consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

### **Impact of Macroeconomic Conditions**

Changes in macroeconomic and geopolitical conditions can cause uncertainty in our business. We continue to see customer scrutiny of and elongated approval processes for transactions, particularly larger deals, as customers continue to carefully consider purchasing decisions and are requiring multiple approvals for large expenditures in response to the uncertain economic environment. Macroeconomic conditions may impact the future demand for subscriptions of our cloud platform.

## Certain Factors Affecting Our Performance

### *Increased Internet Traffic and Adoption of Cloud-Based Software and Security*

In a cloud, mobile-first and AI-enabled world where organizations depend on public and third-party infrastructure and technologies to assess critical applications that power their businesses, enterprises that continue to rely on legacy network and security architecture built on firewalls and VPNs face serious challenges. The adoption of cloud applications and infrastructure, explosion of internet traffic volumes and shift to mobile-first computing generally, and the pace at which enterprises adopt the internet as their corporate network in particular, impact our ability to drive market adoption of our cloud platform. However, the dependence on the internet, expanding digital transformation and growing AI usage have increased exposure to malicious or compromised websites, and sophisticated hackers are exploiting the gaps left by legacy network security appliances. To securely access the internet, transform their networks and expand their AI adoption, organizations must also make fundamental changes in their network and security architectures. We believe that most organizations have yet to fully make these investments. Because our cloud platform enables organizations to securely embrace digital transformation, we believe that the imperative for organizations to securely move to the cloud will increase demand for our cloud platform and broaden our customer base.

### *New Customer Acquisition*

We believe that our ability to increase the number of customers, and more significantly large enterprises, on our cloud platform is an indicator of our market penetration and our future business opportunities. As of July 31, 2025, 2024 and 2023, we had over 9,400, 8,650 and 7,700 customers, respectively, across all major geographies. As of July 31, 2025, we had approximately 40% of the Forbes Global 2000 as customers. Our ability to continue to grow these numbers will increase our future opportunities for renewals and follow-on sales. We believe that we have significant room to capture additional market share and intend to continue to invest significantly in sales and marketing to engage our prospective customers, increase brand awareness, further leverage our channel partnerships and drive adoption of our solution. However, as a result of the challenging and uncertain economic environment, potential new customers are carefully considering purchasing decisions, particularly for large expenditures. We expect customer cautiousness to continue in the near term, elongating our sales cycles and the timing of large deals.

### *Follow-On Sales*

We typically expand our relationship with our customers over time. While most of our new customers route all of their internet-bound web traffic through our cloud platform, some of our customers initially use our services for specific users or specific security functionality. We leverage our land-and-expand model with the goal of generating incremental revenue, often within the term of the initial subscription, by increasing sales to our existing customers in one of three ways:

- expanding deployment of our cloud platform to cover additional users;
- upgrading to more advanced capabilities; and
- selling a subscription to a new solution or product, for example selling a ZPA subscription to a ZIA customer or a ZIA subscription to a ZPA customer.

These purchases increase the annual recurring revenue, or ARR, attributable to our customers over time. ARR refers to the next 12 months of revenue from subscription contracts as of the measurement date. To establish ARR for a customer, we assume that any contract expiring during the next 12 months will be renewed under the existing terms.

### ***Investing in Business Growth***

Since our founding, we have invested significantly in growing our business. We intend to continue (i) investing in our research and development organization and our development efforts to offer new solutions on our cloud platform and (ii) dedicating resources to update and upgrade our existing solutions, including upgrades to our cloud platform. In addition, we expect our general and administrative expenses to increase in absolute dollars in the foreseeable future, as we continue to operate as a public company, and address any legal matters and related accruals, as further described in Note 12, Commitments and Contingencies, of the consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

We also intend to continue to invest significantly in sales and marketing to grow and train our sales force, broaden our brand awareness and expand and deepen our channel partner relationships. While these planned investments will increase our operating expenses in the short term, we believe that over the long term these investments will help us to expand our customer base and grow our business. We also are investing in programs to increase recognition of our brand and solutions, including joint marketing activities with our channel partners and strategic partners.

While we expect our operating expenses to increase in absolute dollars in the foreseeable future, as a result of these activities, we intend to balance these investments in future growth with a continued focus on managing our results of operations and investing judiciously. In the long term we anticipate that these investments will positively impact our business and results of operations.

### **Key Business Metrics and Other Financial Measures**

We review a number of operating and financial metrics, including the following key metrics, to measure our performance, identify trends, formulate business plans and make strategic decisions.

#### ***Dollar-Based Net Retention Rate***

We believe that dollar-based net retention rate is an indicator to measure the long-term value of our customer relationships because it is driven by our ability to retain and expand the recurring revenue generated from our existing customers. Our dollar-based net retention rate compares the recurring revenue from a set of customers against the same metric for the prior 12-month period on a trailing basis. Because our customers have repeat buying patterns and the average term of our contracts is more than 12 months, we measure this metric over a set of customers who were with us as of the last day of the same reporting period in the prior fiscal year. For the trailing 12 months ended July 31, 2025 and 2024, the dollar-based net retention rate was 114% and 116%, respectively.

We calculate our dollar-based net retention rate as follows:

- Denominator: To calculate our dollar-based net retention rate as of the end of a reporting period, we first establish the ARR from all active subscriptions as of the last day of the same reporting period in the prior fiscal year. This effectively represents recurring dollars that we expect in the next 12-month period from the cohort of customers that existed on the last day of the same reporting period in the prior fiscal year.
- Numerator: We measure the ARR for that same cohort of customers representing all subscriptions based on confirmed customer orders booked by us as of the end of the reporting period.

Dollar-based net retention rate is obtained by dividing the numerator by the denominator. Our dollar-based net retention rate may fluctuate due to a number of factors, including the performance of our cloud platform, our success in selling bigger deals, including deals for all employees with our higher-end bundles, selling multiple-pillars from the start of our contract with new customers, faster upsells within a year, the timing and the rate of ARR expansion of our existing

customers, potential changes in our rate of renewals and other risk factors described elsewhere in this Annual Report on Form 10-K.

### ***Non-GAAP Financial Measures***

In addition to our results determined in accordance with 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 is provided below for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures, and not to rely on any single financial measure to evaluate our business.

### ***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 payroll taxes, amortization expense of acquired intangible assets and restructuring and other charges. We define non-GAAP gross margin as non-GAAP gross profit as a percentage of revenue.

	Year Ended July 31,		
	2025	2024	2023
	(in thousands)		
GAAP gross profit	\$ 2,054,937	\$ 1,690,642	\$ 1,254,120
Add:			
Stock-based compensation expense and related payroll taxes	70,998	52,766	40,297
Amortization expense of acquired intangible assets	14,975	12,879	9,574
Restructuring and other charges	138	—	—
Non-GAAP gross profit	<u>\$ 2,141,048</u>	<u>\$ 1,756,287</u>	<u>\$ 1,303,991</u>
GAAP gross margin	77 %	78 %	78 %
Non-GAAP gross margin	80 %	81 %	81 %

### ***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 payroll taxes, amortization expense of acquired intangible assets, restructuring and other charges and acquisition-related expenses. We define non-GAAP operating margin as non-GAAP income from operations as a percentage of revenue.

	Year Ended July 31,		
	2025	2024	2023
	(in thousands)		
GAAP loss from operations	\$ (128,460)	\$ (121,477)	\$ (234,623)
Add:			
Stock-based compensation expense and related payroll taxes	685,534	549,100	457,815
Amortization expense of acquired intangible assets	16,820	14,624	11,060
Restructuring and other charges	4,921	—	6,564
Acquisition-related expenses	1,316	—	—
Non-GAAP income from operations	<u>\$ 580,131</u>	<u>\$ 442,247</u>	<u>\$ 240,816</u>
GAAP operating margin	(5)%	(6)%	(15)%
Non-GAAP operating margin	22 %	20 %	15 %

### *Free Cash Flow and Free Cash Flow Margin*

Free cash flow is a non-GAAP financial measure that we calculate as net cash provided by operating activities less purchases of property, equipment and other assets and capitalized internal-use software. Free cash flow margin is calculated 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, including investing in our business, and strengthening our financial position.

Free cash flow includes the cyclical impact of inflows and outflows resulting from contributions to our employee stock purchase plan for which the purchase period of approximately six months ends in each of our second and fourth fiscal quarters. Payroll contributions accrued as of July 31, 2025 will be used to purchase shares at the end of the current ESPP purchase period ending on December 15, 2025. Payroll contributions ultimately used to purchase shares are reclassified to stockholders' equity on the purchase date.

	Year Ended July 31,		
	2025	2024	2023
	(in thousands)		
Net cash provided by operating activities	\$ 972,453	\$ 779,846	\$ 462,343
Less:			
Purchases of property, equipment and other assets	(164,252)	(144,588)	(97,197)
Capitalized internal-use software	(81,508)	(50,308)	(31,527)
Free cash flow	<u>\$ 726,693</u>	<u>\$ 584,950</u>	<u>\$ 333,619</u>
As a percentage of revenue:			
Net cash provided by operating activities	36 %	36 %	29 %
Less:			
Purchases of property, equipment and other assets	(6)	(7)	(6)
Capitalized internal-use software	(3)	(2)	(2)
Free cash flow margin	<u>27 %</u>	<u>27 %</u>	<u>21 %</u>

### *Calculated Billings*

Calculated billings is a non-GAAP financial measure that we reported as a key metric to measure our periodic performance through July 31, 2025. However, starting in the first quarter of fiscal 2026, we will transition to ARR as one of

our key business metrics. Calculated billings can fluctuate significantly from period to period due to multiple factors such as deal structure, contract terms, payment schedules, timing of large enterprise deals or renewals, seasonality in customer purchasing patterns and external factors. These fluctuations make calculated billings less predictable and harder to compare consistently. As a result, calculated billings will no longer be reported beginning in fiscal 2026.

Calculated billings represents our 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. Calculated billings increased \$623.1 million, or 24%, in fiscal 2025 over fiscal 2024, and \$587.6 million, or 29%, in fiscal 2024 over fiscal 2023. As calculated billings continues to grow in absolute terms, we expect our calculated billings growth rate to trend down over time. We also expect that calculated billings will be affected by seasonality in terms of when we enter into agreements with customers and the mix of billings, in particular the mix of multi-year in advance billings. We strategically enter into agreements for multi-year in advance billings with our customers to achieve our and/or our customers' business objectives. Multi-year in advance billings increase our calculated billings in the period where such billings are invoiced and reduce the amount that could be invoiced and thus count toward calculated billings in future periods.

	Year Ended July 31,		
	2025	2024	2023
	(in thousands)		
Revenue	\$ 2,673,115	\$ 2,167,771	\$ 1,616,952
Add: Total deferred revenue, end of period	2,468,026	1,894,974	1,439,676
Less: Total deferred revenue, beginning of period	(1,894,974)	(1,439,676)	(1,021,123)
Calculated billings	<u>\$ 3,246,167</u>	<u>\$ 2,623,069</u>	<u>\$ 2,035,505</u>

## Components of Results of Operations

### Revenue

We generate revenue primarily from sales of subscriptions to access our cloud platform, together with related support services. Subscription and related support services accounted for approximately 98%, 97% and 97% of our revenue for each of fiscal 2025, fiscal 2024 and fiscal 2023, respectively. Our contracts with our customers do not at any time provide the customer with the right to take possession of the software that runs our cloud platform. Our customers may also purchase professional services, such as mapping, implementation, network design and training. Professional services account for an immaterial portion of our revenue.

We generate revenue from contracts with typical durations ranging from one to three years. We typically invoice our customers annually in advance, and to a lesser extent quarterly in advance, monthly in advance or multi-year in advance. We recognize revenue ratably over the life of the contract. Amounts that have been invoiced are recorded in deferred revenue, or they are recorded in revenue if the revenue recognition criteria have been met. Subscriptions that are invoiced annually in advance or multi-year in advance represent a significant portion of our short-term and long-term deferred revenue in comparison to invoices issued quarterly in advance or monthly in advance. We cannot predict the mix of invoicing schedules in any given period.

We generally experience seasonality in terms of when we enter into agreements with our customers. We typically enter into a higher percentage of agreements with new customers, as well as renewal agreements with existing customers, in our second half of our fiscal year. However, because we recognize revenue ratably over the terms of our subscription contracts, a substantial portion of the revenue that we report in each period is attributable to the recognition of deferred revenue relating to agreements that we entered into during previous periods. Consequently, increases or decreases in new sales or renewals in

any one period may not be immediately reflected as revenue for that period. Accordingly, the effect of downturns in sales and market acceptance of our platform, and potential changes in our rate of renewals, may not be fully reflected in our results of operations until future periods.

### ***Cost of Revenue***

Cost of revenue includes expenses related to operating our cloud platform in data centers, including public cloud providers, depreciation of our data center equipment, amortization of our capitalized internal-use software, amortization of intangible assets acquired through our business acquisitions and allocated overhead expenses (i.e., facilities, IT, depreciation expense and amortization expense). Cost of revenue also includes employee-related expenses, including salaries, bonuses, stock-based compensation expense and employee benefit expenses associated with our customer support and cloud operations organizations.

As our customers expand and increase the use of our cloud platform driven by additional applications and connected devices, our cost of revenue will increase due to higher bandwidth and data center expenses. However, we expect to continue to benefit from economies of scale as our customers increase the use of our cloud platform. We intend to continue to invest additional resources in our cloud platform and our customer support organizations as we grow our business. The level and timing of investment in these areas could affect our cost of revenue in the future.

### ***Gross Profit and Gross Margin***

Gross profit, or revenue less cost of revenue, and gross margin, or gross profit as a percentage of revenue, have been and will continue to be affected by various factors, including the timing of our acquisition of new customers and our renewals of and follow-on sales to existing customers, the average sales price of our services, mix of services offered in our solutions, including new product introductions, the data center and bandwidth costs associated with operating our cloud platform, the extent to which we expand our customer support and cloud operations organizations and the extent to which we can increase the efficiency of our technology, infrastructure and data centers through technological improvements. We expect our gross profit to increase in absolute dollars and our gross margin to increase slightly over the long term, although our gross profit and gross margin could fluctuate from period to period depending on the interplay of all of the above factors.

### ***Operating Expenses***

Our operating expenses consist of sales and marketing expenses, research and development expenses and general and administrative expenses. Personnel expenses are the most significant component of operating expenses and consist of salaries, benefits, bonuses, stock-based compensation expense and, with respect to sales and marketing expenses, sales commissions that are recognized as expenses over the period of benefit. Operating expenses also include overhead expenses for facilities, IT, depreciation expense and amortization expense.

### ***Sales and Marketing***

Sales and marketing expenses consist primarily of employee compensation and related expenses, including salaries, bonuses and benefits for our sales and marketing employees, sales commissions that are recognized as expenses over the period of benefit, stock-based compensation expense, marketing programs, travel and entertainment expenses, expenses for conferences and events, amortization of intangible assets acquired through our business acquisitions and allocated overhead expenses. We capitalize our sales commissions and associated payroll taxes that are incremental to the acquisition of customer contracts and recognize them as expenses over the estimated period of benefit. The amount recognized in our sales and marketing expenses reflects the amortization of expenses previously deferred as attributable to each period presented in this Annual Report on Form 10-K, as described below under "Critical Accounting Policies and Estimates."

We intend to continue to make significant investments in our sales and marketing organization to drive additional revenue, further penetrate the market and expand our global customer base. As a result, we expect our sales and marketing expenses to continue to increase in absolute dollars and to be our largest operating expense category for the foreseeable future. In particular, we will continue to invest in growing and training our sales force, broadening our brand awareness and expanding and deepening our channel partner relationships. However, we expect our sales and marketing expenses to decrease as a percentage of our revenue over the long term, although our sales and marketing expenses may fluctuate as a percentage of our revenue from period to period due to the timing and extent of these expenses.

#### *Research and Development*

Our research and development expenses support our efforts to add new products, new features to our existing offerings and to ensure the reliability, availability and scalability of our solutions. Our cloud platform is software-driven, and our research and development teams employ software engineers in the design, and the related development, testing, certification and support, of these solutions. Accordingly, a majority of our research and development expenses result from employee-related expenses, including salaries, bonuses and benefits, stock-based compensation expense and expenses associated with technology tools used by our engineers. We expect our research and development expenses to continue to increase in absolute dollars for the foreseeable future, as we continue to invest in research and development efforts to enhance the functionality of our cloud platform, improve the reliability, availability and scalability of our platform and access new customer markets. However, we expect our research and development expenses to decrease as a percentage of our revenue over the long term, although our research and development expenses may fluctuate as a percentage of our revenue from period to period due to the timing and extent of these expenses.

#### *General and Administrative*

General and administrative expenses consist primarily of employee-related expenses, including salaries and bonuses, stock-based compensation expense and employee benefit expenses for our finance, legal, human resources and administrative personnel, as well as professional fees for external legal services (including certain litigation-related expenses), accounting and other related consulting services. The litigation-related expenses include professional fees and related expenses incurred by us in defending or settling significant claims that we deem not to be in the ordinary course of our business and, if applicable, accruals related to estimated losses in connection with these claims. We expect our general and administrative expenses to increase in absolute dollars for the foreseeable future as we increase the size of our general and administrative organizations, incur additional costs to support our business growth and due to any legal matters and related accruals, as further described in Note 12, Commitments and Contingencies, to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K. However, we expect our general and administrative expenses to decrease as a percentage of our revenue over the long term, although our general and administrative expenses may fluctuate as a percentage of our revenue from period to period due to the timing and extent of these expenses. In particular, litigation-related expenses related to significant litigation claims may result in significant fluctuations from period to period, as they are inherently subject to change and difficult to estimate.

#### *Interest Income*

Interest income consists primarily of income earned on our cash equivalents and short-term investments.

#### *Interest Expense*

Interest expense consists primarily of amortization of debt issuance costs, recognition of contractual interest expense related to the 2025 and 2028 Notes, and gains and losses related to changes in the fair value of interest rate swaps. For further information refer to Note 8, Derivative Instruments and Note 10, Convertible Senior Notes, of our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

### Other Expense, Net

Other expense, net consists primarily of foreign currency transaction gains and losses and changes in fair value of our non-designated derivative instruments.

### Provision for Income Taxes

Our provision for income taxes consists primarily of income and withholding taxes in the foreign jurisdictions, and U.S. income taxes from a tax law change related to mandatory capitalization of research and development expenses for tax years starting January 1, 2022. In the United States, we have recorded deferred tax assets for which we provide a full valuation allowance, which includes net operating loss and research and development tax credits carryforwards. We expect to maintain this full valuation allowance for the foreseeable future as it is more likely than not that some or all of those deferred tax assets may not be realized based on our history of losses.

### Results of Operations

The following tables set forth our results of operations for the periods presented in dollars and as a percentage of our revenue:

	Year Ended July 31,		
	2025	2024	2023
	(in thousands)		
Revenue	\$ 2,673,115	\$ 2,167,771	\$ 1,616,952
Cost of revenue <sup>(1)(2)(3)</sup>	618,178	477,129	362,832
Gross profit	2,054,937	1,690,642	1,254,120
Operating expenses:			
Sales and marketing <sup>(1)(2)(3)</sup>	1,259,158	1,100,239	959,102
Research and development <sup>(1)(2)(3)</sup>	672,485	499,828	350,786
General and administrative <sup>(1)(3)(4)</sup>	251,754	212,052	178,855
Total operating expenses	2,183,397	1,812,119	1,488,743
Loss from operations	(128,460)	(121,477)	(234,623)
Interest income	125,364	109,130	60,462
Interest expense <sup>(5)</sup>	(9,522)	(13,132)	(6,541)
Other expense, net	(5,673)	(3,750)	(1,862)
Loss before income taxes	(18,291)	(29,229)	(182,564)
Provision for income taxes	23,187	28,477	19,771
Net loss	\$ (41,478)	\$ (57,706)	\$ (202,335)

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

Cost of revenue	\$ 70,998	\$ 52,766	\$ 40,297
Sales and marketing	259,562	230,597	223,096
Research and development	257,663	186,107	121,359
General and administrative	97,311	79,630	73,063
Total	\$ 685,534	\$ 549,100	\$ 457,815

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

Cost of revenue	\$ 14,975	\$ 12,879	\$ 9,574
Sales and marketing	1,700	1,232	773
Research and development	145	513	713
Total	<u>\$ 16,820</u>	<u>\$ 14,624</u>	<u>\$ 11,060</u>

<sup>(3)</sup> Includes restructuring and other charges, excluding stock-based compensation expense:

Cost of revenue	\$ 138	\$ —	\$ —
Sales and marketing	—	—	4,422
Research and development	4,783	—	843
General and administrative	—	—	1,299
Total	<u>\$ 4,921</u>	<u>\$ —</u>	<u>\$ 6,564</u>

<sup>(4)</sup> Includes acquisition-related expenses \$ 1,316 \$ — \$ —

<sup>(5)</sup> Includes amortization of debt issuance costs \$ 4,293 \$ 3,914 \$ 3,894

The following table sets forth our results of operations for the periods presented as a percentage of our revenue:

	Year Ended July 31,		
	2025	2024	2023
Revenue	100%	100%	100%
Cost of revenue	23	22	22
Gross margin	77	78	78
Operating expenses			
Sales and marketing	47	51	60
Research and development	25	23	22
General and administrative	10	10	11
Total operating expenses	82	84	93
Operating margin	(5)	(6)	(15)
Interest income	5	6	4
Interest expense	(1)	(1)	—
Other expense, net	—	—	—
Loss before income taxes	(1)	(1)	(11)
Provision for income taxes	1	2	1
Net loss	(2)%	(3)%	(12)%

## Comparison of Fiscal 2025 and Fiscal 2024

### Revenue

	Year Ended July 31,		Change	
	2025	2024	\$	%
	(in thousands)			
Revenue	\$ 2,673,115	\$ 2,167,771	\$ 505,344	23 %

Revenue increased by \$505.3 million, or 23%, in fiscal 2025, compared to fiscal 2024. The change in revenue was driven primarily by an increase in users and sales of additional subscriptions to existing customers, which contributed \$434.0 million in additional revenue. The remainder of the increase was primarily attributable to the addition of new customers, as we increased our customer base by 9% from fiscal 2024 to fiscal 2025.

### Cost of Revenue and Gross Margin

	Year Ended July 31,		Change	
	2025	2024	\$	%
	(in thousands)			
Cost of revenue	\$ 618,178	\$ 477,129	\$ 141,049	30 %
Gross margin	77 %	78 %		

Cost of revenue increased by \$141.0 million, or 30%, in fiscal 2025, compared to fiscal 2024. The overall increase in cost of revenue was driven primarily by the expanded use of our cloud platform by existing and new customers, which led to an increase of \$76.1 million for data center and equipment-related costs for hosting and operating our cloud platform. Additionally, our employee-related expenses increased by \$49.4 million, inclusive of an increase of \$17.3 million in stock-based compensation expense, driven primarily by an increase in headcount in our customer support and cloud operations organizations. The remainder of the increase was primarily attributable to \$7.0 million in additional hardware costs related to a one-time large private cloud deployment and \$5.4 million for facility and IT services.

Gross margin decreased from 78% to 77% for fiscal 2025 as compared to fiscal 2024. The decrease in gross margin is primarily due to an increase in data center operating costs as we expanded our capacity and footprint to support our expanding customer base and an increase in employee-related expenses, including stock-based compensation expense, as a result of an increase in headcount. The remainder of the decrease was primarily attributable to additional hardware costs related to a one-time large private cloud deployment incurred in fiscal 2025.

### Operating Expenses

#### Sales and Marketing Expenses

	Year Ended July 31,		Change	
	2025	2024	\$	%
	(in thousands)			
Sales and marketing expenses	\$ 1,259,158	\$ 1,100,239	\$ 158,919	14 %

Sales and marketing expenses increased by \$158.9 million, or 14%, for fiscal 2025, compared to fiscal 2024. The change was primarily driven by an increase of \$116.4 million in employee-related expenses, inclusive of an increase of \$33.7 million in sales commissions expense, and an increase of \$29.5 million in stock-based compensation expense. The increase in employee-related expenses was primarily due to an increase in headcount. The remainder of the increase was primarily attributable to increased expenses of \$18.6 million in marketing and advertising expenses, \$10.6 million in travel expenses, \$5.1 million for facility and IT services and \$4.9 million for professional services.

#### Research and Development Expenses

	Year Ended July 31,		Change	
	2025	2024	\$	%
	(in thousands)			
Research and development expenses	\$ 672,485	\$ 499,828	\$ 172,657	35 %

Research and development expenses increased by \$172.7 million, or 35%, for fiscal 2025, compared to fiscal 2024, as we continued to develop and enhance the functionality of our cloud platform and integrate technologies acquired through our business acquisitions. The increase was primarily driven by an increase of \$167.8 million in employee-related expenses, inclusive of an increase of \$69.4 million in stock-based compensation expense, primarily due to an increase in headcount. During fiscal 2025, we recognized \$4.8 million of restructuring charges related to employee severance and benefit charges in research and development expenses. The remainder of the increase in research and development expenses was primarily attributable to increased expenses of \$24.9 million in facility, software and equipment-related expenses to support our growth and \$2.4 million in travel expenses. The increase was partially offset by higher capitalized internal-use software development costs of \$31.3 million to support the enhancement and growth of our cloud platform.

#### General and Administrative Expenses

	Year Ended July 31,		Change	
	2025	2024	\$	%
	(in thousands)			
General and administrative expenses	\$ 251,754	\$ 212,052	\$ 39,702	19 %

General and administrative expenses increased by \$39.7 million, or 19%, for fiscal 2025, compared to fiscal 2024. The overall increase was primarily due to an increase of \$34.2 million in employee-related expenses, inclusive of an increase of \$17.5 million in stock-based compensation expense, primarily due to an increase in headcount and accelerated vesting of awards related to executive transitions. The remainder of the increase was primarily attributable to \$4.8 million for facility-related expenses.

### Interest Income

	Year Ended July 31,		Change	
	2025	2024	\$	%
	(in thousands)			
Interest income	\$ 125,364	\$ 109,130	\$ 16,234	15 %

Interest income increased by \$16.2 million for fiscal 2025, compared to fiscal 2024. The change was driven primarily by our increased balance of cash equivalents and short-term investments.

### Interest Expense

	Year Ended July 31,		Change	
	2025	2024	\$	%
	(in thousands)			
Interest expense	\$ (9,522)	\$ (13,132)	\$ 3,610	(27)%

Interest expense decreased by \$3.6 million for fiscal 2025, compared to fiscal 2024. The change was driven primarily by fair value hedge adjustments related to our Convertible Senior Notes due 2025 (the "2025 Notes").

### Other Expense, Net

	Year Ended July 31,		Change	
	2025	2024	\$	%
	(in thousands)			
Other expense, net	\$ (5,673)	\$ (3,750)	\$ (1,923)	51 %

Other expense, net increased by \$1.9 million for fiscal 2025, compared to fiscal 2024. The change was driven primarily by fluctuations in foreign currency transactions gains and losses.

### Provision for Income Taxes

	Year Ended July 31,		Change	
	2025	2024	\$	%
	(in thousands)			
Provision for income taxes	\$ 23,187	\$ 28,477	\$ (5,290)	(19)%

Our provision for income taxes decreased by \$5.3 million, or 19%, for fiscal 2025, compared to fiscal 2024. The change was primarily driven by the release of the valuation allowance against our United Kingdom ("U.K.") deferred tax assets. For further information, refer to Note 15, Income Taxes, of the consolidated financial statements included elsewhere in this Annual Report on form 10-K.

Our effective tax rate of (136.5)% and (97.4)% in fiscal 2025 and fiscal 2024, respectively, differs from the applicable U.S. statutory federal income tax rate due to our valuation allowance against our U.S. federal and state deferred tax assets, the release of the valuation allowance against our U.K. deferred tax assets, and our foreign income being taxed at different rates than the U.S. statutory rate.

While we believe our current valuation allowance is sufficient, we assess the need for an adjustment to the valuation allowance on a quarterly basis. The assessment is based on our estimates of future sources of taxable income for the jurisdictions in which we operate and the periods over which our deferred tax assets will be realizable. In the event we determine that we will be able to realize all or part of our net deferred tax assets in the future, the valuation allowance will be

reversed in the period in which we make such determination. The release of a valuation allowance against deferred tax assets may cause greater volatility in the effective tax rate in the periods in which it is reversed.

On July 4, 2025, the United States enacted tax reform legislation through the One Big Beautiful Bill Act ("OBBBA"). Included in this legislation are provisions that allow for the immediate expensing of domestic research and development expenses, immediate expensing of certain capital expenditures, and other changes to the U.S. taxation of profits derived from foreign operations. The provisions in the legislation are generally effective beginning in fiscal 2026, and as such the tax impacts are not included in our operating results for fiscal 2025. We will continue to evaluate the impact of OBBBA, but currently we do not expect it to have a material impact on our consolidated financial statements in fiscal 2026 due to our valuation allowance.

**Comparison of Fiscal 2024 and Fiscal 2023**

For a discussion of our results of operations for the year ended July 31, 2024 as compared to the year ended July 31, 2023, refer to Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, of our Annual Report on Form 10-K filed with the SEC on September 12, 2024.

## Liquidity and Capital Resources

As of July 31, 2025, our principal sources of liquidity were cash, cash equivalents and short-term investments totaling \$3,572.4 million, which were held for working capital and general corporate purposes. Our cash equivalents and investments consist of highly liquid investments in money market funds, U.S. treasury securities, U.S. government agency securities, certificates of deposit and corporate debt securities.

In July 2025, we completed the private offering of the Convertible Senior Notes due 2028 (the “2028 Notes”) with an aggregate principal amount of \$1,725.0 million. The total net proceeds from the offering, after deducting initial purchase discount and issuance costs, was \$1,700.0 million. The 2028 Notes mature on July 15, 2028. In connection with the 2028 Notes, we entered into the capped call transactions which are expected to reduce the potential dilution of our common stock upon any conversion of the 2028 Notes and/or offset any cash payments we could be required to make in excess of the principal amount of the converted notes. We used an aggregate amount of \$196.8 million of the net proceeds of the 2028 Notes to purchase the capped call transactions. For further information refer to Note 10, Convertible Senior Notes, of our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

In June 2020, we completed the private offering of the Convertible Senior Notes due 2025 (the “2025 Notes”) with an aggregate principal amount of \$1,150.0 million. The 2025 Notes matured on July 1, 2025. We fully repaid the 2025 Notes by paying the principal amount of \$1,150.0 million in cash and settled the premium amount by issuing 3.8 million new shares of our common stock. We also received 2.4 million shares of our common stock from the capped call transactions related to the 2025 Notes. For further information refer to Note 10, Convertible Senior Notes, of our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

We have generated significant losses from operations, as reflected in our accumulated deficit of \$1,189.6 million as of July 31, 2025. We expect to continue to incur operating losses and have in the past and may in the future generate negative cash flows due to expected investments to grow our business, including potential business acquisitions and other strategic transactions.

We believe that our existing cash, cash equivalents and short-term investments will be sufficient to fund our working capital, capital expenditure and convertible senior notes repayment requirements for at least the next 12 months from the date of issuance of our financial statements. Our foreseeable cash needs, in addition to our recurring operating costs, include our expected capital expenditures to support expansion of our infrastructure and workforce, lease obligations, purchase commitments, potential business acquisitions, convertible senior notes repayment requirements and other strategic transactions. Our assessment of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties. Our actual results could vary as a result of, and our future capital requirements, both near-term and long-term, will depend on, many factors, including our growth rate, the timing and extent of spending to support our research and development efforts, the expansion of sales and marketing and international operating activities, the timing of new introductions of solutions or features, and the continuing market acceptance of our services, the impact of macroeconomic and geopolitical conditions to our and our customers', vendors' and partners' businesses. We have and may in the future enter into arrangements to acquire or invest in complementary businesses, services and technologies, including intellectual property rights. We have based this estimate on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. Additionally, some of the factors that may influence our operations are not within our control, such as general economic conditions, geopolitical developments and the impact of global crises. We may be required to seek additional equity or debt financing. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital when desired, or if we cannot expand our operations or otherwise capitalize on our business opportunities because we lack sufficient capital, our business, operating results and financial condition would be adversely affected.

We typically invoice our customers annually in advance, and to a lesser extent quarterly in advance, monthly in advance or multi-year in advance. Therefore, a substantial source of our cash is from such prepayments, which are included on our consolidated balance sheets as a contract liability. Deferred revenue consists of the unearned portion of billed fees for our subscriptions, which is subsequently recognized as revenue in accordance with our revenue recognition policy. As of July 31, 2025, we had deferred revenue of \$2,468.0 million, of which \$2,054.4 million was recorded as a current liability and is expected to be recorded as revenue in the next 12 months, provided all other revenue recognition criteria have been met. Subscriptions that are invoiced annually in advance or multi-year in advance contribute significantly to our short-term and long-term deferred revenue in comparison to our invoices issued quarterly in advance or monthly in advance. We strategically enter into agreements for multi-year in advance billings with our customers to achieve our and/or our customers' business objectives. Multi-year in advance billings increase our calculated billings in the period where such billings are invoiced and reduce the amount that could be invoiced and thus count toward calculated billings in future periods. We cannot predict the mix of invoicing schedules in any given period.

As of July 31, 2025, we did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

The following table summarizes our cash flows for the periods presented:

	Year Ended July 31,		
	2025	2024	2023
	(in thousands)		
Net cash provided by operating activities	\$ 972,453	\$ 779,846	\$ 462,343
Net cash used in investing activities	\$ (427,022)	\$ (683,180)	\$ (259,337)
Net cash provided by financing activities	\$ 420,512	\$ 64,208	\$ 45,990

### *Operating Activities*

Net cash provided by operating activities during fiscal 2025 was \$972.5 million, which resulted from a net loss of \$41.5 million, adjusted for non-cash charges of \$987.2 million and net cash inflows of \$26.7 million from changes in operating assets and liabilities. Non-cash charges primarily consisted of \$661.4 million for stock-based compensation expense, \$166.3 million for amortization of deferred contract acquisition costs, \$104.4 million for depreciation and amortization expense, \$63.0 million for non-cash operating lease costs, \$16.8 million for amortization expense of acquired intangible assets and \$4.3 million for amortization of debt issuance costs, partially offset by \$14.4 million for deferred income taxes and accretion of investments purchased at a discount of \$15.9 million.

Net cash inflows from changes in operating assets and liabilities were primarily the result of an increase of \$573.1 million in deferred revenue from advance invoicing in accordance with our subscription contracts, an increase of \$21.0 million in accrued compensation and an increase of \$17.5 million in accounts payable. Net cash inflows were partially offset by cash outflows resulting from an increase of \$230.5 million in deferred contract acquisition costs, as our sales commission payments increased due to the addition of new customers and expansion of our existing customer subscriptions, an increase of \$256.0 million in accounts receivable primarily due to timing of billings and collections, a decrease of \$62.0 million in operating lease liabilities primarily due to lease payments, an increase of \$41.6 million in prepaid expenses, other current and noncurrent assets and an increase of \$5.2 million in accrued expenses, other current and noncurrent liabilities.

Net cash provided by operating activities during fiscal 2024 was \$779.8 million, which resulted from a net loss of \$57.7 million, adjusted for non-cash charges of \$771.5 million and net cash inflows of \$66.1 million from changes in operating assets and liabilities. Non-cash charges primarily consisted of \$527.7 million for stock-based compensation expense, \$130.1 million for amortization of deferred contract acquisition costs, \$66.3 million for depreciation and

amortization expense, \$49.4 million for non-cash operating lease costs, \$14.6 million for amortization expense of acquired intangible assets and \$3.9 million for amortization of debt issuance costs, partially offset by amortization (accretion) of investments purchased at a premium (discount) of \$19.1 million and \$5.6 million for deferred income taxes.

Net cash inflows from changes in operating assets and liabilities were primarily the result of an increase of \$450.3 million in deferred revenue from advance invoicing in accordance with our subscription contracts, an increase of \$43.6 million in accrued expenses, other current and noncurrent liabilities, an increase of \$10.5 million in accrued compensation and an increase of \$4.2 million in accounts payable. Net cash inflows were partially offset by cash outflows resulting from an increase of \$200.3 million in deferred contract acquisition costs, as our sales commission payments increased due to the addition of new customers and expansion of our existing customer subscriptions, an increase of \$153.0 million in accounts receivable primarily due to timing of billings and collections, a decrease of \$49.2 million in operating lease liabilities primarily due to lease payments and an increase of \$40.0 million in prepaid expenses, other current and noncurrent assets.

### ***Investing Activities***

Net cash used in investing activities during fiscal 2025 of \$427.0 million was primarily attributable to the purchases of short-term investments of \$1,280.6 million, capital expenditures of \$245.8 million to support the growth and expansion of our cloud platform. These activities were partially offset by proceeds from the maturities and sales of short-term investments of \$1,101.0 million.

Net cash used in investing activities during fiscal 2024 of \$683.2 million was primarily attributable to the purchases of short-term investments of \$1,291.0 million, business acquisitions, net of cash acquired, of \$374.7 million, capital expenditures of \$194.9 million to support the growth and expansion of our cloud platform, and \$2.0 million for purchases of strategic investments. These activities were partially offset by proceeds from the maturities and sales of short-term investments of \$1,179.4 million.

### ***Financing Activities***

Net cash provided by financing activities of \$420.5 million during fiscal 2025 was primarily attributable to \$1,725.0 million from proceeds from issuance of the 2028 convertible senior notes, \$63.6 million in proceeds from the issuance of common stock under the ESPP and \$3.6 million in proceeds from the exercise of stock options. These activities were partially offset by \$1,150.0 million for settlement of the 2025 Notes, \$196.7 million for purchases of capped calls related to the 2028 Notes and \$24.2 million for issuance costs related to the 2028 Notes.

Net cash provided by financing activities of \$64.2 million during fiscal 2024 was primarily attributable to \$52.0 million in proceeds from the issuance of common stock under the ESPP and \$12.2 million in proceeds from the exercise of stock options.

### **Contractual Obligations and Commitments**

Our principal commitments consist of obligations under our 2028 Notes, real estate arrangements, co-location and bandwidth arrangements and non-cancelable purchase obligations. For additional information, refer to Note 10, Convertible Senior Notes, Note 11, Operating Leases, and Note 12, Commitments and Contingencies, of the consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

### **Critical Accounting Policies and Estimates**

Our financial statements are prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, as well as related disclosures. We evaluate our estimates and assumptions on an ongoing basis. Our estimates are based on historical

experience and various other assumptions that we believe to be reasonable under the circumstances. Our actual results could differ from these estimates. We refer to accounting estimates of this type as critical accounting policies and estimates, which we discuss below.

We have identified certain accounting policies that are significant to the preparation of our financial statements. These accounting policies are important for an understanding of our financial condition and results of operations. Critical accounting policies are those that are most important to the presentation of our financial condition and results of operations and require management's subjective or complex judgment, often as a result of the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods. While our significant accounting policies are more fully described in the notes to the consolidated financial statements appearing elsewhere in this Annual Report on Form 10-K, we believe the following accounting policies have the most significant impact on the consolidated financial statements.

### ***Revenue Recognition***

In accordance with Accounting Standards Codification, or ASC, Topic 606, Revenue From Contracts With Customers, or ASC 606, revenue is recognized when a customer obtains control of promised services. The amount of revenue recognized reflects the consideration that we expect to be entitled to receive in exchange for these services. To achieve the core principle of this standard, we apply the following five steps:

#### *1) Identify the contract with a customer*

We consider the terms and conditions of the contracts and our customary business practices in identifying our contracts under ASC 606. We determine we have a contract with a customer when the contract is approved, we can identify each party's rights regarding the services to be transferred, we can identify the payment terms for the services, we have determined the customer to have the ability and intent to pay, and the contract has commercial substance. We apply judgment in determining the customer's ability and intent to pay, which is based on a variety of factors, including the customer's historical payment experience or, in the case of a new customer, credit and financial information pertaining to the customer.

#### *2) Identify the performance obligations in the contract*

Performance obligations promised in a contract are identified based on the services that will be transferred to the customer that are both capable of being distinct, whereby the customer can benefit from the service either on its own or together with other resources that are readily available from third parties or from us, and are distinct in the context of the contract, whereby the transfer of the services is separately identifiable from other promises in the contract. Our performance obligations consist of (i) our subscription and support services and (ii) professional and other services.

#### *3) Determine the transaction price*

The transaction price is determined based on the consideration to which we expect to be entitled in exchange for transferring services to the customer. Variable consideration is included in the transaction price if, in our judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. None of our contracts contain a significant financing component.

#### *4) Allocate the transaction price to performance obligations in the contract*

If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on a relative standalone selling price ("SSP").

5) *Recognize revenue when or as we satisfy a performance obligation*

Revenue is recognized at the time the related performance obligation is satisfied by transferring the promised service to a customer. Revenue is recognized when control of the services is transferred to our customers, in an amount that reflects the consideration that we expect to receive in exchange for those services. We generate all our revenue from contracts with customers and apply judgment in identifying and evaluating any terms and conditions in contracts which may impact revenue recognition.

*Subscription and Support Revenue*

We generate revenue primarily from sales of subscriptions to access our cloud platform, together with related support services to our customers. Arrangements with customers do not provide the customer with the right to take possession of our software operating our cloud platform at any time. Instead, customers are granted continuous access to our cloud platform over the contractual period. A time-elapsed output method is used to measure progress because we transfer control evenly over the contractual period. Accordingly, the fixed consideration related to subscription and support revenue is generally recognized on a straight-line basis over the contract term beginning on the date that our service is made available to the customer.

The typical subscription and support term is one to three years. Most of our contracts are non-cancelable over the contractual term. Customers typically have the right to terminate their contracts for cause if we fail to perform in accordance with the contractual terms. Some of our customers have the option to purchase additional subscription and support services at a stated price. These options generally do not provide a material right as they are priced at our SSP.

*Professional and Other Services Revenue*

Professional and other services revenue consists of fees associated with providing deployment advisory services that educate and assist our customers on the best use of our solutions, as well as advise customers on best practices as they deploy our solution. These services are distinct from subscription and support services. Professional services do not result in significant customization of the subscription service. Revenue from professional services provided on a time and materials basis is recognized as the services are performed. Total professional and other services revenue has historically been insignificant.

*Contracts with Multiple Performance Obligations*

Most of our contracts with customers contain multiple promised services consisting of (i) our subscription and support services and (ii) professional and other services that are distinct and accounted for separately. The transaction price is allocated to the separate performance obligations on a relative SSP basis. We determine SSP based on our overall pricing objectives, taking into consideration the type of subscription and support services and professional and other services, the geographical region of the customer and the number of users.

*Variable Consideration*

Revenue from sales is recorded at the net sales price, which is the transaction price, and includes estimates of variable consideration. The amount of variable consideration that is included in the transaction price is constrained, and is included in the net sales price only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue will not occur when the uncertainty is resolved.

If our services do not meet certain service level commitments, our customers are entitled to receive service credits, and in certain cases, refunds, each representing a form of variable consideration. We have not historically experienced any significant incidents affecting the defined levels of reliability and performance as required by our subscription contracts.

Accordingly, any estimated refunds related to these agreements in the consolidated financial statements were not material during the periods presented.

We provide rebates and other credits within our contracts with certain customers which are estimated based on the most likely amounts expected to be earned or claimed on the related sales transaction. Overall, the transaction price is reduced to reflect our estimate of the amount of consideration to which we are entitled based on the terms of the contract. Estimated rebates and other credits were not material during the periods presented.

#### *Contract Balances*

Contract liabilities consist of deferred revenue and include payments received in advance of performance under the contract. Such amounts are recognized as revenue over the contractual period.

We receive payments from customers based upon contractual billing schedules; accounts receivable are recorded when the right to consideration becomes unconditional. Payment terms on invoiced amounts are typically 30 days. Contract assets include amounts related to our contractual right to consideration for both completed and partially completed performance obligations that may not have been invoiced and such amounts have been insignificant to date.

#### *Costs to Obtain and Fulfill a Contract*

We capitalize sales commissions and associated payroll taxes paid to sales personnel that are incremental to the acquisition of customer contracts. These costs are recorded as deferred contract acquisition costs on the consolidated balance sheets. We determine whether costs should be deferred based on our sales compensation plans, if the commissions are in fact incremental and would not have occurred absent the customer contract.

Sales commissions for renewal of a contract are not considered commensurate with the commissions paid for the acquisition of the initial contract given the substantive difference in commission rates in proportion to their respective contract values. Commissions paid upon the initial acquisition of a contract are amortized over an estimated period of benefit of five years while commissions paid for renewal contracts are amortized over the contractual term of the renewals. Amortization is recognized on a straight-line basis commensurate with the pattern of revenue recognition. We determine the period of benefit for commissions paid for the acquisition of the initial contract by taking into consideration the expected subscription term and expected renewals of our customer contracts, the duration of our relationships with customers, customer retention data, our technology development life cycle and other factors. Management exercises judgment to determine the period of benefit to amortize contract acquisition costs by considering factors such as expected renewals of customer contracts, duration of customer relationships and our technology development life cycle. Although we believe that the historical assumptions and estimates we have made are reasonable and appropriate, different assumptions and estimates could materially impact our reported financial results. Amortization of deferred contract acquisition costs is included in sales and marketing expense in the consolidated statements of operations. We periodically review these deferred costs to determine whether events or changes in circumstances have occurred that could impact the period of benefit of these deferred contract acquisition costs.

#### **Recently Issued Accounting Pronouncements**

Refer to Note 1, Business and Summary of Significant Accounting Policies, to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K for more information regarding recently issued accounting pronouncements.

## **Item 7A. Quantitative and Qualitative Disclosures about Market Risk**

We have operations in the United States and internationally, and we are exposed to market risk in the ordinary course of our business.

### ***Interest Rate Risk***

As of July 31, 2025, we had cash, cash equivalents and short-term investments totaling \$3,572.4 million, which were held for working capital purposes. Our cash equivalents and investments consist of highly liquid investments in money market funds, U.S. treasury securities, U.S. government agency securities, certificates of deposit and corporate debt securities. The primary objectives of our investment activities are the preservation of capital, the fulfillment of liquidity needs and the fiduciary control of cash and investments. We do not enter into investments for trading or speculative purposes. The carrying amount of our cash equivalents reasonably approximates fair value, due to the short maturities of these instruments. Our investments are exposed to market risk due to a fluctuation in interest rates, which may affect our interest income and the fair market value of our investments. As of July 31, 2025, the effect of a hypothetical 100 basis point change in interest rates would have changed the fair value of our investments in available-for-sale securities by \$13.9 million. Fluctuations in the fair value of our investments in available-for-sale securities caused by a change in interest rates (gains or losses on the carrying amount) are recorded in other comprehensive income (loss), and are realized only if we sell the underlying securities prior to maturity.

### ***Convertible Senior Notes***

In July 2025, we issued our 2028 Notes with an aggregate principal amount of \$1,725.0 million. In connection with the issuance of the 2028 Notes, we entered into privately negotiated capped call transactions with certain counterparties. The capped calls transactions are expected generally to offset the potential dilution to our common stock as a result of any conversion of the 2028 Notes.

The 2028 Notes have a 0.0% interest rate, we do not have economic interest rate exposure on the 2028 Notes. However, the fair value of the 2028 Notes is exposed to interest rate risk. Generally, the fair value of the 2028 Notes will increase as interest rates fall and decrease as interest rates rise. As of July 31, 2025, we carried the 2028 Notes at face value less unamortized debt issuance costs on our consolidated balance sheet. For further information refer to Note 10, Convertible Senior Notes, to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

### ***Foreign Currency Risk***

The vast majority of our sales contracts are denominated in U.S. dollars, with a small number of contracts denominated in foreign currencies. A portion of our operating expenses are incurred outside the United States, denominated in foreign currencies and subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the British Pound, Indian Rupee, Euro, Israeli Shekel, Canadian Dollar, Australian Dollar and Japanese Yen. Additionally, fluctuations in foreign currency exchange rates may cause us to recognize transaction gains and losses in our consolidated statements of operations. The effect of a hypothetical 10% change in foreign currency exchange rates applicable to our business would not have a material impact on the consolidated financial statements for all periods presented.

We have a foreign currency risk management program, and we enter into foreign currency forward contracts to hedge a portion of our forecasted foreign currency-denominated expenses. These foreign currency derivative contracts have a maturity up to 24 months or less and are designated as cash flow hedges to protect our earnings subjected to foreign currency risk. We also use foreign currency forward contracts to mitigate variability in gains and losses generated from the remeasurement of certain monetary assets and liabilities denominated in foreign currencies.

**Item 8. Financial Statements and Supplementary Data**

**Index to Consolidated Financial Statements**

	<u>Page</u>
<a href="#">Report of Independent Registered Public Accounting Firm (PCAOB ID 238)</a>	<a href="#">87</a>
<a href="#">Consolidated Financial Statements:</a>	
<a href="#">Consolidated Balance Sheets as of July 31, 2025 and 2024</a>	<a href="#">90</a>
<a href="#">Consolidated Statements of Operations for the years ended July 31, 2025, 2024 and 2023</a>	<a href="#">91</a>
<a href="#">Consolidated Statements of Comprehensive Loss for the years ended July 31, 2025, 2024 and 2023</a>	<a href="#">92</a>
<a href="#">Consolidated Statements of Stockholders' Equity for the years ended July 31, 2025, 2024 and 2023</a>	<a href="#">93</a>
<a href="#">Consolidated Statements of Cash Flows for the years ended July 31, 2025, 2024 and 2023</a>	<a href="#">94</a>
<a href="#">Notes to Consolidated Financial Statements</a>	<a href="#">95</a>

## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Zscaler, Inc.

### *Opinions on the Financial Statements and Internal Control over Financial Reporting*

We have audited the accompanying consolidated balance sheets of Zscaler, Inc. and its subsidiaries (the "Company") as of July 31, 2025 and 2024, and the related consolidated statements of operations, of comprehensive loss, of stockholders' equity and of cash flows for each of the three years in the period ended July 31, 2025, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of July 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of July 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended July 31, 2025 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of July 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

### *Change in Accounting Principle*

As discussed in Note 1 to the consolidated financial statements, the Company changed the manner in which it accounts for convertible senior notes as of August 1, 2022.

### *Basis for Opinions*

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness

of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

***Definition and Limitations of Internal Control over Financial Reporting***

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

***Critical Audit Matters***

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

***Revenue Recognition – Subscription and Support Revenue***

As described in Notes 1 and 2 to the consolidated financial statements, revenue is recognized when control of the services is transferred to the customers, in an amount that reflects the consideration that the Company expects to receive in exchange for those services. The Company generates all revenue from contracts with customers and management applies judgment in identifying and evaluating any terms and conditions in contracts which may impact revenue recognition. For the year ended July 31, 2025, the Company's revenue was \$2,673 million of which approximately 98% relates to subscription and support revenue.

The principal consideration for our determination that performing procedures relating to revenue recognition for subscription and support revenue is a critical audit matter is a high degree of auditor effort in performing procedures related to the Company's revenue recognition.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process for subscription and support revenue. These procedures also included, among others (i) testing revenue recognized for a sample of subscription and support revenue transactions by obtaining and inspecting source documents, such as sales quotes, purchase orders, sales orders, invoices, and payment receipts and (ii) confirming a sample of outstanding customer invoice balances as of July 31, 2025 and, for confirmations not returned, obtaining and inspecting source documents, such as sales quotes, purchase orders, sales orders, invoices, and subsequent payment receipts.

/s/ PricewaterhouseCoopers LLP  
San Jose, California  
September 11, 2025

We have served as the Company's auditor since 2015.

**ZSCALER, INC.**  
**Consolidated Balance Sheets**  
*(in thousands, except per share amounts)*

	<b>July 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 2,389,023	\$ 1,423,080
Short-term investments	1,183,386	986,574
Accounts receivable, net	992,181	736,529
Deferred contract acquisition costs	180,819	148,873
Prepaid expenses and other current assets	148,881	101,561
Total current assets	4,894,290	3,396,617
Property and equipment, net	543,377	383,121
Operating lease right-of-use assets	89,772	89,758
Deferred contract acquisition costs, noncurrent	328,722	296,525
Acquired intangible assets, net	47,323	63,835
Goodwill	417,730	417,029
Other noncurrent assets	98,674	58,083
Total assets	\$ 6,419,888	\$ 4,704,968
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 46,906	\$ 23,309
Accrued expenses and other current liabilities	93,984	91,708
Accrued compensation	181,807	160,810
Deferred revenue	2,054,417	1,643,919
Convertible senior notes	—	1,142,275
Operating lease liabilities	52,497	50,866
Total current liabilities	2,429,611	3,112,887
Convertible senior notes, noncurrent	1,700,727	—
Deferred revenue, noncurrent	413,609	251,055
Operating lease liabilities, noncurrent	43,352	44,824
Other noncurrent liabilities	33,316	22,100
Total liabilities	4,620,615	3,430,866
Commitments and contingencies (Note 12)		
<b>Stockholders' Equity</b>		
Preferred stock; \$0.001 par value; 200,000 shares authorized as of July 31, 2025 and 2024, respectively; no shares issued and outstanding as of July 31, 2025 and 2024	—	—
Common stock; \$0.001 par value; 1,000,000 shares authorized as of July 31, 2025 and 2024, respectively; 158,301 and 152,490 shares issued and outstanding as of July 31, 2025 and 2024, respectively	159	152
Additional paid-in capital	2,980,591	2,426,819
Accumulated other comprehensive income (loss)	8,081	(4,789)
Accumulated deficit	(1,189,558)	(1,148,080)
Total stockholders' equity	1,799,273	1,274,102
Total liabilities and stockholders' equity	\$ 6,419,888	\$ 4,704,968

The accompanying notes are an integral part of these consolidated financial statements.

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

	<b>Year Ended July 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Revenue	\$ 2,673,115	\$ 2,167,771	\$ 1,616,952
Cost of revenue	618,178	477,129	362,832
Gross profit	<u>2,054,937</u>	<u>1,690,642</u>	<u>1,254,120</u>
Operating expenses:			
Sales and marketing	1,259,158	1,100,239	959,102
Research and development	672,485	499,828	350,786
General and administrative	251,754	212,052	178,855
Total operating expenses	<u>2,183,397</u>	<u>1,812,119</u>	<u>1,488,743</u>
Loss from operations	(128,460)	(121,477)	(234,623)
Interest income	125,364	109,130	60,462
Interest expense	(9,522)	(13,132)	(6,541)
Other expense, net	(5,673)	(3,750)	(1,862)
Loss before income taxes	<u>(18,291)</u>	<u>(29,229)</u>	<u>(182,564)</u>
Provision for income taxes	23,187	28,477	19,771
Net loss	<u>\$ (41,478)</u>	<u>\$ (57,706)</u>	<u>\$ (202,335)</u>
Net loss per share, basic and diluted	<u>\$ (0.27)</u>	<u>\$ (0.39)</u>	<u>\$ (1.40)</u>
Weighted-average shares used in computing net loss per share, basic and diluted	<u>154,404</u>	<u>149,586</u>	<u>144,942</u>

The accompanying notes are an integral part of these consolidated financial statements.

**ZSCALER, INC.**  
**Consolidated Statements of Comprehensive Loss**  
*(in thousands)*

	Year Ended July 31,		
	2025	2024	2023
Net loss	\$ (41,478)	\$ (57,706)	\$ (202,335)
Available-for-sale securities:			
Change in net unrealized gains on available-for-sale securities	1,308	9,948	1,592
Cash flow hedging instruments:			
Change in net unrealized gains (losses)	9,004	(10,761)	11,103
Net realized (gains) losses reclassified into net loss	2,558	(2,400)	11,579
Net change on cash flow hedges	11,562	(13,161)	22,682
Other comprehensive income (loss)	12,870	(3,213)	24,274
Comprehensive loss	<u>\$ (28,608)</u>	<u>\$ (60,919)</u>	<u>\$ (178,061)</u>

The accompanying notes are an integral part of these consolidated financial statements.

**ZSCALER, INC.**  
**Consolidated Statements of Stockholders' Equity**  
*(in thousands)*

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of July 31, 2022	143,038	\$ 143	\$ 1,590,885	\$ (25,850)	\$ (991,878)	\$ 573,300
Cumulative effect adjustment from adoption of ASU 2020-06	—	—	(273,738)	—	103,839	(169,899)
Issuance of common stock upon exercise of stock options	451	—	3,944	—	—	3,944
Issuance of common stock under the employee stock purchase plan	425	—	42,263	—	—	42,263
Vesting of restricted stock units, performance stock awards and other stock issuances	3,255	4	(4)	—	—	—
Stock-based compensation	—	—	453,565	—	—	453,565
Other comprehensive income	—	—	—	24,274	—	24,274
Net loss	—	—	—	—	(202,335)	(202,335)
Balance as of July 31, 2023	147,169	147	1,816,915	(1,576)	(1,090,374)	725,112
Issuance of common stock upon exercise of stock options	864	—	12,249	—	—	12,249
Issuance of common stock under the employee stock purchase plan	489	—	51,998	—	—	51,998
Vesting of restricted stock units and performance stock awards	3,624	5	(5)	—	—	—
Issuance of restricted shares of common stock in connection with business acquisitions subject to future vesting	344	—	—	—	—	—
Issuance of replacement awards attributable to pre-combination vesting in connection with business acquisitions	—	—	3,805	—	—	3,805
Stock-based compensation	—	—	541,857	—	—	541,857
Other comprehensive loss	—	—	—	(3,213)	—	(3,213)
Net loss	—	—	—	—	(57,706)	(57,706)
Balance as of July 31, 2024	152,490	152	2,426,819	(4,789)	(1,148,080)	1,274,102
Issuance of common stock upon exercise of stock options	352	—	3,581	—	—	3,581
Issuance of common stock under the employee equity stock purchase plan	434	—	63,563	—	—	63,563
Vesting of restricted stock units and performance stock awards	3,631	5	(5)	—	—	—
Cash settlement for fractional shares upon settlement of the 2025 Notes	—	—	(86)	—	—	(86)
Shares issued to settle the premium amount upon repayment of the 2025 Notes	3,817	4	(4)	—	—	—
Shares received and retired from the 2025 Capped Calls upon repayment of the 2025 Notes	(2,423)	(2)	2	—	—	—
Purchase of the 2028 Capped Calls related to the 2028 Notes	—	—	(196,847)	—	—	(196,847)
Stock-based compensation	—	—	683,568	—	—	683,568
Other comprehensive income	—	—	—	12,870	—	12,870
Net loss	—	—	—	—	(41,478)	(41,478)
Balance as of July 31, 2025	158,301	\$ 159	\$ 2,980,591	\$ 8,081	\$ (1,189,558)	\$ 1,799,273

The accompanying notes are an integral part of these consolidated financial statements.

**ZSCALER, INC.**  
**Consolidated Statements of Cash Flows**  
*(in thousands)*

	Year Ended July 31,		
	2025	2024	2023
<b>Cash Flows From Operating Activities</b>			
Net loss	\$ (41,478)	\$ (57,706)	\$ (202,335)
Adjustments to reconcile net loss to cash provided by operating activities:			
Depreciation and amortization expense	104,361	66,308	55,756
Amortization expense of acquired intangible assets	16,820	14,624	11,060
Amortization of deferred contract acquisition costs	166,310	130,139	98,718
Amortization of debt issuance costs	4,293	3,914	3,894
Non-cash operating lease costs	62,998	49,445	32,212
Stock-based compensation expense	661,350	527,676	444,834
Accretion of investments purchased at a discount	(15,923)	(19,062)	(6,582)
Unrealized (gains) losses on hedging transactions	369	753	(3,319)
Deferred income taxes	(14,351)	(5,633)	352
Other	987	3,320	(820)
Changes in operating assets and liabilities, net of effects of business combinations:			
Accounts receivable	(256,010)	(152,960)	(183,858)
Deferred contract acquisition costs	(230,453)	(200,303)	(176,950)
Prepaid expenses, other current and noncurrent assets	(41,572)	(39,971)	(39,922)
Accounts payable	17,532	4,164	(8,416)
Accrued expenses, other current and noncurrent liabilities	5,180	43,556	26,814
Accrued compensation	20,997	10,507	24,538
Deferred revenue	573,052	450,314	418,564
Operating lease liabilities	(62,009)	(49,239)	(32,197)
<b>Net cash provided by operating activities</b>	<b>972,453</b>	<b>779,846</b>	<b>462,343</b>
<b>Cash Flows From Investing Activities</b>			
Purchases of property, equipment and other assets	(164,252)	(144,588)	(97,197)
Capitalized internal-use software	(81,508)	(50,308)	(31,527)
Payments for business acquisitions, net of cash acquired	(834)	(374,702)	(15,643)
Purchase of strategic investments	(824)	(2,000)	(3,206)
Purchases of short-term investments	(1,280,629)	(1,291,015)	(1,064,143)
Proceeds from maturities of short-term investments	1,101,025	1,132,268	901,849
Proceeds from sale of short-term investments	—	47,165	50,530
<b>Net cash used in investing activities</b>	<b>(427,022)</b>	<b>(683,180)</b>	<b>(259,337)</b>
<b>Cash Flows From Financing Activities</b>			
Proceeds from issuance of common stock upon exercise of stock options	3,581	12,249	3,944
Proceeds from issuance of common stock under the employee stock purchase plan	63,563	51,998	42,263
Payment of deferred consideration related to business acquisitions	(792)	—	(215)
Proceeds from issuance of the 2028 Notes	1,725,000	—	—
Payments for issuance costs related to the 2028 Notes	(24,150)	—	—
Purchases of capped calls related to the 2028 convertible senior notes	(196,650)	—	—
Payments for the settlement of the 2025 Notes	(1,150,040)	—	—
Other	—	(39)	(2)
<b>Net cash provided by financing activities</b>	<b>420,512</b>	<b>64,208</b>	<b>45,990</b>
Net increase in cash and cash equivalents	965,943	160,874	248,996
Cash and cash equivalents at beginning of period	1,423,080	1,262,206	1,013,210
Cash and cash equivalents at end of period	<u>\$ 2,389,023</u>	<u>\$ 1,423,080</u>	<u>\$ 1,262,206</u>

The accompanying notes are an integral part of these consolidated financial statements.

**ZSCALER, INC.**  
**Consolidated Statements of Cash Flows (continued)**  
*(in thousands)*

	Year Ended July 31,		
	2025	2024	2023
<b>Supplemental Disclosure of Cash Flow Information</b>			
Cash paid for income taxes, net of tax refunds	\$ 23,335	\$ 23,123	\$ 14,940
Cash paid for interest expense	\$ 1,436	\$ 1,436	\$ 1,438
<b>Non-Cash Activities</b>			
Operating lease right-of-use assets obtained in exchange for operating lease obligations, net of terminations	\$ 57,632	\$ 64,700	\$ 29,129
Equity consideration for business acquisitions	\$ —	\$ 3,805	\$ —
Net change in purchased equipment included in accounts payable and accrued expenses	\$ 10,977	\$ 1,111	\$ 1,588
Shares issued to settle the premium amount upon repayment of the 2025 Notes	\$ 4	\$ —	\$ —
Shares received and retired from the 2025 Capped Calls upon repayment of the 2025 Notes	\$ 2	\$ —	\$ —
Debt issuance and capped call costs included in accounts payable and accrued liabilities	\$ 999	\$ —	\$ —

The accompanying notes are an integral part of these consolidated financial statements.

## ZSCALER, INC.

### Notes to Consolidated Financial Statements

#### Note 1. Business and Summary of Significant Accounting Policies

##### *Description of the Business*

Zscaler, Inc. ("Zscaler," the "Company," "we," "us," or "our") is a cloud security company that developed a platform incorporating core security functionalities needed to enable fast and secure access to cloud resources based on identity, context and an organization's policies. Our solution is a purpose-built, multi-tenant, distributed cloud platform that implements Zero Trust principles to securely connect users, devices, applications and workloads (including AI agents) without relying on traditional network-based security. We deliver our solutions using a software-as-a-service ("SaaS") business model and sell subscriptions to customers to access our cloud platform, together with related support services. Our ever-evolving platform provides our customers with a flexible and scalable approach to better secure their operations, optimize user experience, eliminate complexity, reduce costs and respond to the challenges and opportunities of AI and future new technologies. We were incorporated in Delaware in September 2007 and conduct business worldwide, with presence in North America, South America, Europe and Asia. Our headquarters are in San Jose, California.

##### *Fiscal Year*

Our fiscal year ends on July 31. References to fiscal 2025, for example, refer to our fiscal year ending July 31, 2025.

##### *Principles of Consolidation*

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries and have been prepared in conformity with generally accepted accounting principles in the United States ("GAAP"). All intercompany balances and transactions have been eliminated in consolidation.

##### *Prior Period Reclassification*

Certain prior period amounts have been recast to align with the current period presentation, with no impact to the consolidated net loss or consolidated comprehensive loss previously reported.

##### *Use of Estimates*

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates, judgments and assumptions that affect the amounts reported and disclosed in the financial statements and accompanying notes. Such estimates include, but are not limited to, the determination of revenue recognition, deferred revenue, deferred contract acquisition costs, capitalized internal-use software, valuation of acquired intangible assets, period of benefit generated from our deferred contract acquisition costs, allowance for doubtful accounts, valuation of common stock options and stock-based awards, useful lives of property and equipment, useful lives of acquired intangible assets, recoverability of goodwill, valuation of deferred tax assets and liabilities, loss contingencies related to litigation, fair value of convertible senior notes and the discount rate used for operating leases. Management determines these estimates and assumptions based on historical experience and on various other assumptions that are believed to be reasonable. Actual results could differ significantly from these estimates, and such differences may be material to the consolidated financial statements.

Due to uncertainty in the macroeconomic and geopolitical environment, there is ongoing disruption in the global economy and financial markets. We are not aware of any specific event or circumstances that would require an update to our estimates, judgments or assumptions or a revision to the carrying value of our assets or liabilities as of the date of issuance of

these consolidated financial statements. These estimates, judgments and assumptions may change in the future, as new events occur or additional information is obtained.

### ***Foreign Currency***

The functional currency of our foreign subsidiaries is the U.S. dollar. Accordingly, monetary assets and liabilities of our foreign subsidiaries are re-measured into U.S. dollars at the exchange rates in effect at the reporting date, non-monetary assets and liabilities are re-measured at historical rates, revenue and expenses are re-measured at average exchange rates in effect during each reporting period. Foreign currency transaction gains and losses are recorded in other expense, net in the consolidated statements of operations. Foreign currency remeasurement gains and losses and foreign currency transaction gains and losses are not significant to the consolidated financial statements for all periods presented.

### ***Concentration of Risks***

We generate revenue primarily from sale of subscriptions to access our cloud platform, together with related support services. Our sales team, along with our channel partner network of global telecommunications service providers, system integrators and value-added resellers (collectively "channel partners"), sells our services worldwide to organizations of all sizes. Due to the nature of our services and the terms and conditions of our contracts with our channel partners, our business could be affected unfavorably if we are not able to continue our relationships with them.

Our financial instruments that are exposed to concentrations of credit risk consist primarily of cash, cash equivalents, derivative contracts, short-term investments and accounts receivable. Although we deposit our cash with multiple financial institutions, the deposits, at times, may exceed federally insured limits. Cash equivalents and short-term investments consist of highly liquid investments in money market funds, U.S. treasury, U.S. agency securities, certificates of deposit and corporate debt securities, which are invested through financial institutions.

We grant credit to our customers in the normal course of business. We monitor the financial condition of our customers to reduce credit risk. Refer to Note 2, Revenue Recognition, for information regarding customers with concentration of 10% or more of the total balance of accounts receivable, net.

### ***Segment Information***

We operate as one reportable and operating segment. Our chief operating decision maker is our chief executive officer, who reviews financial information presented on a consolidated basis for purposes of making operating decisions, assessing financial performance and allocating resources.

### ***Revenue Recognition***

In accordance with Accounting Standards Codification ("ASC") Topic 606, Revenue From Contracts With Customers ("ASC 606"), revenue is recognized when a customer obtains control of promised services. The amount of revenue recognized reflects the consideration that we expect to be entitled to receive in exchange for these services. To achieve the core principle of this standard, we apply the following five steps:

#### *1) Identify the contract with a customer*

We consider the terms and conditions of the contracts and our customary business practices in identifying our contracts under ASC 606. We determine we have a contract with a customer when the contract is approved, we can identify each party's rights regarding the services to be transferred, we can identify the payment terms for the services, we have determined the customer has the ability and intent to pay and the contract has commercial substance. We apply judgment in determining the customer's ability and intent to pay, which is based on a variety of factors, including the customer's historical payment experience or, in the case of a new customer, credit and financial information pertaining to the customer.

*2) Identify the performance obligations in the contract*

Performance obligations promised in a contract are identified based on the services that will be transferred to the customer that are both capable of being distinct, whereby the customer can benefit from the service either on its own or together with other resources that are readily available from third parties or from us, and are distinct in the context of the contract, whereby the transfer of the services is separately identifiable from other promises in the contract. Our performance obligations consist of (i) our subscription and support services and (ii) professional and other services.

*3) Determine the transaction price*

The transaction price is determined based on the consideration to which we expect to be entitled in exchange for transferring services to the customer. Variable consideration is included in the transaction price if, in our judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. None of our contracts contain a significant financing component.

*4) Allocate the transaction price to performance obligations in the contract*

If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on a relative standalone selling price ("SSP").

*5) Recognize revenue when or as we satisfy a performance obligation*

Revenue is recognized at the time the related performance obligation is satisfied by transferring the promised service to a customer. Revenue is recognized when control of the services is transferred to our customers, in an amount that reflects the consideration that we expect to receive in exchange for those services. We generate all our revenue from contracts with customers and apply judgment in identifying and evaluating any terms and conditions in contracts which may impact revenue recognition.

*Subscription and Support Revenue*

We generate revenue primarily from sales of subscriptions to access our cloud platform, together with related support services to our customers. Arrangements with customers do not provide the customer with the right to take possession of our software operating our cloud platform at any time. Instead, customers are granted continuous access to our cloud platform over the contractual period. A time-elapsed output method is used to measure progress because we transfer control evenly over the contractual period. Accordingly, the fixed consideration related to subscription and support revenue is generally recognized on a straight-line basis over the contract term beginning on the date that our service is made available to the customer.

The typical subscription and support term is one to three years. Most of our contracts are non-cancelable over the contractual term. Customers typically have the right to terminate their contracts for cause if we fail to perform in accordance with the contractual terms. Some of our customers have the option to purchase additional subscription and support services at a stated price. These options generally do not provide a material right as they are priced at our SSP.

*Professional and Other Services Revenue*

Professional and other services revenue consists of fees associated with providing deployment advisory services that educate and assist our customers on the best use of our solutions, as well as advise customers on best practices as they deploy our solution. These services are distinct from subscription and support services. Professional services do not result in significant customization of the subscription service. Revenue from professional services provided on a time and materials

basis is recognized as the services are performed. Total professional and other services revenue has historically not been material.

*Contracts with Multiple Performance Obligations*

Most of our contracts with customers contain multiple promised services consisting of: (i) our subscription and support services and (ii) professional and other services that are distinct and accounted for separately. The transaction price is allocated to the separate performance obligations on a relative SSP basis. We determine SSP based on our overall pricing objectives, taking into consideration the type of subscription and support services and professional and other services, the geographical region of the customer and the number of users.

*Variable Consideration*

Revenue from sales is recorded at the net sales price, which is the transaction price, and includes estimates of variable consideration. The amount of variable consideration that is included in the transaction price is constrained and included in the net sales price only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue will not occur when the uncertainty is resolved.

If our services do not meet certain service level commitments, our customers are entitled to receive service credits, and in certain cases, refunds, each representing a form of variable consideration. We have historically not experienced any significant incidents affecting the defined levels of reliability and performance as required by our subscription contracts. Accordingly, estimated refunds related to these agreements were not material to the periods presented.

We provide rebates and other credits within our contracts with certain customers, which are estimated based on the value expected to be earned or claimed on the related sales transaction. Overall, the transaction price is reduced to reflect our estimate of the amount of consideration to which we are entitled based on the terms of the contract. Estimated rebates and other credits were not material during the periods presented.

*Accounts Receivable and Allowance*

Accounts receivable are recorded at the invoiced amount and are non-interest bearing. Accounts receivable are stated at their net realizable value, net of an allowance for doubtful accounts. We have a well-established collections history from our customers. Credit is extended to customers based on an evaluation of their financial condition and other factors. In determining the necessary allowance for doubtful accounts, we estimate the lifetime expected credit losses against the existing accounts receivable balance. Our estimate is based on certain factors including historical loss rates, current economic conditions, reasonable and supportable forecasts and customer-specific circumstances. The allowance for doubtful accounts has historically not been material. There were no material write-offs recognized in the periods presented. Accordingly, the movements in the allowance for doubtful accounts were not material for any of the periods presented. We do not have any off-balance-sheet credit exposure related to our customers.

*Cash Equivalents and Short-Term Investments*

We classify all highly liquid investments purchased with an original maturity of 90 days or less from the date of purchase as cash equivalents and all highly liquid investments with original maturities beyond 90 days at the time of purchase as short-term investments. Our cash equivalents and short-term investments consist of highly liquid investments in money market funds, U.S. treasury securities, U.S. government agency securities, certificates of deposit and corporate debt securities.

We classify our investments as available-for-sale investments and present them within current assets since these investments represent funds available for current operations and we have the ability and intent, if necessary, to liquidate any of these investments in order to meet our liquidity needs or to grow our business, including for potential business acquisitions or other strategic transactions. Our investments are carried at fair value, with unrealized gains and losses unrelated to credit loss factors reported in accumulated other comprehensive income (loss) ("AOCI(L)").

Our investments are reviewed periodically when there is a decline in a security's fair value below the amortized cost basis. We consider our intent to sell and whether it is more likely than not that we will be required to sell the securities before the recovery of its cost basis. If either of these criteria are triggered, the amortized cost basis of the debt security is written down to fair value through other expense, net. If neither criteria is met, we evaluate whether the decline in fair value below the amortized cost basis is related to credit-related factors or other factors such as interest rate fluctuations. The factors considered in this analysis include the extent the fair value is less than the amortized cost basis, whether there were changes to the rating of the security by a ratings agency, whether the issuer has failed to make scheduled interest payments and other adverse conditions as applicable. Credit-related impairment losses, limited by the amount that the fair value is less than the amortized cost basis, are recorded through an allowance for credit losses in other expense, net. For purposes of identifying and measuring credit-related impairments, our policy is to exclude the applicable accrued interest from both the fair value and amortized cost basis of the related debt security. Accrued interest receivable, net of the allowance for credit losses, if any, is recorded to prepaid expenses and other current assets. There were no credit-related impairments recognized on our investments during the periods presented.

Interest income, accretion of investments purchased at a discount and realized gains and losses are included in interest income in the consolidated statements of operations.

### ***Strategic Investments***

Our strategic investments consist of non-marketable equity investments of privately held companies. Investments in non-marketable equity investments of privately held companies without readily determinable fair values are measured using the measurement alternative, as we have less than 20% ownership and do not have the ability to exercise significant influence over their operations. The carrying amount of non-marketable equity investments is adjusted based on observable price changes from orderly transactions for identical or similar investments of the same issuer and by impairments when events or circumstances indicate a decline in value has occurred. Non-marketable equity investments that have been remeasured during the period due to an observable event or impairment are classified within Level 3 in the fair value hierarchy because we estimate the value based on valuation methods which may include a combination of the observable transaction price at the transaction date and other unobservable inputs including volatility, rights, and obligations of the investments we hold. Our strategic investments are included within other noncurrent assets in the consolidated balance sheets and adjustments to their carrying amounts are recorded in other expense, net in the consolidated statements of operations. There were no material events or circumstances impacting the carrying amount of our strategic investments during the periods presented.

### ***Fair Value of Financial Instruments***

Our financial instruments consist of cash equivalents, short-term investments, accounts receivable, accounts payable, accrued liabilities, derivative instruments and convertible senior notes. Cash equivalents and short-term investments are recorded at fair value. Accounts receivable, accounts payable and accrued liabilities are stated at their carrying value, which approximates fair value due to the short-time to the expected receipt or payment date. Assets recorded at fair value on a recurring basis in the consolidated balance sheets, consisting of cash equivalents and short-term investments, are categorized in accordance with the fair value hierarchy based upon the level of judgment associated with the inputs used to measure their fair values. We carry the convertible senior notes at face value less debt issuance costs and hedge accounting fair value adjustments on our consolidated balance sheet. The fair value of the convertible senior notes is presented at each reporting period for disclosure purposes only.

### ***Property and Equipment***

Property and equipment, net are stated at historical cost net of accumulated depreciation. Property and equipment, excluding leasehold improvements, are depreciated using the straight-line method over the estimated useful lives of the respective assets, generally ranging from three to five years. Leasehold improvements are amortized using the straight-line method over the shorter of the estimated useful lives of the respective assets or the lease term. Expenditures for maintenance and repairs are expensed as incurred and significant improvements and betterments that substantially enhance the life of an asset are capitalized.

In August 2023, we completed an assessment of the useful lives of our servers and networking equipment, which resulted in an extension of their useful lives from four to five years. This change in accounting estimate was effective beginning fiscal 2024. Based on the carrying amount of these assets as of July 31, 2023, this change decreased depreciation expense by \$13.4 million for fiscal 2024.

### ***Capitalized Internal-Use Software***

We capitalize certain costs incurred during the application development stage in connection with software development for our cloud security platform. Costs related to preliminary project activities and post-implementation activities are expensed as incurred. Capitalized costs are recorded as part of property and equipment in the consolidated balance sheets. Maintenance and training costs are expensed as incurred. Capitalized internal-use software is amortized on a straight-line basis over its estimated useful life, which is generally three to five years, and is recorded as cost of revenue in the consolidated statements of operations. Capitalization of development costs, inclusive of stock-based compensation, of software for internal-use in fiscal 2025, fiscal 2024 and fiscal 2023 was \$124.5 million, \$76.9 million and \$48.6 million, respectively. Amortization expense of capitalized software for internal-use in fiscal 2025, fiscal 2024 and fiscal 2023 was \$61.6 million, \$36.3 million and \$24.2 million, respectively.

### ***Business Combinations***

We account for our business combinations using the acquisition method of accounting, which requires, among other things, allocation of the fair value of purchase consideration to the tangible and intangible assets acquired and liabilities assumed at their estimated fair values on the acquisition date. The excess of the fair value of purchase consideration over the values of these identifiable assets and liabilities is recorded as goodwill. When determining the fair value of assets acquired and liabilities assumed, we make estimates and assumptions, especially with respect to intangible assets. Our estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, not to exceed one year from the date of acquisition, we may record adjustments to the assets acquired and liabilities assumed, with a corresponding offset to goodwill if new information is obtained related to facts and circumstances that existed as of the acquisition date. After the measurement period, any subsequent adjustments are reflected in the consolidated statements of operations. Acquisition costs, such as legal and consulting fees, are expensed as incurred.

### ***Goodwill and Other Long-Lived Assets, including Acquired Intangible Assets***

Goodwill represents the excess of the fair value of purchase consideration in a business combination over the fair value of net tangible and intangible assets acquired. Goodwill amounts are not amortized, but rather tested for impairment at least annually or more often if circumstances indicate that the carrying value may not be recoverable. There was no impairment of goodwill during any of the periods presented.

Acquired intangible assets consist of identifiable intangible assets, including developed technology and customer relationships, resulting from business combinations. Acquired finite-lived intangible assets are initially recorded at fair value and are amortized on a straight-line basis over their estimated useful lives. Amortization expense of developed technology and customer relationships is recorded primarily within cost of revenues and sales and marketing expenses, respectively, in the consolidated statements of operations.

Long-lived assets, such as property and equipment and acquired intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. We measure the recoverability of these assets by comparing the carrying amounts to the future undiscounted cash flows that these assets are expected to generate. If the total of the future undiscounted cash flows are less than the carrying amount of an asset, we record an impairment charge for the amount by which the carrying amount of the asset exceeds the fair value. There were no asset impairments for all periods presented.

### ***Derivative Instruments***

We enter into foreign currency forward contracts, a portion of which we designate as cash flow hedges, in order to manage the volatility of cash flows that relate to our cost of revenues and operating expenses denominated in foreign currencies.

We also use interest rate swaps to economically convert a certain tranche of our fixed interest rate convertible senior notes to floating interest rates, in order to match the floating rate nature of a portion of our cash, cash equivalents, and short-term investments. These interest rate swaps are designated as fair value hedges, and changes in fair value of the interest rate swaps offset the changes in fair market value of the convertible senior notes due to benchmark interest rate movements. Gains or losses related to our fair value hedges are included within interest expense in the consolidated statement of operations in the period of change together with the offsetting loss or gain on the hedged item attributed to the risk being hedged. We measure hedge effectiveness of the interest rate swaps using regression analysis at inception and periodically thereafter.

Gains or losses related to our cash flow hedges are recorded as a component of AOCI(L) in the consolidated statements of stockholders' equity until the forecasted transaction occurs in earnings. When the forecasted transaction occurs, the related gains and losses are reclassified into earnings within the financial statement line item associated with the underlying hedged transaction. If the underlying hedged transaction does not occur, or it becomes probable that the hedged transaction will not occur, the cumulative unrealized gain or loss is reclassified immediately from AOCI(L) into earnings within the financial statement line item associated with the underlying hedged transaction. We measure hedge effectiveness using regression analysis at hedge inception and periodically thereafter. We include time value in our effectiveness assessment.

We recognize changes in the fair value of non-designated derivative instruments within other expense, net in the consolidated statements of operations in the same period that the fair value measurement occurs.

All of our derivative instruments are measured at fair value. We have elected to present the derivative assets and derivative liabilities on a gross basis on the consolidated balance sheets. Derivative instruments are classified in the consolidated statements of cash flows as cash from operating activities, which reflect the classification of the underlying hedged transactions.

### ***Operating Leases***

We enter into operating lease arrangements for real estate assets related to office space and co-location assets related to space and racks at data center facilities. We determine if an arrangement contains a lease at its inception by assessing whether there is an identified asset and whether the arrangement conveys the right to control the use of the identified asset in exchange for consideration. Operating leases related balances are included in "operating lease right-of-use assets," "operating lease liabilities," and "operating lease liabilities, noncurrent" in the consolidated balance sheets. Right-of-use assets represent

our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make payments arising from the lease. Operating lease right-of-use assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease payments consist of the fixed payments under the arrangement. The operating lease liabilities are adjusted for any unpaid lease incentives, such as tenant improvement allowances. Variable costs, such as maintenance and utilities based on actual usage, are not included in the measurement of right-to-use assets and lease liabilities but are expensed when the event determining the amount of variable consideration to be paid occurs. As the implicit rate of our leases is not determinable, we use an incremental borrowing rate ("IBR") based on the information available at the lease commencement date in determining the present value of lease payments. The lease expense is recognized on a straight-line basis over the lease term.

We generally use the base, non-cancelable lease term when recognizing the right-of-use assets and lease liabilities, unless it is reasonably certain that a renewal or termination option will be exercised. We account for lease components and non-lease components as a single lease component.

Leases with a term of twelve months or less are not recognized on the consolidated balance sheets.

### ***Stock-Based Compensation***

Compensation expense related to stock-based awards granted to employees and non-employees is calculated based on the fair value of stock-based awards on the date of grant. We recognize stock-based compensation expense in the consolidated statement of operations over an award's requisite service period based on the award's fair value.

Stock-based compensation for common stock options is measured based on the fair value of the awards granted, determined using the Black-Scholes option pricing model. Stock-based compensation expense is recognized on a straight-line basis over the requisite service period, generally four years.

Stock-based compensation for purchase rights granted under the employee stock purchase plan ("ESPP") is measured based on the fair value of the number of awards estimated at the beginning of the offering period, as determined using the Black-Scholes option pricing model. Stock-based compensation expense is recognized on a straight-line basis over the two-year offering period.

Stock-based compensation for restricted stock units ("RSUs") with only service conditions is measured based on the market closing price of our common stock on the grant date. Stock-based compensation expense is recognized on a straight-line basis over the requisite service period, generally four years.

Stock-based compensation for performance stock awards ("PSAs"), which have the same grant date and service inception date, and subject to both service and performance conditions, is measured based on the probable number of shares to be attained and the market closing price of our common stock at the grant date. The expense is recognized using the accelerated attribution method over the requisite service period. For PSAs where the service inception date of the awards precedes the grant date, stock-based compensation expense is recognized based on the number of PSAs for which it is probable that the performance condition will be met, using the accelerated attribution method and the market closing price of our common stock at each reporting date up to the grant date. The number of these PSAs for which it is probable that the performance condition will be met is determined using management's best estimate at the end of each reporting period. At the completion of the performance period for these PSAs, any earned PSAs are granted upon approval of the compensation committee of our board of directors.

We account for forfeitures as they occur for all stock-based awards.

### ***Convertible Senior Notes***

We account for each series of its convertible senior notes as a liability in its entirety, measured at amortized cost. Debt

issuance costs incurred in connection with the issuance of convertible senior notes are reflected in the consolidated balance sheets as a direct deduction from the carrying amount of the outstanding convertible senior notes. These costs are amortized using the effective interest rate method over the terms of the convertible senior notes and are included within interest expense on the consolidated statements of operations.

We use the if-converted method to calculate the potentially diluted effect of the convertible senior notes. Accordingly, to account for the potentially diluted shares related to the convertible senior notes under a net income position, we are required to add back the related interest expense to the net income. Since we have reported net losses for all periods presented, the convertible senior notes were determined to be anti-dilutive and therefore had no impact to the diluted net loss per share for all periods presented.

#### ***Research and Development***

Our research and development expenses support our efforts to add new products, new features to our existing offerings and to ensure the reliability, availability and scalability of our solutions. Our cloud platform is software-driven, and our research and development teams employ software engineers in the design and the related development, testing, certification and support of our solutions. Accordingly, the majority of our research and development expenses result from employee-related costs, including salaries, bonuses, benefits, stock-based compensation and costs associated with technology tools used by our engineers.

#### ***Advertising Expenses***

Advertising expenses are charged to sales and marketing expenses in the consolidated statements of operations as incurred. We recognized advertising expense of \$29.9 million, \$25.0 million and \$24.0 million in fiscal 2025, fiscal 2024 and fiscal 2023, respectively.

#### ***Warranties and Indemnification***

Our cloud platform is generally warranted to be free of defects under normal use and to perform substantially in accordance with the subscription agreement. Additionally, our contracts generally include provisions for indemnifying customers and channel partners against liabilities if our services infringe or misappropriate a third party's intellectual property rights. Costs and liabilities incurred as a result of warranties and indemnification obligations were not material during the periods presented.

#### ***Legal Contingencies***

We may be subject to legal proceedings and litigation arising from time to time. We record a liability when we believe that it is both probable that a loss has been incurred and the amount can be reasonably estimated. We periodically evaluate developments in our legal matters that could affect the amount of liability that we accrue, if any, and adjust, as appropriate. Until the final resolution of any such matter for which we may be required to record a liability, there may be a loss exposure in excess of the liability recorded and such amount could be significant. We expense legal fees as incurred.

#### ***Income Taxes***

We account for income taxes using the asset and liability method. Deferred income taxes are recognized by applying the enacted statutory tax rates applicable to future years to differences between the carrying amounts of existing assets and liabilities and their respective tax bases and net operating loss and tax credit carryforwards. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance to amounts that are more likely than not to be realized.

We recognize tax benefits from uncertain tax positions only if we believe that it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement. We recognize interest and penalties associated with our unrecognized tax benefits as a component of our income tax expense.

### ***Comprehensive Loss***

Comprehensive loss is comprised of the net loss and other comprehensive income (loss). Our other comprehensive income (loss) includes unrealized gains and losses on available-for-sale securities and unrealized gains and losses and realized gains and losses reclassified into net loss on cash flow hedges, as reflected in the consolidated statements of comprehensive loss.

### ***Net Loss Per Share***

Basic net loss per share is computed by dividing the net loss by the weighted-average number of shares of common stock outstanding during the period, less shares subject to repurchase.

Diluted earnings per share adjusts basic earnings per share for all potentially dilutive common stock equivalents outstanding during the period. Potentially dilutive securities consist primarily of stock options, share purchase rights under the ESPP, unvested RSUs, unvested PSAs, unvested common stock and shares related to convertible senior notes. Since we have reported net losses for all periods presented, we have excluded all potentially dilutive securities from the calculation of the diluted net loss per share, as their effect is antidilutive. Accordingly, basic and diluted net loss per share is the same for all periods presented.

### ***Recently Adopted Accounting Pronouncements***

In November 2023, the Financial Accounting Standards Board ("FASB") issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires disclosure of incremental segment information on an annual and interim basis. We adopted this standard during the fiscal year ended July 31, 2025, refer to Note 17, Segment and Geographic Information for the additional required disclosures.

In June 2020, the FASB issued ASU No. 2020-06. This standard removes the separation model for convertible debt with a cash conversion feature and convertible instruments with a beneficial conversion feature. Such convertible debt will be accounted for as a single liability measured at its amortized cost, as long as no other features require bifurcation and recognition as derivatives. The update also requires the if-converted method to be used for convertible instruments and the effect of potential share settlement be included in the diluted earnings per share calculation when an instrument may be settled in cash or shares. We adopted this standard effective on August 1, 2022, the beginning of fiscal 2023, using the modified retrospective method.

### ***Recently Issued Accounting Pronouncements Not Yet Adopted***

In July 2025, the FASB issued ASU No. 2025-05, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. This standard amends guidance on measuring expected credit losses for current accounts receivable and contract assets arising from revenue contracts. This amended guidance requires to estimate credit losses for these short-term assets based on the economic conditions that exist as of the balance sheet date, without forecasting future economic conditions. This standard is effective for us in the annual periods beginning in fiscal 2027 and interim periods beginning in the first quarter of fiscal 2028. We are currently evaluating the potential impact of this standard on financial statement disclosures.

In December 2023, the FASB issued 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amended guidance enhances income tax disclosures primarily related to the effective tax rate reconciliation and income taxes paid information. This guidance requires disclosures of specific categories in the effective tax rate reconciliation and further information on reconciling items meeting a quantitative threshold. In addition, the amended guidance requires disaggregating income taxes paid (net of refunds received) by federal, state and foreign taxes. It also requires disaggregating individual jurisdictions in which income taxes paid (net of refunds received) is equal to or greater than 5% of total income taxes paid (net of refunds received). This standard is effective for us in the annual periods beginning in fiscal 2026. We are currently evaluating the potential impact of this standard on financial statement disclosures.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40), Disaggregation of Income Statement Expenses*. This standard requires disclosures of additional information about specific expense categories in the notes to the financial statements for interim and annual reporting periods. This standard is effective for us in the annual periods beginning in fiscal 2028 and interim periods beginning in the first quarter of fiscal 2029. We are currently evaluating the potential impact of this standard on our consolidated financial statement disclosures.

## Note 2. Revenue Recognition

### Disaggregation of Revenue

Subscription and support revenue is recognized over time and accounted for approximately 98%, 97% and 97% of our revenue for each of fiscal 2025, fiscal 2024 and fiscal 2023, respectively.

The following table summarizes the revenue by region based on the shipping address of customers who have contracted to use our cloud platform:

	Year Ended July 31,					
	2025		2024		2023	
	Amount	% Revenue	Amount	% Revenue	Amount	% Revenue
	(in thousands, except for percentage data)					
United States	\$ 1,359,325	51 %	\$ 1,092,304	50 %	\$ 808,527	50 %
Europe, Middle East and Africa	792,823	30	672,421	31	515,136	32
Asia Pacific	423,811	16	327,816	15	241,250	15
Other	97,156	3	75,230	4	52,039	3
Total	\$ 2,673,115	100 %	\$ 2,167,771	100 %	\$ 1,616,952	100 %

The following table summarizes the revenue from contracts by type of customer:

	Year Ended July 31,					
	2025		2024		2023	
	Amount	% Revenue	Amount	% Revenue	Amount	% Revenue
	(in thousands, except for percentage data)					
Channel partners	\$ 2,360,224	88 %	\$ 1,967,908	91 %	\$ 1,488,379	92 %
Direct customers	312,891	12	199,863	9	128,573	8
Total	\$ 2,673,115	100 %	\$ 2,167,771	100 %	\$ 1,616,952	100 %

### ***Significant Customers***

No single customer accounted for 10% or more of the total revenue during the periods presented. The following table summarizes the concentration of 10% or more of the total balance of accounts receivable, net:

	<u>July 31, 2025</u>	<u>July 31, 2024</u>
Channel partner A	12%	*

### ***Contract Balances***

Contract liabilities consist of deferred revenue and include payments received in advance of performance under the contract. Such amounts are recognized as revenue over the contractual period. Deferred revenue, including current and noncurrent balances as of July 31, 2025 and July 31, 2024 was \$2,468.0 million and \$1,895.0 million, respectively. In fiscal 2025, fiscal 2024 and fiscal 2023 we recognized revenue of \$1,643.1 million, \$1,277.8 million and \$919.9 million, respectively, that was included in the corresponding contract liability balance at the beginning of the related fiscal year.

We receive payments from customers based upon contractual billing schedules and accounts receivable are recorded when the right to consideration becomes unconditional. Payment terms on invoiced amounts are typically 30 days but may be up to 90 days for some of our channel partners. Contract assets include amounts related to our contractual right to consideration for both completed and partially completed performance obligations that may not have been invoiced and such amounts have historically not been material.

### ***Remaining Performance Obligations***

The typical subscription and support term is one to three years. Most of our subscription and support contracts are non-cancelable over the contractual term. However, customers typically have the right to terminate their contracts for cause, if we fail to perform. As of July 31, 2025, the aggregate amount of the transaction price allocated to remaining performance obligations was \$5,780.1 million. We expect to recognize 46% of the transaction price over the next 12 months and 90% of the transaction price over the next three years, with the remainder recognized thereafter.

### ***Costs to Obtain and Fulfill a Contract***

We capitalize sales commission and associated payroll taxes paid to sales personnel that are incremental to the acquisition of customer contracts. These costs are recorded as deferred contract acquisition costs in the consolidated balance sheets. We determine whether costs should be deferred based on our sales compensation plans, if the commissions are in fact incremental and would not have occurred absent the customer contract.

Sales commissions for renewal of a contract are not considered commensurate with the commissions paid for the acquisition of the initial contract given the substantive difference in commission rates in proportion to their respective contract values. Commissions paid upon the initial acquisition of a contract are amortized over an estimated period of benefit of five years while commissions paid for renewal contracts are amortized over the contractual term of the renewals. Amortization of deferred contract acquisition costs is recognized on a straight-line basis commensurate with the pattern of revenue recognition and included in sales and marketing expense in the consolidated statements of operations.

We determine the period of benefit for commissions paid for the acquisition of the initial contract by taking into consideration the expected subscription term and expected renewals of our customer contracts, the duration of our relationships with our customers, customer retention data, our technology development lifecycle and other factors. We periodically review the carrying amount of deferred contract acquisition costs to determine whether events or changes in circumstances have occurred that could impact the period of benefit of these deferred costs. We did not recognize any impairment losses of deferred contract acquisition costs during the periods presented.

The activity of the deferred contract acquisition costs consisted of the following:

	Year Ended July 31,		
	2025	2024	2023
	(in thousands)		
Beginning balance	\$ 445,398	\$ 375,234	\$ 297,002
Capitalization of contract acquisition costs	230,453	200,303	176,950
Amortization of deferred contract acquisition costs	(166,310)	(130,139)	(98,718)
Ending balance	<u>\$ 509,541</u>	<u>\$ 445,398</u>	<u>\$ 375,234</u>

The outstanding balance of the deferred contract acquisition costs consisted of the following:

	July 31,	
	2025	2024
	(in thousands)	
Deferred contract acquisition costs, current	\$ 180,819	\$ 148,873
Deferred contract acquisition costs, noncurrent	328,722	296,525
Total deferred contract acquisition costs	<u>\$ 509,541</u>	<u>\$ 445,398</u>

**Note 3. Cash Equivalents and Short-Term Investments**

Cash equivalents and short-term investments consisted of the following as of July 31, 2025:

	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
	(in thousands)			
Cash equivalents:				
Money market funds	\$ 1,403,678	\$ —	\$ —	\$ 1,403,678
Corporate debt securities	8,468	—	—	8,468
Certificates of deposit	131,463	—	—	131,463
Total cash equivalents	<u>\$ 1,543,609</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,543,609</u>
Short-term investments:				
U.S. treasury securities	\$ 231,193	\$ 56	\$ (250)	\$ 230,999
U.S. government agency securities	75,006	26	(40)	74,992
Corporate debt securities	876,330	1,812	(747)	877,395
Total short-term investments	<u>\$ 1,182,529</u>	<u>\$ 1,894</u>	<u>\$ (1,037)</u>	<u>\$ 1,183,386</u>
Total cash equivalents and short-term investments	<u><u>\$ 2,726,138</u></u>	<u><u>\$ 1,894</u></u>	<u><u>\$ (1,037)</u></u>	<u><u>\$ 2,726,995</u></u>

Cash equivalents and short-term investments consisted of the following as of July 31, 2024:

	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
	(in thousands)			
Cash equivalents:				
Money market funds	\$ 956,932	\$ —	\$ —	\$ 956,932
U.S. treasury securities	178,188	—	(15)	178,173
U.S. government agency securities	57,555	—	(6)	57,549
Certificates of deposit	80,940	—	—	80,940
Total cash equivalents	<u>\$ 1,273,615</u>	<u>\$ —</u>	<u>\$ (21)</u>	<u>\$ 1,273,594</u>
Short-term investments:				
U.S. treasury securities	\$ 257,841	\$ 8	\$ (828)	\$ 257,021
U.S. government agency securities	160,574	43	(542)	160,075
Corporate debt securities	568,589	1,514	(625)	569,478
Total short-term investments	<u>\$ 987,004</u>	<u>\$ 1,565</u>	<u>\$ (1,995)</u>	<u>\$ 986,574</u>
Total cash equivalents and short-term investments	<u><u>\$ 2,260,619</u></u>	<u><u>\$ 1,565</u></u>	<u><u>\$ (2,016)</u></u>	<u><u>\$ 2,260,168</u></u>

The amortized cost and fair value of our short-term investments based on their stated maturities consisted of the following as of July 31, 2025:

	Amortized Cost	Fair Value
	(in thousands)	
Due within one year	\$ 457,832	\$ 458,067
Due between one to three years	724,697	725,319
<b>Total</b>	<b>\$ 1,182,529</b>	<b>\$ 1,183,386</b>

Short-term investments that were in continuous unrealized loss position as of July 31, 2025 consisted of the following:

	Less than 12 Months		Greater than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(in thousands)					
U.S. treasury securities	\$ 156,395	\$ (250)	\$ —	\$ —	\$ 156,395	\$ (250)
U.S. government agency securities	36,098	(40)	—	—	36,098	(40)
Corporate debt securities	360,840	(747)	—	—	360,840	(747)
<b>Total</b>	<b>\$ 553,333</b>	<b>\$ (1,037)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 553,333</b>	<b>\$ (1,037)</b>

Short-term investments that were in continuous unrealized loss position as of July 31, 2024 consisted of the following:

	Less than 12 Months		Greater than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(in thousands)					
U.S. treasury securities	\$ 152,574	\$ (115)	\$ 87,808	\$ (713)	\$ 240,382	\$ (828)
U.S. government agency securities	65,563	(28)	65,334	(514)	130,897	(542)
Corporate debt securities	81,020	(102)	94,666	(523)	175,686	(625)
<b>Total</b>	<b>\$ 299,157</b>	<b>\$ (245)</b>	<b>\$ 247,808</b>	<b>\$ (1,750)</b>	<b>\$ 546,965</b>	<b>\$ (1,995)</b>

We review the individual securities that have unrealized losses in our short-term investment portfolio on a regular basis. We evaluate, among other criteria, whether we have the intention to sell any of these investments and whether it is more likely than not that we will be required to sell any of them before recovery of the amortized cost basis. Neither of these criteria were met in any period presented. We additionally evaluate whether the decline in fair value of the corporate debt securities below their amortized cost basis is related to credit losses or other factors. Based on this evaluation, we determined that unrealized losses of the above securities were primarily attributable to changes in interest rates and non credit-related factors. Accordingly, we determined that an allowance for credit losses was unnecessary for our short-term investments as of July 31, 2025 and 2024.

As of July 31, 2025 and 2024, we recorded \$17.9 million and \$10.7 million, respectively, of accrued interest receivable within prepaid expenses and other current assets in the consolidated balance sheets.

### *Strategic Investments*

Our strategic investments consist primarily of non-marketable equity securities of privately held companies which do not have a readily determinable fair value. These investments are primarily accounted for under the cost method as we have less than 20% ownership and do not have the ability to exercise significant influence over their operations. As of July 31,

2025 and 2024, the carrying amount of our strategic investments was \$10.6 million and \$9.8 million, respectively, and is included within other noncurrent assets in the consolidated balance sheets. There were no material events or circumstances impacting their carrying amounts during the periods presented.

**Note 4. Fair Value Measurements**

Fair value is defined as the exchange price that would be received from the sale of an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. We measure our financial assets and liabilities at fair value at each reporting period using a fair value hierarchy which requires us to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Three levels of inputs may be used to measure fair value:

- Level I - Observable inputs are unadjusted quoted prices in active markets for identical assets or liabilities;
- Level II - Observable inputs are quoted prices for similar assets and liabilities in active markets or inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly through market corroboration, for substantially the full term of the financial instruments; and
- Level III - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. These inputs are based on our own assumptions used to measure assets and liabilities at fair value and require significant management judgment or estimation.

Our money market funds are classified within Level I due to the highly liquid nature of these assets and have quoted prices in active markets. Certain of our investments in available-for-sale securities (i.e., U.S. treasury securities, U.S. government agency securities, certificates of deposit and corporate debt securities), as well as our assets and liabilities arising from our foreign currency forward contracts and our interest rate swap contracts, are classified within Level II. The fair value of our Level II financial assets and liabilities is determined by using inputs based on non-binding market consensus prices that are primarily corroborated by observable market data or quoted market prices for similar instruments, for substantially the full term of the financial assets and liabilities.

Assets and liabilities that are measured at fair value on a recurring basis consisted of the following as of July 31, 2025:

	Fair Value	Level I	Level II	Level III
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
(in thousands)				
Cash equivalents:				
Money market funds	\$ 1,403,678	\$ 1,403,678	\$ —	\$ —
Corporate debt securities	8,468	—	8,468	—
Certificates of deposit	131,463	—	131,463	—
Total cash equivalents	\$ 1,543,609	\$ 1,403,678	\$ 139,931	\$ —
Short-term investments:				
U.S. treasury securities	\$ 230,999	\$ —	\$ 230,999	\$ —
U.S. government agency securities	74,992	—	74,992	—
Corporate debt securities	877,395	—	877,395	—
Total short-term investments	\$ 1,183,386	\$ —	\$ 1,183,386	\$ —
Total cash equivalents and short-term investments	\$ 2,726,995	\$ 1,403,678	\$ 1,323,317	\$ —
Designated derivative instruments:				
Foreign currency contracts assets-current <sup>(1)</sup>	\$ 10,713	\$ —	\$ 10,713	\$ —
Foreign currency contracts assets-noncurrent <sup>(2)</sup>	\$ 3,705	\$ —	\$ 3,705	\$ —
Foreign currency contracts liabilities-current <sup>(3)</sup>	\$ 4,006	\$ —	\$ 4,006	\$ —
Foreign currency contracts liabilities-noncurrent <sup>(4)</sup>	\$ 1,319	\$ —	\$ 1,319	\$ —
Non-designated derivative instruments:				
Foreign currency contracts assets-current <sup>(1)</sup>	\$ 5,115	\$ —	\$ 5,115	\$ —
Foreign currency contracts liabilities-current <sup>(3)</sup>	\$ 3,956	\$ —	\$ 3,956	\$ —

<sup>(1)</sup> Included within prepaid expenses and other current assets in the consolidated balance sheets.

<sup>(2)</sup> Included within other noncurrent assets in the consolidated balance sheets.

<sup>(3)</sup> Included within accrued expenses and other current liabilities in the consolidated balance sheets.

<sup>(4)</sup> Included within other noncurrent liabilities in the consolidated balance sheets.

Assets that are measured at fair value on a recurring basis consisted of the following as of July 31, 2024:

	Fair Value	Level I Quoted Prices in Active Markets for Identical Assets	Level II Significant Other Observable Inputs	Level III Significant Unobservable Inputs
	(in thousands)			
Cash equivalents:				
Money market funds	\$ 956,932	\$ 956,932	\$ —	\$ —
U.S. treasury securities	178,173	—	178,173	—
U.S. government agency securities	57,549	—	57,549	—
Certificates of deposit	80,940	—	80,940	—
Total cash equivalents	\$ 1,273,594	\$ 956,932	\$ 316,662	\$ —
Short-term investments:				
U.S. treasury securities	\$ 257,021	\$ —	\$ 257,021	\$ —
U.S. government agency securities	160,075	—	160,075	—
Corporate debt securities	569,478	—	569,478	—
Total short-term investments	\$ 986,574	\$ —	\$ 986,574	\$ —
Total cash equivalents and short-term investments	\$ 2,260,168	\$ 956,932	\$ 1,303,236	\$ —
Designated derivative instruments:				
Foreign currency contracts assets-current <sup>(1)</sup>	\$ 2,541	\$ —	\$ 2,541	\$ —
Foreign currency contracts assets-noncurrent <sup>(2)</sup>	\$ 800	\$ —	\$ 800	\$ —
Foreign currency contracts liabilities-current <sup>(3)</sup>	\$ 3,731	\$ —	\$ 3,731	\$ —
Foreign currency contracts liabilities-noncurrent <sup>(4)</sup>	\$ 844	\$ —	\$ 844	\$ —
Interest rate contracts liabilities-current <sup>(3)</sup>	\$ 3,829	\$ —	\$ 3,829	\$ —
Non-designated derivative instruments:				
Foreign currency contracts assets-current <sup>(1)</sup>	\$ 2,132	\$ —	\$ 2,132	\$ —
Foreign currency contracts liabilities-current <sup>(3)</sup>	\$ 1,748	\$ —	\$ 1,748	\$ —

<sup>(1)</sup> Included within prepaid expenses and other current assets in the consolidated balance sheets.

<sup>(2)</sup> Included within other noncurrent assets in the consolidated balance sheets.

<sup>(3)</sup> Included within accrued expenses and other current liabilities in the consolidated balance sheets.

<sup>(4)</sup> Included within other noncurrent liabilities in the consolidated balance sheets.

We did not have transfers between levels of the fair value hierarchy of assets measured at fair value during the periods presented.

Refer to Note 10, Convertible Senior Notes, for the carrying amount and estimated fair value of our convertible senior notes as of July 31, 2025 and 2024.

**Note 5. Balance Sheet Components**
**Property and Equipment and Purchased Intangible Assets**

Property and equipment consisted of the following:

	Estimated Useful Life	July 31,	
		2025	2024
		(in thousands)	
Hosting equipment <sup>(1)</sup>	4 - 5 years	\$ 571,312	\$ 418,775
Capitalized internal-use software	3 - 5 years	322,265	197,769
Computers and equipment	3 - 5 years	9,138	6,741
Purchased software	3 years	1,102	1,102
Furniture and fixtures	5 years	1,195	1,071
Leasehold improvements	Shorter of useful life or lease term	10,141	7,974
Total property and equipment, gross		915,153	633,432
Less: Accumulated depreciation and amortization		(371,776)	(250,311)
Total property and equipment, net		\$ 543,377	\$ 383,121

<sup>(1)</sup> Includes purchased equipment that had not been placed in service, totaling \$163.5 million and \$115.1 million as of July 31, 2025 and 2024, respectively.

Purchased intangible assets consist of internet protocol addresses and source codes, which are amortized on a straight-line basis over an estimated useful life of 10 years. As of July 31, 2025, their historical cost and accumulated amortization were \$20.3 million and \$4.6 million, respectively. As of July 31, 2024, their historical cost and accumulated amortization were \$12.4 million and \$2.8 million, respectively. Purchased intangible assets are included within other noncurrent assets in the consolidated balance sheets.

We recognized depreciation and amortization expense on property and equipment and purchased intangible assets of \$104.4 million, \$66.3 million and \$55.8 million in fiscal 2025, fiscal 2024 and fiscal 2023, respectively. Additionally, we recognized stock-based compensation expense on the amortization of capitalized stock-based compensation associated with capitalized internal-use software of \$21.6 million, \$13.0 million and \$8.4 million in fiscal 2025, fiscal 2024 and fiscal 2023, respectively.

**Accrued compensation**

Accrued compensation consisted of the following:

	July 31,	
	2025	2024
	(in thousands)	
Accrued commissions	\$ 59,429	\$ 51,371
Accrued bonuses	51,598	53,452
Accrued payroll and related expenses	61,370	47,184
Employee stock purchase plan	9,410	8,803
Total accrued compensation	\$ 181,807	\$ 160,810

**Note 6. Business Combinations**

***Airgap Networks Inc.***

On April 12, 2024, we completed the acquisition of Airgap Networks Inc. ("Airgap"), an early-stage technology company incorporated in United States, for total purchase price consideration of \$124.4 million. We have integrated Airgap's technology into our cloud platform.

In addition to the consideration noted above, pursuant to the terms of the purchase agreement, certain Airgap employees who became our employees are entitled to receive deferred merger consideration with a fair value as of the grant date of \$20.3 million payable in the form of restricted shares of our common stock. These awards are subject to time-based vesting and will be recognized as stock-based compensation expense during the post-combination period. Additionally, in connection with this acquisition, we committed to issue replacement awards with a fair value as of the closing date of the acquisition of \$6.2 million, of which \$1.4 million attributable to pre-combination vesting was allocated to the purchase price consideration. The remaining balance is attributable to post-combination vesting and will be recognized as compensation expense during the post-combination period.

In connection with this acquisition, we completed a valuation of the acquired identifiable intangible assets as of April 12, 2024. The purchase price consideration was allocated to identified intangible assets, which include \$28.7 million of developed technology, \$3.1 million of customer relationships, and \$95.5 million of goodwill. The developed technology was valued using a replacement cost approach, which is based on the cost of a market participant to reconstruct a substitute asset of comparable utility. The customer relationships were also valued using the replacement cost approach, which is based on the cost a market participant would incur to generate the acquired portfolio of customers. Goodwill represents the excess of the purchase price paid over the fair value of the net assets acquired and is primarily attributable to the acquired workforce and expected operating synergies. The acquisition-related transaction expenses were not material and recorded as incurred within general and administrative expenses in the consolidated statement of operations for fiscal 2024.

The acquisition qualified as a stock transaction for tax purposes. The goodwill is not expected to be deductible for income tax purposes.

The allocation of the purchase price consideration consisted of the following:

	<u>Amount</u>	<u>Estimated Useful Life</u>
	(in thousands)	
Assets acquired:		
Cash, cash equivalents and other assets	\$ 5,764	
Acquired intangible assets:		
Developed technology	28,700	5 years
Customer relationships	3,100	5 years
Goodwill	95,463	
Total	\$ 133,027	
Liabilities assumed:		
Accounts payable, accrued expenses and other liabilities	\$ 3,467	
Deferred tax liability	5,123	
Total	\$ 8,590	
Total purchase price consideration	<u>\$ 124,437</u>	

**Avalor Technologies Ltd.**

On March 8, 2024, we completed the acquisition of Avalor Technologies Ltd. ("Avalor"), an early-stage technology company incorporated in Israel, for total purchase price consideration of \$256.7 million. We have integrated Avalor's technology into our cloud platform.

In addition to the consideration noted above, pursuant to the terms of the stock purchase agreement, certain Avalor employees who became our employees are entitled to receive deferred merger consideration with a fair value as of the grant date of \$46.5 million payable in the form of restricted shares of our common stock. These awards are subject to time-based vesting and will be recognized as stock-based compensation expense during the post-combination period. Additionally, in connection with this acquisition, we committed to issue replacement awards with a fair value as of the closing date of the acquisition of \$14.4 million, of which \$2.4 million attributable to pre-combination vesting was allocated to the purchase price consideration. The remaining balance is attributable to post-combination vesting and will be recognized as compensation expense during the post-combination period.

In connection with this acquisition, we completed a valuation of the acquired identifiable intangible assets as of March 8, 2024. The purchase price consideration was allocated to identified intangible assets, which include \$14.7 million of developed technology, \$3.3 million of customer relationships, and \$229.2 million of goodwill. The developed technology was valued using a replacement cost approach, which is based on the cost of a market participant to reconstruct a substitute asset of comparable utility. The customer relationships were also valued using the replacement cost approach, which is based on the cost a market participant would incur to generate the acquired portfolio of customers. Goodwill represents the excess of the purchase price paid over the fair value of the net assets acquired and is primarily attributable to the acquired workforce and expected operating synergies. The acquisition-related transaction expenses were not material and recorded as incurred within general and administrative expenses in the consolidated statement of operations for fiscal 2024.

The acquisition qualified as a stock transaction for tax purposes. The goodwill is not expected to be deductible for income tax purposes.

The allocation of the purchase price consideration consisted of the following:

	<u>Amount</u>	<u>Estimated Useful Life</u>
	<u>(in thousands)</u>	
Assets acquired:		
Cash, cash equivalents and other assets	\$ 13,405	
Acquired intangible assets:		
Developed technology	14,700	5 years
Customer relationships	3,300	5 years
Deferred tax asset	841	
Goodwill	229,151	
Total	<u>\$ 261,397</u>	
Liabilities assumed:		
Accounts payable, accrued expenses and other liabilities	\$ 4,017	
Deferred tax liability	693	
Total	<u>\$ 4,710</u>	
Total purchase price consideration	<u><u>\$ 256,687</u></u>	

**Canonic Security Technologies Ltd.**

On February 20, 2023, we completed the acquisition of Canonic Security Technologies Ltd. ("Canonic"), an early-stage technology company incorporated in Israel, for total purchase price consideration of \$16.5 million. We have integrated this company's technology into our cloud platform.

In addition to the cash consideration noted above, pursuant to the terms of the purchase agreement, certain of Canonic's employees who became our employees are entitled to receive deferred merger consideration with a fair value as of the grant date of \$4.1 million payable in the form of restricted shares of our common stock. These awards are subject to time-based vesting and will be recognized as stock-based compensation expense during the post-combination period.

In connection with this acquisition, we completed a valuation of the acquired identifiable assets as of February 20, 2023. The allocation of the purchase price consideration resulted in the recognition of \$10.6 million of goodwill and \$5.1 million of developed technology. The developed technology was valued using a replacement cost approach, which is based on the cost of a market participant to reconstruct a substitute asset of comparable utility. Goodwill represents the excess of the purchase price paid over the fair value of the net assets acquired and is primarily attributable to the acquired workforce and expected operating synergies. The acquisition-related transaction expenses were not material and recorded as incurred within general and administrative expenses in the consolidated statement of operations for fiscal 2023.

The acquisition qualified as a stock transaction for tax purposes. The goodwill is not expected to be deductible for income tax purposes.

The allocation of the purchase price consideration consisted of the following:

	<u>Amount</u>	<u>Estimated Useful Life</u>
	<u>(in thousands)</u>	
Assets acquired:		
Cash, cash equivalents and other assets	\$ 673	
Acquired intangible assets:		
Developed technology	5,100	5 years
Deferred tax asset	781	
Goodwill	10,645	
Total	\$ 17,199	
Liabilities assumed:		
Accounts payable, accrued expenses and other liabilities	\$ 692	
Total	\$ 692	
Total purchase price consideration	<u>\$ 16,507</u>	

### Other Acquisitions

In December 2024 and August 2023, we completed acquisitions for total purchase price consideration of \$1.1 million and \$5.3 million, respectively. These transactions were accounted for as business combinations, resulting in the recognition of goodwill of \$0.7 million and \$3.2 million, respectively. The goodwill from these transactions is not deductible for income tax purposes.

### Pro Forma Financial Information

The pro forma financial information from the above business acquisitions, assuming the acquisition had occurred as of the beginning of the fiscal year prior to the fiscal year of the acquisition, as well as revenue and earnings generated during the period after the acquisition date, were not material for disclosure purposes.

### Note 7. Goodwill and Acquired Intangible Assets

#### Goodwill

Changes in the carrying amount of goodwill consisted of the following:

	<b>Amount</b> <b>(in thousands)</b>
Balance as of July 31, 2024	\$ 417,029
Goodwill acquired	701
Balance as of July 31, 2025	<u>\$ 417,730</u>

#### Acquired Intangible Assets

Acquired intangible assets consist of developed technology and customer relationships acquired through our business acquisitions. Acquired intangible assets are amortized using the straight-line method over their estimated useful lives.

During fiscal 2025, in connection with the acquisition of Fidenty B.V., we acquired developed technology with a fair value of \$0.3 million with an estimated useful life of five years. For further information refer to Note 6, Business Combinations.

Changes in acquired intangible assets for July 31, 2025 and 2024, consisted of the following:

	Gross Carrying Amount			Accumulated Amortization			Net Carrying Amount		Weighted Average
	July 31, 2024	Additions	July 31, 2025	July 31, 2024	Amortization Expense	July 31, 2025	July 31, 2024	July 31, 2025	Remaining Useful life
	(in thousands)								
	(years)								
Developed technology	\$ 99,656	\$ 308	\$ 99,964	\$ (42,651)	\$ (15,121)	\$ (57,772)	\$ 57,005	\$ 42,192	3.3
Customer relationships	9,960	—	9,960	(3,130)	(1,699)	(4,829)	6,830	5,131	3.5
Total	<u>\$ 109,616</u>	<u>\$ 308</u>	<u>\$ 109,924</u>	<u>\$ (45,781)</u>	<u>\$ (16,820)</u>	<u>\$ (62,601)</u>	<u>\$ 63,835</u>	<u>\$ 47,323</u>	3.4

As of July 31, 2024, the weighted-average remaining useful life for developed technology and customer relationships was 4.2 years and 4.4 years, respectively.

Amortization expense of acquired intangible assets was \$16.8 million, \$14.6 million and \$11.1 million in fiscal 2025, fiscal 2024 and fiscal 2023, respectively. Amortization expense of developed technology and customer relationships is included primarily within cost of revenue and sales and marketing expenses, respectively, in the consolidated statements of operations.

Future amortization expense of acquired intangible assets as of July 31, 2025 consisted of the following:

	<b>Amount</b> <b>(in thousands)</b>
<b>Fiscal Year ending July 31,</b>	
2026	\$ 15,833
2027	13,010
2028	11,177
2029	7,278
2030	25
Total	<u>\$ 47,323</u>

## **Note 8. Derivative Instruments**

### ***Foreign Currency Forward Contracts***

As a global business, we are exposed to foreign currency exchange rate risk. Substantially all of our revenue is transacted in U.S. dollars; however, a portion of our cost of revenue and operating expenditures are incurred outside of the United States and are denominated in foreign currencies, making them subject to fluctuations in foreign currency exchange rates. In order to mitigate the impact of foreign currency fluctuations on our future cash flows and earnings, we enter into foreign currency forward contracts, which we designate as cash flow hedges. The maximum length of time over which forecasted foreign currency denominated operating expenses are hedged is 21 months. All cash flow hedges were considered effective for all periods presented.

We also use foreign currency forward contracts to mitigate variability in gains and losses generated from the remeasurement of certain monetary assets and liabilities denominated in foreign currencies. The outstanding non-designated derivative instruments are carried at fair value with the change in fair value recorded in other expense, net in the consolidated statement of operations in the same period as the changes in fair value from the remeasurement of the underlying assets and liabilities. Cash flows from such derivatives are classified as operating activities. These foreign exchange contracts typically have maturities of approximately one to four months. Changes in the fair value of these derivatives were not material for all periods presented.

As of July 31, 2025 and July 31, 2024, the total notional amount of our outstanding designated foreign currency forward contracts was \$693.1 million and \$544.5 million, respectively, and for our outstanding non-designated foreign currency forward contracts was \$549.5 million and \$352.8 million, respectively. As of July 31, 2025, an estimated \$6.1 million of the unrealized gain related to our cash flow hedges are expected to be released into earnings over the next 12 months. Refer to Note 4, Fair Value Measurements, for the fair value of our derivative instruments as reported on the consolidated balance sheet as of July 31, 2025 and July 31, 2024.

The changes in AOCI(L) related to our cash flow hedges consisted of the following:

	Year Ended July 31,		
	2025	2024	2023
	(in thousands)		
Balance of AOCI(L) as of the beginning of the period	\$ (4,224)	\$ 8,937	\$ (13,745)
Net unrealized gains (losses) recognized in accumulated other comprehensive income	9,004	(10,761)	11,103
(Gains) losses reclassified from AOCI(L) into the consolidated statement of operations <sup>(1)</sup>	2,558	(2,400)	11,579
Balance of AOCI(L) as of the end of the period	<u>\$ 7,338</u>	<u>\$ (4,224)</u>	<u>\$ 8,937</u>

<sup>(1)</sup>(Gains) losses related to our cash flow hedges reclassified from AOCI(L) into the consolidated statement of operations consisted of the following:

	Year Ended July 31,		
	2025	2024	2023
	(in thousands)		
Cost of revenue	\$ 302	\$ (785)	\$ 1,835
Sales and marketing	2,037	(789)	7,670
Research and development	293	(433)	1,506
General and administrative	(74)	(393)	568
Total	<u>\$ 2,558</u>	<u>\$ (2,400)</u>	<u>\$ 11,579</u>

Our derivative contracts expose us to credit risk to the extent that the counterparties may be unable to meet the terms of the underlying contracts. We mitigate this credit risk by transacting with major financial institutions with high credit ratings and standards. We periodically assess the creditworthiness of our counterparties to ensure they continue to meet our credit quality requirements. We also enter into master netting arrangements, which permit net settlement of transactions with the same counterparty. The potential impact of these rights of set-off associated with our derivative instruments was not material as of July 31, 2025 and July 31, 2024. We are not required to pledge, and are not entitled to receive, cash collateral related to these derivative instruments. We do not enter into derivative contracts for trading or speculative purposes.

#### ***Interest Rate Swap Contracts***

During fiscal 2023, we entered into interest rate swaps contracts, maturing on July 1, 2025, designated as fair value hedges intended to hedge a portion of our fair value risk exposure due to changing interest rates by economically converting the fixed interest rate of a portion of our 2025 convertible senior notes to a floating interest rate. These interest rate swap contracts matured on July 1, 2025. As of July 31, 2024, the carrying amount of the hedged convertible senior notes was \$498.2 million and the total notional amount of our outstanding interest rate swaps was \$500.0 million. The gains and losses related to changes in the fair value of the interest rate swaps are included within interest expense in the consolidated statement of operations and substantially offset changes in the fair value of the hedged portion of the underlying convertible senior notes that are attributable to the changes in underlying benchmark interest rates. As of July 31, 2024, the cumulative amount of fair value hedge accounting adjustments included in the carrying amount of the convertible senior notes was \$4.1 million.

The gains (losses) effect of derivative instruments designated as fair value hedges included within interest expense in the statement of operations consisted of the following:

	Year Ended July 31,		
	2025	2024	2023
	(in thousands)		
Gains (losses) on interest rate swaps:			
Hedge accounting fair value adjustments	\$ (4,065)	\$ (4,241)	\$ 8,306
Derivatives designated as hedging instruments	3,829	4,198	(8,028)
Total	<u>\$ (236)</u>	<u>\$ (43)</u>	<u>\$ 278</u>

**Note 9. Restructuring and Other Charges**

During fiscal 2025 and fiscal 2023, we announced a restructuring plan as a part of our planned efforts to streamline operations and to align people, roles and projects to our strategic priorities.

During fiscal 2025, we incurred \$4.9 million of restructuring charges related to employee severance and benefit charges. During fiscal 2023, we incurred \$7.6 million of restructuring charges, consisting of \$6.6 million of employee severance and benefit charges and \$1.0 million of stock-based compensation expense related to modified equity incentive awards.

The following table summarizes our restructuring charges recognized in the consolidated statements of operations:

	Year Ended July 31,	
	2025	2023
	(in thousands)	
Cost of revenue	\$ 138	\$ —
Sales and marketing	—	5,238
Research and development	4,783	1,051
General and administrative	—	1,311
Total	<u>\$ 4,921</u>	<u>\$ 7,600</u>

**Note 10. Convertible Senior Notes****2028 Convertible Senior Notes**

On July 3, 2025, we issued \$1,725.0 million in aggregate principal amount of 0.0% convertible senior notes due 2028 (the "2028 Notes"), including the exercise in full by the initial purchasers of the 2028 Notes of their option to purchase an additional \$225.0 million principal amount of the 2028 Notes. The 2028 Notes are unsecured obligations and do not bear regular cash interest and the principal amount of the 2028 Notes will not accrete. The 2028 Notes mature on July 15, 2028, unless earlier converted, redeemed or repurchased. The total net proceeds from the offering, after deducting initial purchase discounts and other debt issuance costs, was \$1,700.0 million.

The 2028 Notes do not contain any financial covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by us or any of our subsidiaries.

The following table presents details of the 2028 Notes:

	<u>Initial Conversion Rate per \$1,000 Principal</u>	<u>Initial Conversion Price</u>	<u>Initial Number of Shares (in thousands)</u>
Notes	2.2752	\$439.52	3,925

The 2028 Notes are convertible at the option of the holders at any time prior to the close of business on the business day immediately preceding April 15, 2028, only under the following circumstances:

- During any fiscal quarter commencing after the fiscal quarter ending on October 31, 2025 (and only during such fiscal quarter), if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on and including, the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the conversion price of the 2028 Notes on each applicable trading day;
- During the five-business day period after any five consecutive trading day period (the "measurement period") in which the trading price per \$1,000 principal amount of the 2028 Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate of the 2028 Notes on each such trading day;
- If we call any or all of the 2028 Notes for redemption, the 2028 Notes called for redemption (or, at our election all Notes) may be submitted for conversion at any time prior to the close of business on the second scheduled trading day immediately preceding the redemption date; or
- Upon the occurrence of specified corporate events as set forth within the indenture governing the 2028 Notes.

On or after April 15, 2028, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert, all or any portion of their 2028 Notes at any time, in multiples of \$1,000 principal amount, at their option regardless of the foregoing circumstances. Upon conversion, we will satisfy the conversion obligation by paying or delivering, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election. It is our current intent to settle the principal amount of the 2028 Notes in cash.

During the three months ended July 31, 2025, the conditions allowing holders of the 2028 Notes to convert were not met. Since we have the election of repaying the 2028 Notes in cash, shares of our common stock, or a combination of both, we have classified the 2028 Notes as a noncurrent liability in the consolidated balance sheet as of July 31, 2025.

In the event of a corporate event that constitutes a “fundamental change” (as defined in the indenture governing the Notes),” holders of the 2028 Notes will have the right, at their option to require us to repurchase for cash all or any portion of the 2028 Notes upon the occurrence of a fundamental change, at a purchase price equal to 100% of the principal amount of the 2028 Notes, plus any accrued and unpaid special interest to, but excluding, the fundamental change repurchase date. In addition, following certain corporate events that occur prior to the maturity date, or if we issue a notice of redemption, we will, in certain circumstances, increase the conversion rate for a holder who elects to convert its 2028 Notes in connection with such corporate event or notice of redemption, as the case may be.

The net carrying amount of the 2028 Notes consisted of the following:

	<b>July 31, 2025</b>
	<b>(in thousands)</b>
Principal amount	\$ 1,725,000
Less:	
Unamortized debt issuance costs	24,273
Total	<u>\$ 1,700,727</u>

The total fair value of the 2028 Notes was 1,686.5 million as of July 31, 2025. The fair value was determined based on the closing trading price per \$1,000 of the 2028 Notes as of the last day of trading for the period. We considered the fair value of the 2028 Notes as of July 31, 2025 to be a Level II measurement as they are not actively traded. The fair value of the 2028 Notes is primarily affected by the trading price of our common stock and market interest rates.

### ***2028 Capped Call Transactions***

In connection with the pricing of the 2028 Notes, we entered into capped call transactions with the option counterparties (the “2028 Capped Calls”). The 2028 Capped Calls each have an initial strike price of \$439.52 per share, subject to certain adjustments, which corresponds to the initial conversion price of the 2028 Notes. The 2028 Capped Calls have an initial cap price of \$784.85 per share, subject to certain adjustments. The 2028 Capped Calls are generally expected to reduce potential dilution to our common stock upon any conversion of the 2028 Notes and/or offset any cash payments we are required to make in excess of the principal amount of the converted 2028 Notes, as the case may be, with such reduction and/or offset subject to a cap. The 2028 Capped Calls are subject to adjustment upon the occurrence of specified extraordinary events affecting us, including merger events, tender offers and the announcement of such events. In addition, the 2028 Capped Calls are subject to certain specified additional disruption events that may give rise to a termination of the 2028 Capped Calls, including nationalization, insolvency or delisting, changes in law, failures to deliver, insolvency filings and hedging disruptions. For accounting purposes, the 2028 Capped Calls are separate transactions, and not part of the terms of the 2028 Notes. As the 2028 Capped Calls qualify for a scope exception from derivative accounting for instruments that are both indexed to the issuer’s own stock and classified in stockholder’s equity in the consolidated balance sheet, the premium of \$196.8 million paid for the purchase of the 2028 Capped Calls was recorded as a reduction to additional paid-in capital and will not be remeasured. As of July 31, 2025, we have not exercised any 2028 Capped Calls.

### ***2025 Convertible Senior Notes and 2025 Capped Call Transactions***

On June 25, 2020, we issued \$1,150.0 million in aggregate principal amount of 0.125% convertible senior notes due 2025 (the “2025 Notes”), including the exercise in full by the initial purchasers of the 2025 Notes of their option to purchase an additional \$150.0 million principal amount of the 2025 Notes. The 2025 Notes were unsecured obligations and bore interest at a rate of 0.125% per year and interest is payable semiannually in arrears on January 1 and July 1 of each year, beginning on January 1, 2021. The total net proceeds from the offering, after deducting initial purchase discounts and other debt issuance costs, was \$1,130.5 million.

The 2025 Notes matured on July 1, 2025. We fully repaid the 2025 Notes by paying the principal amount of \$1,150.0 million in cash and settled the premium amount by issuing 3.8 million new shares of our common stock.

Additionally, we received 2.4 million shares of our common stock from the capped call transactions related to the 2025 Notes (the "2025 Capped Calls").

The net carrying amount of the 2025 Notes consisted of the following:

	July 31,	
	2025	2024
	(in thousands)	
Principal amount	\$ —	\$ 1,149,954
Less:		
Unamortized debt issuance costs	—	3,614
Hedge accounting fair value adjustments	—	4,065
Total	<u>\$ —</u>	<u>\$ 1,142,275</u>

The total fair value of the 2025 Notes was \$1,465.5 million as of July 31, 2024. The fair value was determined based on the closing trading price per \$1,000 of the 2025 Notes as of the last day of trading for the period. We considered the fair value of the 2025 Notes as of July 31, 2024 to be a Level II measurement as they are not actively traded.

The interest expense related to the 2028 Notes and 2025 Notes consisted of the following:

	Year Ended July 31,					
	2025		2024		2023	
	2028 Notes	2025 Notes	2025 Notes	2025 Notes	2025 Notes	2025 Notes
	(in thousands)					
Contractual interest expense	\$ —	\$ 1,316	\$ 1,436	\$ 1,439	\$ 1,439	\$ 1,439
Amortization of debt issuance costs	679	3,614	3,914	3,894	3,894	3,894
Total	<u>\$ 679</u>	<u>\$ 4,930</u>	<u>\$ 5,350</u>	<u>\$ 5,333</u>	<u>\$ 5,333</u>	<u>\$ 5,333</u>

**Note 11. Operating Leases**

The following is a summary of our operating lease costs:

	Year Ended July 31,								
	2025			2024			2023		
	Real Estate Arrangements	Co-Location Arrangements	Total	Real Estate Arrangements	Co-Location Arrangements	Total	Real Estate Arrangements	Co-Location Arrangements	Total
	(in thousands)								
Operating lease, including imputed interest	\$ 13,745	\$ 49,170	\$ 62,915	\$ 9,902	\$ 39,577	\$ 49,479	\$ 7,858	\$ 24,677	\$ 32,535
Short-term lease cost	4,802	12,678	17,480	5,138	8,090	13,228	4,314	5,688	10,002
Variable lease cost	9,602	9,230	18,832	9,907	6,047	15,954	6,992	4,956	11,948
Total operating lease costs	\$ 28,149	\$ 71,078	\$ 99,227	\$ 24,947	\$ 53,714	\$ 78,661	\$ 19,164	\$ 35,321	\$ 54,485
Weighted-average remaining lease term (in years)	2.4	2.0		2.1	1.9		3.0	2.0	
Weighted-average discount rate	5.6 %	5.0 %		5.3 %	4.7 %		4.5 %	3.2 %	

The following table presents information about our leases in the consolidated balance sheets:

	July 31,					
	2025			2024		
	Real Estate Arrangements	Co-Location Arrangements	Total	Real Estate Arrangements	Co-Location Arrangements	Total
	(in thousands)					
Operating lease right-of-use assets	\$ 21,858	\$ 67,914	\$ 89,772	\$ 22,612	\$ 67,146	\$ 89,758
Operating lease liabilities, current	\$ 13,359	\$ 39,138	\$ 52,497	\$ 11,381	\$ 39,485	\$ 50,866
Operating lease liabilities, noncurrent	\$ 9,575	\$ 33,777	\$ 43,352	\$ 12,974	\$ 31,850	\$ 44,824

Cash paid, net of tenant incentives for amounts included in the measurement of operating lease liabilities was \$62.0 million, \$49.2 million and \$32.2 million for fiscal 2025, fiscal 2024 and fiscal 2023, respectively.

Maturities of operating lease liabilities consisted of the following as of July 31, 2025:

Year ending July 31,	Real Estate Arrangements	Co-Location Arrangements (in thousands)	Total
2026	\$ 14,308	\$ 41,700	\$ 56,008
2027	5,225	25,904	31,129
2028	2,849	8,830	11,679
2029	1,631	—	1,631
2030	1,223	—	1,223
Total future minimum lease payments	25,236	76,434	101,670
Less: Imputed interest	2,302	3,519	5,821
Total	<u>\$ 22,934</u>	<u>\$ 72,915</u>	<u>\$ 95,849</u>

As of July 31, 2025, we have entered into non-cancelable operating leases, including the lease for our new headquarters as described below, with terms greater than 12 months that have not yet commenced. These leases, totaling \$85.3 million in undiscounted future minimum payments, are excluded from the above table and are expected to commence between August 2025 and September 2026, with lease terms ranging from approximately 1.75 to 6.33 years.

Effective April 29, 2025, we entered into a lease agreement (the “lease”) for our new headquarters. The property subject to the lease is located in Santa Clara, California, and consists of approximately 301,000 square feet of rentable space. The lease term begins on September 1, 2026, and ends on April 30, 2032, with an option for early access in January 2026 to facilitate tenant improvements. The total base rent, including committed fixed expenses for the duration of the lease term, is approximately \$69.5 million. In addition to the base rent, we will be responsible for operating costs and other related expenses. In accordance with Accounting Standard Codification 842, *Leases*, we will recognize the related right-of-use assets and corresponding operating lease liabilities upon taking possession of the properties.

## Note 12. Commitments and Contingencies

### *Non-cancelable Purchase Obligations*

In the normal course of business, we enter into non-cancelable purchase commitments with various third parties to purchase products and services such as cloud infrastructure capacity, subscription-based cloud service arrangements, technology equipment, corporate and marketing events and consulting services.

The maturities of non-cancelable purchase obligations with a remaining term in excess of one year as of July 31, 2025 consisted of the following:

Year ending July 31,	Amount (in thousands)
2026	\$ 129,282
2027	168,049
2028	150,551
2029	122,700
2030	29,309
Thereafter	7,996
Total	<u>\$ 607,887</u>

***Other Commitments***

As of July 31, 2025 and 2024, we had outstanding irrevocable standby unsecured letters of credit and a guarantee, which serve as security for certain real estate leases described in Note 11, Operating Leases. The aggregate value of these commitments was not material to our consolidated financial statements.

***Legal Matters***

*Litigation and Claims*

We are a party to various litigation matters from time to time and subject to claims that arise in the ordinary course of business, including patent, commercial, product liability, employment, class action, whistleblower and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. In addition, third parties may from time to time assert claims against us in the form of letters and other communications. There is no pending or threatened legal proceeding to which we are a party that, in our opinion, is likely to have a material adverse effect on our future financial results or operations; however, the results of litigation and claims are inherently unpredictable. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors. The expense of litigation and the timing of this expense from period to period are difficult to estimate, subject to change and could adversely affect our results of operations.

### Note 13. Stock-Based Compensation

#### Equity Incentive Plan

Equity incentive awards which may be granted to eligible participants under our Amended and Restated FY2018 Equity Incentive Plan (the "2018 Plan") include restricted stock units, restricted stock, stock options, nonstatutory stock options, stock appreciation rights, performance units and performance shares.

As of July 31, 2025, a total of 60.8 million shares of common stock have been reserved for the issuance of equity awards under the 2018 Plan, of which 35.8 million shares remained available for grant. The number of shares of common stock available for issuance under the 2018 Plan also includes an annual increase on the first day of each fiscal year through August 1, 2027, pursuant to its automatic annual increase provision.

#### Stock Options

The activity of stock options for fiscal 2025 consisted of the following:

	Outstanding Stock Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
	(in thousands, except per share amounts)			
Balance as of July 31, 2024	453	\$46.72	2.5	\$ 60,923
Granted	100	\$250.32		
Exercised	(352)	\$10.17		\$ 65,225
Canceled, forfeited or expired	(24)	\$152.99		
Balance as of July 31, 2025	<u>177</u>	<u>\$220.95</u>	<u>7.8</u>	<u>\$ 11,854</u>
Exercisable and expected to vest as of July 31, 2024	<u>367</u>	<u>\$15.84</u>	<u>1.0</u>	<u>\$ 59,989</u>
Exercisable and expected to vest as of July 31, 2025	<u>47</u>	<u>\$172.65</u>	<u>3.8</u>	<u>\$ 5,304</u>

The weighted-average grant-date fair value per share of stock options granted was \$144.58, \$117.41 and \$88.97 during fiscal 2025, fiscal 2024 and fiscal 2023 respectively.

The total grant-date fair value of stock options vested was \$3.6 million, \$1.4 million and \$1.5 million during fiscal 2025, fiscal 2024 and fiscal 2023, respectively. The total intrinsic value of options exercised was \$65.2 million, \$157.8 million and \$56.5 million, during fiscal 2025, fiscal 2024 and fiscal 2023, respectively.

We estimate the fair value of stock options using the Black-Scholes option pricing model with the following assumptions:

	Year Ended July 31,		
	2025	2024	2023
Expected term (in years)	6.0 - 6.1	6.0	6.1
Expected stock price volatility	57.0% - 57.7%	59.5%	58.2%
Risk-free interest rate	4.1%	4.2%	3.9%
Dividend yield	0.0%	0.0%	0.0%

The expected term was estimated using the simplified method. The expected volatility was determined using a weighted-average of the historical volatility of our common stock and peer volatility. Peer volatility was calculated as the average of historical volatilities of selected industry peers corresponding to the expected term of the awards. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for the expected term of the stock-based award. Our expected dividend yield is zero, as we have not and do not currently intend to declare dividends in the foreseeable future.

**Restricted Stock Units and Performance Stock Awards**

The 2018 Plan allows for the grant of RSUs and PSAs. Generally, RSUs are subject to a four-year vesting period.

The right to earn PSAs is subject to the achievement of the defined and approved performance metrics and continuous employment service. The performance metrics are defined and approved by the compensation committee of our board of directors or by our senior management for certain types of awards. Generally, earned PSAs are subject to additional time-based vesting.

As of July 31, 2025, there were 0.1 million outstanding PSAs with performance metrics that have not been defined and/or approved. As of July 31, 2025, these awards are not considered granted for accounting purposes and accordingly, have been excluded from the table below.

The activity of RSUs and PSAs consisted of the following for fiscal 2025:

	Underlying Shares	Weighted-Average Grant Date Fair Value	Aggregate Intrinsic Value
(in thousands, except per share data)			
Balance as of July 31, 2024	9,814	\$162.41	\$ 1,760,079
Granted	5,151	\$190.70	
Vested	(3,631)	\$165.41	\$ 807,998
Canceled or forfeited	(1,890)	\$168.06	
Balance as of July 31, 2025	9,444	\$175.55	\$ 2,697,026

The aggregate fair value, as of the respective vesting dates, of RSUs and PSAs vested was \$808.0 million, \$684.4 million and \$462.3 million, during fiscal 2025, fiscal 2024 and fiscal 2023, respectively.

**Employee Stock Purchase Plan**

In fiscal 2018, we adopted the Fiscal Year 2018 Employee Stock Purchase Plan (the "ESPP"). Through July 31, 2025, a total of 11.8 million shares of common stock have been reserved for issuance under the ESPP, out of which 7.3 million shares were available for future grant as of July 31, 2025. The number of shares reserved includes an annual increase on the first day of each fiscal year pursuant to the ESPP's automatic annual increase provision. The ESPP provides for consecutive offering periods that will typically have a duration of approximately 24 months in length and are comprised of four purchase periods of approximately six months in length. The offering periods are scheduled to start on the first trading day on or after June 15 and December 15 of each year. The ESPP contains a reset provision under which the offering period resets if the fair market value of our common stock on the purchase date is less than the fair market value on the first day of the offering period. During fiscal 2025, fiscal 2024 and fiscal 2023, employees purchased under the ESPP approximately 0.4 million, 0.5 million and 0.4 million shares of common stock, respectively, at an average purchase price of \$146.31, \$106.46 and \$99.59, respectively, with cash proceeds of \$63.6 million, \$52.0 million and \$42.3 million, respectively.

ESPP employee payroll contributions accrued as of July 31, 2025 and 2024, were \$9.4 million and \$8.8 million, respectively, and are included within accrued compensation in the consolidated balance sheets. Payroll contributions accrued

as of July 31, 2025 will be used to purchase shares at the end of the current ESPP purchase period ending on December 15, 2025. Payroll contributions ultimately used to purchase shares are reclassified to stockholders' equity on the purchase date.

In June 2024, one outstanding ESPP offering period was reset and automatically rolled over into a new ESPP offering period that started on June 17, 2024. The reset was accounted for as a modification, which resulted in an incremental stock-based compensation of \$2.7 million, which will be recognized over the remaining term of the modified ESPP offering period of 18 months. In December 2022, certain outstanding ESPP offering periods were reset and automatically rolled over into a new ESPP offering period that started on December 15, 2022. The reset was accounted for as a modification, which resulted in an incremental stock-based compensation of \$8.3 million, which was recognized over the remaining term of the modified ESPP offering periods, ranging from approximately 6 months to 18 months.

The fair value of the purchase rights offered under the ESPP was estimated on the grant date using the Black-Scholes option-pricing model with the following assumptions:

	Year Ended July 31,		
	2025	2024	2023
Expected term (in years)	0.5 - 2.0	0.5 - 2.0	0.5 - 2.0
Expected stock price volatility	43.6% - 47.6%	42.5% - 64.8%	58.1% - 75.9%
Risk-free interest rate	4.0% - 4.3%	4.4% - 5.4%	4.2% - 5.3%
Dividend yield	0.0%	0.0%	0.0%

The expected term represents the term from the first day of the offering period to the purchase dates within each offering period. The expected volatility was based on the historical volatility of our common stock. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for the expected term of the stock-based award. Our expected dividend yield is zero, as we have not and do not currently intend to declare dividends in the foreseeable future.

***Departure of Certain Executives of the Company***

In the fourth quarter of fiscal 2025, certain executives of the Company departed from their positions, including our former Chief Financial Officer. In connection with some of the departures, we modified certain equity incentive awards resulting in an incremental stock-based compensation expense of \$11.7 million, of which \$2.2 million and \$9.5 million was recognized in research and development expenses and general and administrative expenses, respectively, in the consolidated statement of operations in fiscal 2025. Additionally, in connection with these departures, we recognized a reversal of stock-based compensation expense related to forfeited unvested equity incentive awards of \$12.2 million, of which \$4.2 million, \$6.0 million and \$2.0 million was recognized in sales and marketing expenses, research and development expenses and general and administrative expenses, respectively, in the consolidated statement of operations in fiscal 2025.

In February 2024, our Chief Operating Officer, who led sales activities, resigned from his position at the Company. In connection with his resignation, we recognized a reversal of stock-based compensation expense of \$11.7 million associated with the cancellation of unvested incentive equity awards, which was recognized in sales and marketing expenses in the consolidated statement of operations in fiscal 2024.

In October 2022, our President, who led research and development activities, resigned from his position as President of the Company, but continued to serve as a member of our Board of Directors through January 2024. In connection with his resignation as President of the Company, we recognized a reversal of stock-based compensation expense of \$9.9 million associated with the cancellation of unvested incentive equity awards, which was recognized in research and development expenses in the consolidated statement of operations in fiscal 2023.

**Stock-based Compensation Expense**

The components of stock-based compensation expense recognized in the consolidated statements of operations consisted of the following:

	<b>Year Ended July 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
	<b>(in thousands)</b>		
Cost of revenue	\$ 68,145	\$ 50,820	\$ 39,168
Sales and marketing	248,570	219,096	216,413
Research and development	249,919	180,554	118,123
General and administrative	94,716	77,206	71,130
<b>Total</b>	<b>\$ 661,350</b>	<b>\$ 527,676</b>	<b>\$ 444,834</b>

As of July 31, 2025, the unrecognized stock-based compensation cost related to outstanding equity-based awards, including awards for which the service inception date has been met but the grant date has not been met, was \$1,557.2 million, which we expect to be amortized over a weighted-average period of 2.5 years.

During fiscal 2025, fiscal 2024 and fiscal 2023, we capitalized stock-based compensation primarily associated with the development of software for internal-use of \$44.0 million, \$27.2 million and \$17.2 million, respectively.

**Note 14. Common Stock**

Holders of our common stock are entitled to one vote for each share of common stock held and are not entitled to receive dividends unless declared by our board of directors.

**Common Stock Reserved for Future Issuance**

The following table summarizes our shares of common stock reserved for future issuance:

	<b>July 31, 2025</b>
	<b>(in thousands)</b>
<b>Equity awards outstanding:</b>	
Stock options	177
Unvested RSUs	8,463
Committed unvested PSAs, based on the target number of shares	607
Unvested PSAs	981
Share purchase rights committed under the ESPP	536
<b>Equity awards available for future grants:</b>	
2018 Plan	35,146
ESPP	7,323
Stock reserved for settlement of the 2028 Notes	3,925
<b>Total</b>	<b>57,158</b>

**Note 15. Income Taxes**

The following table sets forth the geographical breakdown of the income (loss) before the provision for income taxes:

	Year ended July 31,		
	2025	2024	2023
	(in thousands)		
Domestic	\$ (87,892)	\$ (112,758)	\$ (228,715)
International	69,601	83,529	46,151
Loss before provision for income taxes	<u>\$ (18,291)</u>	<u>\$ (29,229)</u>	<u>\$ (182,564)</u>

The following table sets forth the components of the provision for income taxes:

	Year ended July 31,		
	2025	2024	2023
	(in thousands)		
Current:			
Federal	\$ (331)	\$ 203	\$ 1,091
State	4,272	1,337	3,890
Foreign	32,747	32,620	14,438
Total current tax expense	<u>36,688</u>	<u>34,160</u>	<u>19,419</u>
Deferred:			
Federal	74	(4,526)	—
State	129	(693)	—
Foreign	(13,704)	(464)	352
Total deferred tax benefit (expense)	<u>(13,501)</u>	<u>(5,683)</u>	<u>352</u>
Total provision for income taxes	<u>\$ 23,187</u>	<u>\$ 28,477</u>	<u>\$ 19,771</u>

During fiscal 2025, fiscal 2024 and fiscal 2023, we recognized tax benefits on total stock-based compensation expense of \$31.5 million, \$23.0 million and \$13.4 million, respectively, which are reflected within the provision for income taxes in the consolidated statements of operations.

The following table presents the reconciliation of the statutory federal income tax rate to our effective rate:

	Year ended July 31,		
	2025	2024	2023
Tax at federal statutory rate	21.0 %	21.0 %	21.0 %
State taxes	(20.5)%	(0.4)%	(2.1)%
Impact of foreign rate differential	139.6 %	48.7 %	11.3 %
Meals and entertainment	(17.1)%	(7.0)%	(0.8)%
Stock-based compensation	187.7 %	162.6 %	(0.8)%
Transaction costs	(0.2)%	(1.3)%	— %
U.S. tax credits	199.9 %	89.3 %	7.8 %
Change in valuation allowance	(611.7)%	(471.3)%	(34.1)%
Withholding tax	(31.5)%	(12.5)%	(1.3)%
Waived deductions under Section 59A	— %	72.1 %	(11.8)%
Nondeductible penalties	(2.0)%	(0.2)%	— %
Return to provision true ups	(0.2)%	2.2 %	— %
Other	(1.5)%	(0.6)%	(0.1)%
Effective tax rate	<u>(136.5)%</u>	<u>(97.4)%</u>	<u>(10.9)%</u>

Our effective tax rate for fiscal 2025 differs from the U.S. statutory rate primarily due to a portion of our earnings that are taxed at different rates from the U.S. statutory rate, the benefit of stock based compensation deductions, withholding taxes related to customer payments in certain foreign jurisdictions in which we conduct business, and the impact in the valuation allowance against deferred tax assets, including the release of the UK valuation allowance.

Our effective tax rate for fiscal 2024 differs from the U.S. statutory rate primarily due to a portion of our earnings that are taxed at different rates from the U.S. statutory rate, the benefit of stock based compensation deductions, withholding taxes related to customer payments in certain foreign jurisdictions in which we conduct business, and the impact of the valuation allowance we maintain against our U.S. federal and state deferred tax assets. During fiscal 2024, we also effectuated certain tax planning actions which reduced the amount of waived deductions under Section 59A related to our fiscal 2023.

Our effective tax rate for fiscal 2023 differs from the U.S. statutory rate primarily due to a portion of our earnings that are taxed at different rates from the U.S. statutory rate, the effect of waived deductions under Section 59A, the benefit of stock based compensation deductions, withholding taxes related to customer payments in certain foreign jurisdictions in which we conduct business, and the impact of the valuation allowance we maintain against our U.S. federal and state deferred tax assets.

During fiscal 2024 we recognized an income tax benefit of \$5.2 million as a result of a release in our valuation allowance on deferred tax assets due to deferred taxes recorded as part of the acquisition accounting of business combinations. During fiscal 2025 and 2023, we did not recognize income tax benefits from business combinations. Refer to Note 6, Business Combinations, for further information.

The following table presents the tax effects of temporary differences that give rise to significant portions of our deferred tax assets and liabilities:

	July 31,	
	2025	2024
(in thousands)		
Deferred tax assets:		
Net operating losses and credit carryovers	\$ 277,413	\$ 373,611
Deferred revenue	246,181	181,654
Research and development capitalization	289,735	168,918
Tax credits carryovers	226,685	157,861
Other	137,987	100,930
Gross deferred tax assets	1,178,001	982,974
Less: Valuation allowance	(995,412)	(833,908)
Total deferred tax assets	\$ 182,589	\$ 149,066
Deferred tax liabilities:		
Intangible assets	\$ (6,489)	\$ (10,273)
Deferred contract acquisition costs	(114,182)	(99,123)
Property and equipment	(17,004)	(9,929)
Operating lease right-of-use assets	(29,959)	(29,137)
Total deferred tax liabilities	\$ (167,634)	\$ (148,462)
Net deferred tax assets	\$ 14,955	\$ 604

A deferred tax liability has not been recognized on the excess of the amount for financial reporting over the tax basis of investments in foreign subsidiaries that are indefinitely reinvested outside the U.S. Income taxes are generally incurred upon a repatriation of assets, a sale, or a liquidation of the subsidiary. The excess of the amount for financial reporting over the tax basis in the investments in foreign subsidiaries, as well as the unrecognized deferred tax liability, are not material for the periods presented.

The following table presents the change in the valuation allowance:

	Year ended July 31,		
	2025	2024	2023
(in thousands)			
Balance as of the beginning of the period	\$ 833,908	\$ 671,381	\$ 553,916
Change during the period	161,504	162,527	117,465
Balance as of the end of the period	\$ 995,412	\$ 833,908	\$ 671,381

The realization of deferred tax assets is dependent upon the generation of sufficient taxable income of the appropriate character in future periods. We regularly assess our ability to realize the deferred tax assets on a quarterly basis and we establish a valuation allowance if it is more-likely-than-not that some portion of the deferred tax assets will not be realized. We weigh all available positive and negative evidence, including our earnings history and results of recent operations, scheduled reversals of deferred tax liabilities, projected future taxable income, and tax planning strategies. Due to the weight of objectively verifiable negative evidence, including our history of losses, we believe that it is more likely than not that our U.S. federal and state deferred tax assets will not be realized as of July 31, 2025 and 2024. Accordingly, we have maintained

a full valuation allowance against such deferred tax assets. The portion of the valuation allowance for deferred tax assets for which subsequently recognized tax benefits will be credited directly to contributed capital was \$46.1 million in fiscal 2025.

The amount of the deferred tax asset considered realizable, however, could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased or if objective negative evidence in the form of cumulative losses is no longer present and additional weight may be given to subjective evidence such as our projections for growth. In the event we determine that we will be able to realize all or part of our net deferred tax assets in the future, the valuation allowance against our deferred tax assets will be reversed in the period in which we make such determination. The release of a valuation allowance may cause greater volatility in the effective tax rate in the periods in which the valuation allowance is released.

During fiscal 2025, based on an analysis of all positive and negative evidence, we concluded it is more likely than not that our U.K. deferred tax assets will be realizable. This conclusion is based on a demonstrated return to sustained profitability when considering pre-tax income adjusted for permanent differences, as well as anticipated future earnings. The change in judgment as to the realizability of U.K. deferred tax assets in future years resulted in the release of the U.K. valuation allowance of \$18.4 million.

As of July 31, 2025, we have net operating loss carryforwards for U.S. federal income tax purposes of \$1,057.0 million, which are available to offset future federal taxable income. These net operating losses will carry forward indefinitely. As of July 31, 2025, we have net operating loss carryforwards for state income tax purposes of \$504.7 million. Beginning in 2025, \$426.8 million of state net operating losses will begin to expire at different periods. The remaining \$77.9 million of state net operating losses will carry forward indefinitely. As of July 31, 2025, we had foreign net operating loss carryforward of \$87.7 million, all of which will be carried forward indefinitely.

As of July 31, 2025, we also had U.S. federal, California and foreign research and development and other tax credit carryforwards of \$192.8 million, \$102.6 million and \$2.1 million respectively. If not utilized, the federal research and development tax credit carryforwards will begin expiring at different periods beginning in 2037. Our California research and development tax credits may be carried forward indefinitely. Foreign tax credits will begin to expire in the fiscal year ending 2033.

Federal and state tax laws impose restrictions on the utilization of net operating loss carryforwards in the event of a change in our ownership as defined by the Internal Revenue Code, Sections 382. Under Section 382 of the Code, substantial changes in our ownership and the ownership of acquired companies may limit the amount of net operating loss carryforwards that are available to offset taxable income. The annual limitation would not automatically result in the loss of net operating loss carryforwards but may limit the amount available in any given future period.

We are subject to income taxes in the U.S. and various foreign jurisdictions. As of July 31, 2025, all years are open for examination and may become subject to examination in the future. Significant judgment is required in evaluating our tax positions and determining our income tax expense for the fiscal year. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. Our estimate of the potential outcome of any tax position is subject to management's assessment of relevant risks, facts and circumstances existing at that time. These unrecognized tax benefits are established when we believe that certain positions might be challenged despite the belief that our tax return positions are fully supportable. We recognize interest and penalties associated with our unrecognized tax benefits as a component of our income tax expense. For the periods presented, we did not have material interest or penalties associated with the unrecognized tax benefits in the consolidated financial statements.

We had \$87.2 million of gross unrecognized tax benefits as of July 31, 2025, of which \$5.3 million would affect our effective tax rate if recognized. The remaining gross unrecognized tax benefits relate to income tax positions which, if recognized, would be in the form of additional deferred tax assets that would be offset by a valuation allowance. As of July 31, 2025, we do not believe that our estimates, as otherwise provided for, on such tax positions will significantly increase or

decrease within the next twelve months. We recognize interest and penalties related to our unrecognized tax benefits within our provision for income taxes. The amount of interest and penalties accrued as of July 31, 2025 was insignificant.

The changes in our gross unrecognized tax benefits consisted of the following:

	<b>Amount</b>
	<b>(in thousands)</b>
Balance as of July 31, 2023	\$ 40,689
Gross increase for tax positions of prior years	6,960
Gross (decrease) for tax positions of prior years	(2,102)
Gross increase for tax positions of current year	18,378
Balance as of July 31, 2024	63,925
Gross increase for tax positions of prior years	861
Gross (decrease) for tax positions of prior years	(2,592)
Gross increase for tax positions of current year	24,967
Balance as of July 31, 2025	\$ 87,161

#### Note 16. Net Loss Per Share

Basic net loss per share is computed by dividing the net loss by the weighted-average number of shares of common stock outstanding during the period, less shares subject to repurchase. The diluted net loss per share is computed by giving effect to all potential dilutive common stock equivalents outstanding for the period. For purposes of this calculation, our stock options, share purchase rights under the employee stock purchase plan, unvested RSUs, unvested PSAs, unvested common stock and shares related to the 2028 and 2025 Notes are considered to be potential common stock equivalents.

The computation of basic and diluted net loss per share consisted of the following:

	<b>Year Ended July 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
	<b>(in thousands, except per share data)</b>		
Net loss	\$ (41,478)	\$ (57,706)	\$ (202,335)
Weighted-average shares used in computing net loss per share, basic and diluted	154,404	149,586	144,942
Net loss per share, basic and diluted	\$ (0.27)	\$ (0.39)	\$ (1.40)

Since we have reported net losses for all periods presented, we have excluded all potentially dilutive securities from the calculation of the diluted net loss per share as their effect is antidilutive and accordingly, the basic and diluted net loss per share is the same for all periods presented.

We calculate the potential dilutive effect of the convertible senior notes under the if-converted method. Under this method, diluted earnings per share are determined by assuming that outstanding convertible senior notes were converted into shares of our common stock at the beginning of the reporting period.

In connection with the issuance of the convertible senior notes, we entered into capped call transactions, which were not included for purposes of calculating the number of diluted shares outstanding, as their effect would have been anti-dilutive. The capped call transactions are expected to partially offset the potential dilution to our common stock upon any conversion of the convertible senior notes.

The following table summarizes the outstanding potentially dilutive securities that were excluded from the computation of diluted net loss per share as their effect would be antidilutive:

	July 31,		
	2025	2024	2023
	(in thousands)		
Unvested RSUs and shares of common stock	8,702	9,198	8,442
Stock options	177	453	1,267
Unvested PSAs <sup>(1)</sup>	981	1,009	1,012
Share purchase rights under the ESPP	536	514	1,119
2028 Notes <sup>(2)</sup>	3,925	—	—
2025 Notes <sup>(2)</sup>	—	7,626	7,626
<b>Total</b>	<b>14,321</b>	<b>18,800</b>	<b>19,466</b>

<sup>(1)</sup> The number of unvested PSAs is estimated at 100% of the target number of shares granted and excludes unvested PSAs for which performance conditions have not been established as of July 31, 2025, as they are not considered outstanding for accounting purposes. For further information refer to Note 13, Stock-Based Compensation.

<sup>(2)</sup> Based on the initial conversion price, the entire outstanding principal amount of the Notes as of July 31, 2025, July 31, 2024 and July 31, 2023 would have been convertible into approximately 3.9 million shares, 7.6 million shares and 7.6 million shares, respectively, of our common stock, which are reflected in the table above.

#### Note 17. Segment and Geographic Information

We operate globally as a single operating and reportable segment with one primary business activity. Using a SaaS business model, we primarily generate revenue from sales of subscriptions to grant customers access to our cloud platform along with related support services. Our chief operating decision maker ("CODM") is our chief executive officer. Consolidated financial information, including revenue and significant adjusted segment expenses, is regularly provided to the CODM for purposes of allocating resources and evaluating financial performance. This information is also used in our annual budgeting and forecasting processes to establish goals and compare actual results against both budgeted targets and historical performance. Our CODM uses consolidated net loss as the measure of our segment profit or loss. The measure of our segment assets is reported as total assets on the consolidated balance sheets.

The following table sets forth our segment revenue, significant adjusted segment expenses and other segment items to reconcile to consolidated net loss:

	Year Ended July 31,		
	2025	2024	2023
	(in thousands)		
Revenue	\$ 2,673,115	\$ 2,167,771	\$ 1,616,952
Less:			
Adjusted cost of revenue <sup>(1)</sup>	532,067	411,484	312,961
Adjusted sales and marketing expenses <sup>(1)</sup>	997,896	868,410	730,811
Adjusted research and development expenses <sup>(1)</sup>	409,894	313,208	227,871
Adjusted general and administrative expenses <sup>(2)</sup>	153,127	132,422	104,493
Stock-based compensation expense and related payroll taxes	685,534	549,100	457,815
Amortization expense of acquired intangible assets	16,820	14,624	11,060
Restructuring and other charges	4,921	—	6,564
Acquisition-related expenses	1,316	—	—
Add: Other segment items, net <sup>(3)</sup>	86,982	63,771	32,288
Net loss	<u>\$ (41,478)</u>	<u>\$ (57,706)</u>	<u>\$ (202,335)</u>

<sup>(1)</sup> Cost of revenue, sales and marketing expense and research and development expense, adjusted to exclude stock-based compensation and related payroll taxes, amortization of acquired intangible assets and restructuring and other charges.

<sup>(2)</sup> General and administrative expense adjusted to exclude stock-based compensation and related payroll taxes, acquisition-related expenses and restructuring and other charges.

<sup>(3)</sup> Other segment items, net includes interest income, interest expense, other expense, net and provision for income taxes.

Our long-lived assets consist of property and equipment and operating lease right-of-use assets, which are summarized by geographic area as follows:

	July 31,	
	2025	2024
	(in thousands)	
United States	\$ 431,072	\$ 325,146
Rest of the world	202,077	147,735
Total	<u>\$ 633,149</u>	<u>\$ 472,881</u>

Refer to Note 2, Revenue Recognition for information on revenue by geography.

#### Note 18. 401(k) Plan

We have a defined-contribution plan intended to qualify under Section 401 of the Internal Revenue Code. We contract with a third-party provider to act as a custodian and trustee, and to process and maintain the records of participant data. For fiscal 2025, fiscal 2024 and fiscal 2023, we incurred expenses of \$13.5 million, \$9.5 million and \$4.5 million related to the matching contributions, respectively.

**Note 19. Subsequent Events**

On August 1, 2025, we completed our acquisition of Red Canary, Inc., a privately-held cybersecurity company that provides managed detection and response solutions, for a total consideration of \$675.0 million in cash, subject to customary adjustments, plus equity awards to employees. We anticipate that this acquisition will expand upon our security operations offerings and enhance our ability to leverage our Data Fabric for Security. The purchase consideration for the acquired business will be allocated to the assets acquired and liabilities assumed based on their respective estimated fair values on the closing date. Due to the timing of the acquisition, the initial accounting for the acquisition is incomplete. As such, we are not able to disclose certain information relating to the acquisition, including the preliminary fair value of assets acquired and liabilities assumed. We expect to complete the initial accounting for this acquisition during the first quarter of fiscal 2026.

## **Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

## **Item 9A. Controls and Procedures**

### ***Evaluation of Disclosure Controls and Procedures***

We maintain "disclosure controls and procedures," as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act"), that are designed to provide reasonable assurance that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of July 31, 2025. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

### ***Management's Report on Internal Control Over Financial Reporting***

Our management is responsible for establishing and maintaining adequate "internal control over financial reporting," as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act. Our management conducted an evaluation of the effectiveness of our internal control over financial reporting as of July 31, 2025 based on the criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on the results of its evaluation, management concluded that our internal control over financial reporting was effective as of July 31, 2025. The effectiveness of our internal control over financial reporting as of July 31, 2025 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in its report which is included in Item 8 of this Form 10-K.

### ***Changes in Internal Control Over Financial Reporting***

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the fiscal quarter ended July 31, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

### ***Inherent Limitations on Effectiveness of Controls***

Our management, including our Chief Executive Officer and Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the

individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

**Item 9B. Other Information**

*Securities Trading Plans of Directors and Executive Officers*

During the three months ended July 31, 2025, the following officer, as defined in Rule 16a-1(f) under the Securities Act of 1934, as amended, or the Securities Act, adopted a “Rule 10b5-1 trading arrangement” as defined in Regulation S-K Item 408:

On July 3, 2025, Robert Schlossman, the Company's chief legal officer and secretary, adopted a Rule 10b5-1 trading arrangement providing for the sale from time to time of an aggregate of up to 43,343 shares of our common stock. The trading arrangement is intended to satisfy the affirmative defense in Rule 10b5-1(c). The duration of the trading arrangement is until September 30, 2026, or earlier if all transactions under the trading arrangement are completed.

No other officers or directors, as defined in Rule 16a-1(f) under the Securities Act adopted or terminated a “Rule 10b5-1 trading arrangement” as defined in Regulation S-K Item 408, during the three months ended July 31, 2025.

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not Applicable.

## PART III

### **Item 10. Directors, Executive Officers and Corporate Governance**

The information required by this Item (other than the information set forth in the following paragraphs) will be included in our definitive proxy statement for our 2025 annual meeting of stockholders, or the 2025 Proxy Statement, which will be filed with the SEC within 120 days after the end of our fiscal year ended July 31, 2025, and is incorporated herein by reference.

#### ***Code of Conduct***

We have adopted a code of business conduct and ethics, or Code of Conduct, that applies to all of our employees, executive officers and directors. The full text of the Code of Conduct is available on our website at [ir.zscaler.com](http://ir.zscaler.com). The nominating and corporate governance committee of our board of directors is responsible for overseeing the Code of Conduct and must approve any waivers of the Code of Conduct for employees, executive officers and directors. We expect that any amendments to the Code of Conduct, or any waivers of its requirements, will be disclosed on our website, as required by applicable law or the listing standards of The Nasdaq Global Market.

#### ***Insider Trading Policy***

We have adopted an Insider Trading Policy that governs the purchase, sale and/or other dispositions of our securities by directors, executive officers and employees. Our Insider Trading Policy also provides that we will not transact in any of our own securities unless in compliance with U.S. securities laws. We believe that our Insider Trading Policy is reasonably designed to promote compliance with insider trading laws, rules and regulations, and the listing standards of The Nasdaq Global Market. A copy of our Insider Trading Policy is filed as Exhibit 19.1 to this Annual Report on Form 10-K.

### **Item 11. Executive Compensation**

The information required by this item is incorporated herein by reference to our 2025 Proxy Statement.

### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The information required by this item is incorporated herein by reference to our 2025 Proxy Statement.

### **Item 13. Certain Relationships and Related Transactions, and Director Independence**

The information required by this item is incorporated herein by reference to our 2025 Proxy Statement.

### **Item 14. Principal Accountant Fees and Services**

The information required by this item is incorporated herein by reference to our 2025 Proxy Statement.

**PART IV**

**Item 15. Exhibits, Financial Statement Schedule**

**(a)(1) Financial Statements**

See Index to Financial Statements in Item 8 of this Annual Report on Form 10-K.

**(a)(2) Financial Statement Schedule**

All financial statement schedules have been omitted as the information is not required under the related instructions or is not applicable or because the information required is already included in the financial statements or the notes to those financial statements.

**(a)(3) Exhibits**

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	<a href="#">Amended and Restated Certificate of Incorporation.</a>	10-Q	001-38413	3.1	June 7, 2018	
3.2	<a href="#">Amended and Restated Bylaws.</a>	8-K	001-38413	3.1	March 2, 2023	
4.1	<a href="#">Form of Common Stock Certificate of the Registrant.</a>	S-1	333-223072	4.2	February 16, 2018	
4.2	<a href="#">Description of Capital Stock.</a>	10-K	001-38413	4.3	September 18, 2019	
4.3	<a href="#">Indenture, dated as of July 3, 2025 by and between the Registrant and U.S. Bank Trust Company, National Association, as Trustee.</a>	8-K	001-38413	4.1	July 3, 2025	
4.4	<a href="#">Form of Note, representing Registrant's 0.00% Convertible Senior Notes due 2028 (included as Exhibit A to the Indenture filed as Exhibit 4.3).</a>	8-K	001-38413	4.1	July 3, 2025	
10.1	<a href="#">Form of Indemnification Agreement between the Registrant and each of its directors and executive officers.</a>	S-1	333-223072	10.1	February 16, 2018	
10.2+	<a href="#">Amended and Restated FY2018 Equity Incentive Plan</a>					X
10.3+	<a href="#">Form of Stock Option Agreement under the Amended and Restated FY2018 Equity Incentive Plan.</a>	10-K	001-38413	10.2	September 18, 2019	
10.4+	<a href="#">Form of Restricted Stock Unit Agreement under the Amended and Restated FY2018 Equity Incentive Plan.</a>	10-K	001-38413	10.2	September 18, 2019	
10.5+	<a href="#">Form of Restricted Stock Award Agreement under the Amended and Restated FY2018 Equity Incentive Plan</a>					X
10.6+	<a href="#">FY2018 Employee Stock Purchase Plan and related form agreements.</a>	S-1/A	333-223072	10.3	March 13, 2018	
10.7+	<a href="#">2007 Stock Plan and related form agreements.</a>	S-1/A	333-223072	10.4	March 5, 2018	
10.8+	<a href="#">Employee Incentive Compensation Plan.</a>	S-1	333-223072	10.5	February 16, 2018	
10.9†	<a href="#">Sublease, by and between Registrant and Micron Technology, Inc.</a>	10-Q	001-38413	10.1	June 5, 2019	
10.10†	<a href="#">Sublease, by and between Registrant and Airbnb, Inc., dated April 24, 2025</a>	10-Q	001-38413	10.1	May 29, 2025	
10.11+	<a href="#">Change of Control and Severance Policy (as amended and restated on November 26, 2024).</a>	8-K	001-38413	10.1	December 2, 2024	
10.12+	<a href="#">Employment Agreement between the Registrant and Jagtar S. Chaudhry, dated as of August 23, 2017.</a>	S-1	333-223072	10.8	February 16, 2018	
10.13+	<a href="#">Offer Letter between the Registrant and Remo Canessa, dated as of January 8, 2017.</a>	S-1	333-223072	10.10	February 16, 2018	
10.14+	<a href="#">Offer Letter between the Registrant and Robert Schlossman, dated as of December 22, 2015.</a>	S-1	333-223072	10.11	February 16, 2018	

[Table of Contents](#)

10.15+	<a href="#">Offer Letter between the Registrant and Karen Blasing, dated as of December 23, 2016.</a>	S-1	333-223072	10.14	February 16, 2018	
10.16+	<a href="#">Offer Letter between the Registrant and Andrew Brown, dated as of October 14, 2015.</a>	S-1	333-223072	10.15	February 16, 2018	
10.17+	<a href="#">Offer Letter between the Registrant and Scott Darling, dated as of November 16, 2016.</a>	S-1	333-223072	10.16	February 16, 2018	
10.18+	<a href="#">Offer Letter between the Registrant and Charles Giancarlo, dated as of November 22, 2016.</a>	S-1	333-223072	10.17	February 16, 2018	
10.19+	<a href="#">Offer Letter between the Registrant and Syam Nair, dated as of April 12, 2023.</a>	10-Q	001-38413	10.1	December 12, 2023	
10.20+	<a href="#">Offer Letter between the Registrant and Mike Rich, dated as of November 2, 2023.</a>	10-K	001-38413	10.17	September 12, 2024	
10.21+	<a href="#">Offer Letter between the Registrant and Adam Geller, dated as of August 8, 2024.</a>					X
10.22+	<a href="#">Offer Letter between the Registrant and Raj Judge, dated as of March 31, 2025.</a>					X
10.23+	<a href="#">Offer Letter between the Registrant and Kevin Rubin, dated as of April 23, 2025.</a>					X
10.24+	<a href="#">Transition Agreement and Release Agreement between the Registrant and Remo Canessa, dated as of June 9, 2025.</a>					X
10.25	<a href="#">Form of Confirmation for Capped Call Transactions.</a>	8-K	001-38413	10.1	July 3, 2025	
19.1	<a href="#">Insider Trading Policy</a>	10-K	001-38413	19.1	September 12, 2024	
21.1	<a href="#">Significant Subsidiaries of the Registrant.</a>					X
23.1	<a href="#">Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm.</a>					X
24.1	<a href="#">Power of Attorney (incorporated by reference to the signature page to this Annual Report on Form 10-K).</a>					X
31.1	<a href="#">Certification of the Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>					X
31.2	<a href="#">Certification of the Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>					X
32.1*	<a href="#">Certification of the Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>					X
97.1+	<a href="#">Compensation Recovery Policy.</a>	10-K	001-38413	97.1	September 12, 2024	
101.INS	Inline XBRL Instance Document					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X

+ Indicates management contract or compensatory plan or arrangement.

† Certain portions of this exhibit (indicated by "[\*\*\*]") have been omitted as Registrant determined the omitted information (i) is not material and (ii) would be competitively harmful to Registrant if publicly disclosed.

\* The certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Annual Report on Form 10-K and will not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

**Item 16. Form 10-K Summary**

None.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Zscaler, Inc.

September 11, 2025

/s/ Kevin Rubin

Kevin Rubin

Chief Financial Officer

## POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Jagtar Chaudhry and Kevin Rubin, and each of them, as his or her true and lawful attorney-in-fact and agent with full power of substitution, for him or her in any and all capacities, to sign any and all amendments to this report, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact, proxy, and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact, proxy and agent, or his substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<b>Signature</b>	<b>Title</b>	<b>Date</b>
<u>/s/ Jagtar Chaudhry</u> Jagtar Chaudhry	Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	September 11, 2025
<u>/s/ Kevin Rubin</u> Kevin Rubin	Chief Financial Officer (Principal Accounting and Financial Officer)	September 11, 2025
<u>/s/ James Beer</u> James Beer	Director	September 11, 2025
<u>/s/ Karen Blasing</u> Karen Blasing	Director	September 11, 2025
<u>/s/ Andrew Brown</u> Andrew Brown	Director	September 11, 2025
<u>/s/ Scott Darling</u> Scott Darling	Director	September 11, 2025
<u>/s/ Charles Giancarlo</u> Charles Giancarlo	Director	September 11, 2025
<u>/s/ Raj Judge</u> Raj Judge	Director	September 11, 2025
<u>/s/ Eileen Naughton</u> Eileen Naughton	Director	September 11, 2025
<u>/s/ David Schneider</u> David Schneider	Director	September 11, 2025

**ZSCALER, INC.****AMENDED & RESTATED FY2018 EQUITY INCENTIVE PLAN**

(As Amended and Restated on January 10, 2025)

1. Purposes of the Plan. The purposes of this Plan are:

- to attract and retain the best available personnel for positions of substantial responsibility,
- to provide additional incentive to Employees, Directors and Consultants, and
- to promote the success of the Company's business.

The Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Performance Units and Performance Shares.

2. Definitions. As used herein, the following definitions will apply:

(a) "Administrator" means the Board or any of its Committees as will be administering the Plan, in accordance with Section 4 of the Plan.

(b) "Applicable Laws" means the legal and regulatory requirements relating to the administration of equity-based awards and the related issuance of Shares thereunder, including but not limited to U.S. federal and state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any non-U.S. country or jurisdiction where Awards are, or will be, granted under the Plan.

(c) "Award" means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares.

(d) "Award Agreement" means the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(e) "Board" means the Board of Directors of the Company.

(f) "Change in Control" means the occurrence of any of the following events:

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("Person"), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than fifty percent (50%) of the total voting power of the stock of the Company; provided, however, that for

purposes of this subsection, (A) the acquisition of additional stock by any one Person, who is considered to own more than fifty percent (50%) of the total voting power of the stock of the Company will not be considered a Change in Control, and (B) if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately prior to the change in ownership, the direct or indirect beneficial ownership of fifty percent (50%) or more of the total voting power of the stock of the Company or of the ultimate parent entity of the Company, such event will not be considered a Change in Control under this subsection (i). For this purpose, indirect beneficial ownership will include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities; or

(ii) A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12)-month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this subsection (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than fifty percent (50%) of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B) (3). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Section 409A.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to change the state of the Company's incorporation, or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(g) "Code" means the U.S. Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder will include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(h) "Committee" means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board, or a duly authorized committee of the Board, in accordance with Section 4 hereof.

(i) "Common Stock" means the common stock of the Company.

(j) "Company" means Zscaler, Inc., a Delaware corporation, or any successor thereto.

(k) "Consultant" means any natural person, including an advisor, engaged by the Company or a Parent or Subsidiary to render bona fide services to such entity, provided the services (i) are not in connection with the offer or sale of securities in a capital-raising transaction, and (ii) do not directly promote or maintain a market for the Company's securities, in each case, within the meaning of Form S-8 promulgated under the Securities Act, and provided, further, that a Consultant will include only those persons to whom the issuance of Shares may be registered under Form S-8 promulgated under the Securities Act.

(l) "Director" means a member of the Board.

(m) "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

(n) "Employee" means any person, including Officers and Directors, providing services as an employee to the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director's fee by the Company will be sufficient to constitute "employment" by the Company.

(o) "Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

(p) "Exchange Program" means a program under which (i) outstanding Awards are surrendered or cancelled in exchange for awards of the same type (which may have higher or lower exercise prices and different terms), awards of a different type, and/or cash, (ii) Participants would have the opportunity to transfer any outstanding Awards to a financial institution or other

person or entity selected by the Administrator, and/or (iii) the exercise price of an outstanding Award is increased or reduced. The Administrator will determine the terms and conditions of any Exchange Program in its sole discretion.

(q) “Fair Market Value” means, as of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the New York Stock Exchange, the NASDAQ Global Select Market, the NASDAQ Global Market or the NASDAQ Capital Market of The NASDAQ Stock Market, its Fair Market Value will be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on the day of determination, as reported in The Wall Street Journal or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share will be the mean between the high bid and low asked prices for the Common Stock on the day of determination (or, if no bids and asks were reported on that date, as applicable, on the last trading date such bids and asks were reported), as reported in The Wall Street Journal or such other source as the Administrator deems reliable;

(iii) For purposes of any Awards granted on the Registration Date, the Fair Market Value will be the initial price to the public as set forth in the final prospectus included within the registration statement on Form S-1 filed with the U.S. Securities and Exchange Commission for the initial public offering of the Common Stock; or

(iv) In the absence of an established market for the Common Stock, the Fair Market Value will be determined in good faith by the Administrator.

The determination of fair market value for purposes of tax withholding may be made in the Administrator’s discretion subject to Applicable Laws and is not required to be consistent with the determination of Fair Market Value for other purposes.

(r) “Fiscal Year” means the fiscal year of the Company.

(s) “Incentive Stock Option” means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(t) “Inside Director” means a Director who is an Employee.

(u) “Nonstatutory Stock Option” means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(v) “Officer” means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(w) “Option” means a stock option granted pursuant to the Plan.

- (x) “Outside Director” means a Director who is not an Employee.
- (y) “Parent” means a “parent corporation,” whether now or hereafter existing, as defined in Section 424(e) of the Code.
- (z) “Participant” means the holder of an outstanding Award.
- (aa) “Performance Share” means an Award denominated in Shares which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine pursuant to Section 10.
- (bb) “Performance Unit” means an Award which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine and which may be settled for cash, Shares or other securities or a combination of the foregoing pursuant to Section 10.
- (cc) “Period of Restriction” means the period during which the transfer of Shares of Restricted Stock are subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Administrator.
- (dd) “Plan” means this FY2018 Equity Incentive Plan.
- (ee) “Registration Date” means the effective date of the first registration statement that is filed by the Company and declared effective pursuant to Section 12(b) of the Exchange Act, with respect to any class of the Company’s securities.
- (ff) “Restricted Stock” means Shares issued pursuant to an Award of Restricted Stock under Section 7 of the Plan, or issued pursuant to the early exercise of an Option.
- (gg) “Restricted Stock Unit” means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 8. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.
- (hh) “Rule 16b-3” means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.
- (ii) “Section 16(b)” means Section 16(b) of the Exchange Act.
- (jj) “Section 409A” means Code Section 409A, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and U.S. Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.
- (kk) “Securities Act” means the U.S. Securities Act of 1933, as amended. (ll) “Service Provider” means an Employee, Director or Consultant.

(mm) “Share” means a share of the Common Stock, as adjusted in accordance with Section 14 of the Plan.

(nn) “Stock Appreciation Right” means an Award, granted alone or in connection with an Option, that pursuant to Section 9 is designated as a Stock Appreciation Right.

(oo) “Subsidiary” means a “subsidiary corporation,” whether now or hereafter exist- ing, as defined in Section 424(f) of the Code.

3. Stock Subject to the Plan.

(a) Stock Subject to the Plan. Subject to the provisions of Section 14 of the Plan and the automatic increase set forth in Section 3(b) of the Plan, the maximum aggregate number of Shares that may be issued under the Plan is (i) 12,700,000 Shares, plus (ii) any Shares subject to stock options or similar awards granted under the Company’s 2007 Stock Plan (the “Existing Plan”) that, after the Registration Date, expire or otherwise terminate without having been exercised in full and Shares issued pursuant to awards granted under the Existing Plan that, after the Registration Date, are forfeited to or repurchased by the Company, with the maximum number of Shares to be added to the Plan pursuant to clause (ii) equal to 19,300,000 Shares. The Shares may be authorized, but unissued, or reacquired Common Stock.

(b) Automatic Share Reserve Increase. Subject to the provisions of Sections 14 and 18 of the Plan, the number of Shares available for issuance under the Plan will be increased on the first day of each Fiscal Year beginning with the 2019 Fiscal Year, in an amount equal to the least of (i) 12,700,000 Shares, (ii) five percent (5%) of the outstanding Shares on the last day of the immediately preceding Fiscal Year or (iii) such number of Shares determined by the Board. The final automatic increase under this Section 3(b) shall occur on the first day of the 2028 Fiscal Year.

(c) Lapsed Awards. If an Award expires or becomes unexercisable without having been exercised in full, is surrendered pursuant to an Exchange Program, or, with respect to Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares, is forfeited to or repurchased by the Company due to failure to vest, the unpurchased Shares (or for Awards other than Options or Stock Appreciation Rights the forfeited or repurchased Shares), which were subject thereto will become available for future grant or sale under the Plan (unless the Plan has terminated). With respect to Stock Appreciation Rights, only Shares actually issued (i.e., the net Shares issued) pursuant to a Stock Appreciation Right will cease to be available under the Plan; all remaining Shares under Stock Appreciation Rights will remain available for future grant or sale under the Plan (unless the Plan has terminated). Shares that have actually been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan; provided, however, that if Shares issued pursuant to Awards of Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units are repurchased by the Company or are forfeited to the Company, such Shares will become available for future grant under the Plan. Shares used to pay the exercise price of an Award or to satisfy the tax withholding obligations related to an Award will become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the

number of Shares available for issuance under the Plan. Notwithstanding the foregoing and, subject to adjustment as provided in Section 14, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal the aggregate Share number stated in Section 3(a), plus, to the extent allowable under Section 422 of the Code and the Treasury Regulations promulgated thereunder, any Shares that become available for issuance under the Plan pursuant to Sections 3(b) and 3(c).

(d) Share Reserve. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

4. Administration of the Plan.

(a) Procedure.

(i) Multiple Administrative Bodies. Different Committees with respect to different groups of Service Providers may administer the Plan.

(ii) Section 162(m). To the extent that the Administrator determines it to be desirable to qualify Awards granted hereunder as “performance-based compensation” within the meaning of Section 162(m) of the Code, the Plan will be administered by a Committee of two (2) or more “outside directors” within the meaning of Section 162(m) of the Code.

(iii) Rule 16b-3. To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3, the transactions contemplated hereunder will be structured to satisfy the requirements for exemption under Rule 16b-3.

(iv) Other Administration. Other than as provided above, the Plan will be administered by (A) the Board or (B) a Committee, which Committee will be constituted to satisfy Applicable Laws.

(b) Powers of the Administrator. Subject to the provisions of the Plan, and in the case of a Committee, subject to the specific duties delegated by the Board to such Committee, the Administrator will have the authority, in its discretion:

(i) to determine the Fair Market Value;

(ii) to select the Service Providers to whom Awards may be granted

hereunder; (iii) to determine the number of Shares to be covered by each Award granted

hereunder; (iv) to approve forms of Award Agreements for use under the Plan;

(v) to determine the terms and conditions, not inconsistent with the terms

of the Plan, of any Award granted hereunder (such terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction

or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator will determine);

Program pursuant to the plan;

(vi) to institute and determine the terms and conditions of an Exchange

(vii) to construe and interpret the terms of the Plan and Awards granted

(viii) to prescribe, amend and rescind rules and regulations and adopt sub-plans relating to the Plan, including rules, regulations and sub-plans for the purposes of facilitating compliance with foreign laws, easing the administration of the Plan and/or taking advantage of tax- favorable treatment for Awards granted to Service Providers outside the U.S., in each case as the Administrator may deem necessary or advisable;

(ix) to modify or amend each Award (subject to Section 19 of the Plan), including but not limited to the discretionary authority to extend the post-termination exercisability period of Awards and to extend the maximum term of an Option (subject to Section 6(b) of the Plan regarding Incentive Stock Options);

(x) to allow Participants to satisfy tax withholding obligations in such manner as prescribed in Section 15 of the Plan;

(xi) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

(xii) to allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that would otherwise be due to such Participant under an Award; and

(xiii) to make all other determinations deemed necessary or advisable for administering the Plan.

(c) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders of Awards.

5. Eligibility. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares and Performance Units may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

6. Stock Options.

(a) Limitations. Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate fair market value of the shares with respect to which incentive stock options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds one hundred thousand dollars (\$100,000), such options will be treated as nonstatutory stock options. For purposes of this Section 6(a), incentive stock options will be taken into account in the order in which they were granted. The fair market value of the shares will be determined as of the time the option with respect to such shares is granted.

(b) Term of Option. The term of each Option will be stated in the Award Agreement. In the case of an Incentive Stock Option, the term will be ten (10) years from the date of grant or such shorter term as may be provided in the Award Agreement. Moreover, in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option will be five (5) years from the date of grant or such shorter term as may be provided in the Award Agreement.

(c) Option Exercise Price and Consideration.

(i) Exercise Price. The per share exercise price for the Shares to be issued pursuant to exercise of an Option will be determined by the Administrator, subject to the following:

(1) In the case of an Incentive Stock Option

(A) granted to an Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price will be no less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant.

(B) granted to any Employee other than an Employee described in paragraph (A) immediately above, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(2) In the case of a Nonstatutory Stock Option, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(3) Notwithstanding the foregoing, Options may be granted with a per Share exercise price of less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code.

(ii) Waiting Period and Exercise Dates. At the time an Option is granted, the Administrator will fix the period within which the Option may be exercised and will determine any conditions that must be satisfied before the Option may be exercised.

(iii) Form of Consideration. The Administrator will determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator will determine the acceptable form of consideration at the time of grant. Such consideration may consist entirely of: (1) cash; (2) check; (3) promissory note, to the extent permitted by Applicable Laws; (4) other Shares, provided that such Shares have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option will be exercised and provided that accepting such Shares will not result in any adverse accounting consequences to the Company, as the Administrator determines in its sole discretion; (5) consideration received by the Company under a broker-assisted (or other)

cashless exercise program (whether through a broker or otherwise) implemented by the Company in connection with the Plan; (6) by net exercise; (7) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws; or (8) any combination of the foregoing methods of payment.

(d) Exercise of Option.

(i) Procedure for Exercise; Rights as a Stockholder. Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share.

An Option will be deemed exercised when the Company receives: (i) a notice of exercise (in such form as the Administrator may specify from time to time) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with applicable withholding taxes). Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 14 of the Plan.

Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(ii) Termination of Relationship as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the Participant's termination as the result of the Participant's death or Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for three (3) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified by the Administrator, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iii) Disability of Participant. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the

Option will remain exercisable for twelve (12) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iv) Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised following the Participant's death within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of death (but in no event may the Option be exercised later than the expiration of the term of such Option as set forth in the Award Agreement), by the Participant's designated beneficiary, provided the Administrator has permitted the designation of a beneficiary and provided such beneficiary has been designated prior to Participant's death in a form acceptable to the Administrator. If the Administrator has not permitted the designation of the a beneficiary or if no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following Participant's death. Unless otherwise provided by the Administrator, if at the time of death Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will immediately revert to the Plan. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(v) Tolling Expiration. A Participant's Award Agreement may also provide that:

(1) if the exercise of the Option following the termination of Participant's status as a Service Provider (other than upon the Participant's death or Disability) would result in liability under Section 16(b), then the Option will terminate on the earlier of (A) the expiration of the term of the Option set forth in the Award Agreement, or (B) the tenth (10<sup>th</sup>) day after the last date on which such exercise would result in liability under Section 16(b); or

(2) if the exercise of the Option following the termination of the Participant's status as a Service Provider (other than upon the Participant's death or Disability) would be prohibited at any time solely because the issuance of Shares would violate the registration requirements under the Securities Act, then the Option will terminate on the earlier of (A) the expiration of the term of the Option or (B) the expiration of a period of thirty (30)-day period after the termination of the Participant's status as a Service Provider during which the exercise of the Option would not be in violation of such registration requirements.

## 7. Restricted Stock.

(a) Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, will determine.

(b) Restricted Stock Agreement. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine. Unless the Administrator determines otherwise, the Company as escrow agent will hold Shares of Restricted Stock until the restrictions on such Shares have lapsed.

(c) Transferability. Except as provided in this Section 7 or the Award Agreement, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction.

(d) Other Restrictions. The Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate.

(e) Removal of Restrictions. Except as otherwise provided in this Section 7, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of the Period of Restriction or at such other time as the Administrator may determine. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(f) Voting Rights. During the Period of Restriction, Service Providers holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(g) Dividends and Other Distributions. During the Period of Restriction, Service Providers holding Shares of Restricted Stock will be entitled to receive all dividends and other distributions paid with respect to such Shares, unless the Administrator provides otherwise. If any such dividends or distributions are paid in Shares, the Shares will be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid.

(h) Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed will revert to the Company and again will become available for grant under the Plan.

#### 8. Restricted Stock Units.

(a) Grant. Restricted Stock Units may be granted at any time and from time to time as determined by the Administrator. After the Administrator determines that it will grant Restricted Stock Units under the Plan, it will advise the Participant in an Award Agreement of the terms, conditions, and restrictions related to the grant, including the number of Restricted Stock Units.

(b) Vesting Criteria and Other Terms. The Administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. The Administrator may set vesting criteria based upon the achievement of Company-wide, divisional, business unit, or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws or any other basis determined by the Administrator in its discretion.

(c) Earning Restricted Stock Units. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as determined by the Administrator. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any vesting criteria that must be met to receive a payout.

(d) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made as soon as practicable after the date(s) determined by the Administrator and set forth in the Award Agreement. The Administrator, in its sole discretion, may only settle earned Restricted Stock Units in cash, Shares, or a combination of both.

(e) Cancellation. On the date set forth in the Award Agreement, all unearned Restricted Stock Units will be forfeited to the Company.

9. Stock Appreciation Rights.

(a) Grant of Stock Appreciation Rights. Subject to the terms and conditions of the Plan, a Stock Appreciation Right may be granted to Service Providers at any time and from time to time as will be determined by the Administrator, in its sole discretion.

(b) Number of Shares. The Administrator will have complete discretion to determine the number of Stock Appreciation Rights granted to any Service Provider.

(c) Exercise Price and Other Terms. The per share exercise price for the Shares to be issued pursuant to exercise of a Stock Appreciation Right will be determined by the Administrator and will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant. Otherwise, the Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan.

(d) Stock Appreciation Right Agreement. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the exercise price, the term of the Stock Appreciation Right, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(e) Expiration of Stock Appreciation Rights. A Stock Appreciation Right granted under the Plan will expire ten (10) years from the date of grant or such shorter term as may be provided in the Award Agreement, as determined by the Administrator, in its sole discretion. Notwithstanding the foregoing, the rules of Section 6(d) relating to exercise also will apply to Stock Appreciation Rights.

(f) Payment of Stock Appreciation Right Amount. Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying:

(i) The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; times

(ii) The number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon Stock Appreciation Right exercise may be in cash, in Shares of equivalent value, or in some combination thereof.

10. Performance Units and Performance Shares.

(a) Grant of Performance Units/Shares. Performance Units and Performance Shares may be granted to Service Providers at any time and from time to time, as will be determined by the Administrator, in its sole discretion. The Administrator will have complete discretion in determining the number of Performance Units and Performance Shares granted to each Participant.

(b) Value of Performance Units/Shares. Each Performance Unit will have an initial value that is established by the Administrator on or before the date of grant. Each Performance Share will have an initial value equal to the Fair Market Value of a Share on the date of grant.

(c) Performance Objectives and Other Terms. The Administrator will set performance objectives or other vesting provisions (including, without limitation, continued status as a Service Provider) in its discretion which, depending on the extent to which they are met, will determine the number or value of Performance Units/Shares that will be paid out to the Service Providers. The time period during which the performance objectives or other vesting provisions must be met will be called the "Performance Period." Each Award of Performance Units/Shares will be evidenced by an Award Agreement that will specify the Performance Period, and such other terms and conditions as the Administrator, in its sole discretion, will determine. The Administrator may set performance objectives based upon the achievement of Company-wide, divisional, business unit or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws or any other basis determined by the Administrator in its discretion.

(d) Earning of Performance Units/Shares. After the applicable Performance Period has ended, the holder of Performance Units/Shares will be entitled to receive a payout of the number of Performance Units/Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding performance objectives or other vesting provisions have been achieved. After the grant of a Performance Unit/Share, the Administrator, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such Performance Unit/Share.

(e) Form and Timing of Payment of Performance Units/Shares. Payment of earned Performance Units/Shares will be made as soon as practicable after the expiration of the applicable Performance Period. The Administrator, in its sole discretion, may pay earned Performance Units/Shares in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Units/Shares at the close of the applicable Performance Period) or in a combination thereof.

(f) Cancellation of Performance Units/Shares. On the date set forth in the Award Agreement, all unearned or unvested Performance Units/Shares will be forfeited to the Company, and again will be available for grant under the Plan.

11. Outside Director Limitations.

(a) Cash-Settled Awards. No Outside Director may be granted, in any Fiscal Year, cash-settled Awards with a grant date fair value (determined in accordance with U.S. generally accepted accounting principles) of more than \$1,000,000 increased to \$2,000,000 in connection with his or her initial service.

(b) Stock-Settled Awards. No Outside Director may be granted, in any Fiscal Year, stock-settled Awards with a grant date fair value (determined in accordance with U.S. generally accepted accounting principles) of more than \$1,000,000, increased to \$2,000,000 in connection with his or her initial service.

12. Leaves of Absence/Transfer Between Locations. Unless the Administrator provides otherwise and subject to Applicable Laws, vesting of Awards granted hereunder will be suspended during any unpaid leave of absence. A Participant will not cease to be an Employee in the case of

(i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Parent, or any Subsidiary. For purposes of Incentive Stock Options, no such leave may exceed three (3) months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then six (6) months following the first (1st) day of such leave any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

13. Transferability of Awards. Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award will contain such additional terms and conditions as the Administrator deems appropriate.

14. Adjustments; Dissolution or Liquidation; Merger or Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will adjust the number and class of Shares that may be delivered under the Plan and/or the number, class, and price of Shares covered by each outstanding Award, and the numerical Share limits in Section 3 of the Plan.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed action.

(c) Change in Control. In the event of a merger of the Company with or into another corporation or other entity or a Change in Control, each outstanding Award will be treated as the Administrator determines subject to the restriction in the following paragraph, including, without limitation, that each Award be assumed or an equivalent option or right substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. The Administrator will not be required to treat all Awards or Participants similarly in the transaction.

In the event that the successor corporation does not assume or substitute for the Award, the Participant will fully vest in and have the right to exercise all of his or her outstanding Options and Stock Appreciation Rights, including Shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met. In addition, if an Option or Stock Appreciation Right is not assumed or substituted in the event of a Change in Control, the Administrator will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be exercisable for a period of time determined by the Administrator in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

For the purposes of this subsection (c), an Award will be considered assumed if, following the Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, or other securities or property) received in the Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit, Performance Unit or Performance Share, for each Share subject to such Award, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control.

Notwithstanding anything in this Section 14(c) to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more performance goals will not be considered assumed if the Company or its successor modifies any of such performance goals without the Participant's consent; provided, however, a modification to such performance goals only to reflect the successor corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

(d) Outside Director Awards. In the event of a Change in Control, with respect to Awards granted to an Outside Director, the Outside Director will fully vest in and have the right to exercise Options and/or Stock Appreciation Rights as to all of the Shares underlying such Award, including those Shares which would not otherwise be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met, unless

specifically provided otherwise under the applicable Award Agreement or other written agreement between the Participant and the Company or any of its Subsidiaries or Parents, as applicable.

15. Tax.

(a) Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof) or such earlier time as any tax withholding obligations are due, the Company will have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy U.S. federal, state, or local taxes, non-U.S. taxes, or other taxes (including the Participant's FICA or other social insurance contribution obligation) required to be withheld with respect to such Award (or exercise thereof).

(b) Withholding Arrangements. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part by (without limitation) (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable cash or Shares having a fair market value not in excess of the maximum statutory amount applicable in a Participant's jurisdiction, (iii) selling a number of Shares otherwise issuable pursuant to an Award that have a fair market value to cover the amount of the tax withholding obligation, (iv) having the Company or a Parent or Subsidiary withhold from wages or any other cash amount due or to become due to the Participant and payable by the Company or any Parent or Subsidiary, or (v) delivering to the Company already-owned Shares having a fair market value not in excess of the maximum statutory amount required to be withheld. The fair market value of the Shares to be withheld or delivered will be determined as of the date that the amount of tax to be withheld is calculated.

(c) Compliance With Section 409A. Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Section 409A such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A, except as otherwise determined in the sole discretion of the Administrator. The Plan and each Award Agreement under the Plan is intended to meet the requirements of Section 409A and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A. In no event will the Company (or any Parent or Subsidiary of the Company, as applicable) reimburse a Participant for any taxes imposed or other costs incurred as a result of Section 409A.

16. No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's relationship as a Service Provider, nor will they interfere in any way with the Participant's right or the right of the Company (or any Parent or Subsidiary of the Company) to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.

17. Date of Grant. The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such other later date as is

determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.

18. Term of Plan. Subject to Section 23 of the Plan, the Plan will become effective upon the later to occur of (i) its adoption by the Board or (ii) the business day immediately prior to the Registration Date. The Plan will continue in effect until terminated under Section 19 of the Plan, but Section 3(b) relating to the automatic share reserve increase will operate only until the ten (10) year anniversary of the earlier of the Board or stockholder approval of the Plan (the “Original Term”) and further no Incentive Stock Options will be available for grant under the Plan following the Original Term. Accordingly, the final automatic increase under Section 3(b) shall occur on the first day of the 2028 Fiscal Year.

19. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Administrator may at any time amend, alter, suspend or terminate the Plan.

(b) Stockholder Approval. The Company will obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan will materially impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan will not affect the Administrator’s ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

20. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares will not be issued pursuant to an Award unless the exercise or vesting of such Award and the issuance and delivery of such Shares will comply with Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise or vesting of an Award, the Company may require the person exercising or vesting in such Award to represent and warrant at the time of any such exercise or vesting that the Shares are being acquired only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

21. Inability to Obtain Authority. If the Company determines it to be impossible or impractical to obtain authority from any regulatory body having jurisdiction or to complete or comply with the requirements of any registration or other qualification of the Shares under any U.S. federal or state law, any non-U.S. law, or the rules and regulations of the U.S. Securities and Exchange Commission, the stock exchange on which Shares of the same class are then listed, or any other governmental or regulatory body, which authority, registration, qualification or rule compliance is deemed by the Company’s counsel to be necessary or advisable for the issuance and sale of any Shares hereunder, the Company will be relieved of any liability in respect of the failure to

issue or sell such Shares as to which such requisite authority, registration, qualification or rule compliance will not have been obtained.

22. Forfeiture Events.

(a) All Awards under the Plan will be subject to recoupment under any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other Applicable Laws. In addition, the Administrator may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Administrator determines necessary or appropriate, including but not limited to a reacquisition right regarding previously acquired Shares or other cash or property. Unless this Section 22 is specifically mentioned and waived in an Award Agreement or other document, no recovery of compensation under a clawback policy or otherwise will be an event that triggers or contributes to any right of a Participant to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company or a Subsidiary or Parent of the Company.

(b) The Administrator may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award will be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but will not be limited to, termination of such Participant's status as Service Provider for cause or any specified action or inaction by a Participant, whether before or after such termination of service, that would constitute cause for termination of such Participant's status as a Service Provider.

23. Stockholder Approval. The Plan will be subject to approval by the stockholders of the Company within twelve (12) months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

**ZSCALER, INC.**  
**AMENDED AND RESTATED FY2018 EQUITY INCENTIVE PLAN**  
**RESTRICTED STOCK UNIT AGREEMENT FOR NON-U.S. PARTICIPANTS**

Unless otherwise defined herein, the terms defined in the Zscaler, Inc. Amended and Restated FY2018 Equity Incentive Plan (the “Plan”) will have the same defined meanings in this Restricted Stock Unit Agreement, which includes the Notice of Restricted Stock Unit Grant (the “Notice of Grant”), Terms and Conditions of Restricted Stock Unit Grant attached hereto as Exhibit A, Country-Specific Provisions attached hereto as Exhibit B, and any other appendices and exhibits attached hereto (all together, the “Award Agreement”).

**NOTICE OF RESTRICTED STOCK UNIT GRANT**

**Participant:** %%FIRST\_NAME\_LAST\_NAME%-%

The undersigned Participant has been granted the right to receive an Award of Restricted Stock Units, subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number: %%OPTION\_NUMBER%-%

Date of Grant: %%OPTION\_DATE,'MONTH DD, YYYY'0%-%

Vesting Commencement Date: %%VEST\_BASE\_DATE,'MONTH DD, YYYY'0%-%

Number of Restricted Stock Units: %%TOTAL\_SHARES\_GRANTED,'999,999,999'0%-%

**Vesting Schedule:**

Subject to any acceleration provisions contained in the Plan or set forth below, the Restricted Stock Units will vest in accordance with the following schedule subject to Participant continuing to be a Service Provider through each such date.

The vesting schedule is outlined in the vesting schedule table on the following page:

**Vesting Schedule Table**

Vest Date	Quantity Vesting
%%VEST_DATE_PERIOD1%-%	%%SHARES_PERIOD1,'999,999,999'%-%
%%VEST_DATE_PERIOD2%-%	%%SHARES_PERIOD2,'999,999,999'%-%
%%VEST_DATE_PERIOD3%-%	%%SHARES_PERIOD3,'999,999,999'%-%
%%VEST_DATE_PERIOD4%-%	%%SHARES_PERIOD4,'999,999,999'%-%
%%VEST_DATE_PERIOD5%-%	%%SHARES_PERIOD5,'999,999,999'%-%
%%VEST_DATE_PERIOD6%-%	%%SHARES_PERIOD6,'999,999,999'%-%
%%VEST_DATE_PERIOD7%-%	%%SHARES_PERIOD7,'999,999,999'%-%
%%VEST_DATE_PERIOD8%-%	%%SHARES_PERIOD8,'999,999,999'%-%
%%VEST_DATE_PERIOD9%-%	%%SHARES_PERIOD9,'999,999,999'%-%
%%VEST_DATE_PERIOD10%-%	%%SHARES_PERIOD10,'999,999,999'%-%
%%VEST_DATE_PERIOD11%-%	%%SHARES_PERIOD11,'999,999,999'%-%
%%VEST_DATE_PERIOD12%-%	%%SHARES_PERIOD12,'999,999,999'%-%
%%VEST_DATE_PERIOD13%-%	%%SHARES_PERIOD13,'999,999,999'%-%
%%VEST_DATE_PERIOD14%-%	%%SHARES_PERIOD14,'999,999,999'%-%
%%VEST_DATE_PERIOD15%-%	%%SHARES_PERIOD15,'999,999,999'%-%
%%VEST_DATE_PERIOD16%-%	%%SHARES_PERIOD16,'999,999,999'%-%

A "Quarterly Vesting Date" is the first trading day on or after each of March 15, June 15, September 15 and December 15.

Notwithstanding the foregoing, the vesting of the Restricted Stock Units shall be subject to any vesting acceleration provisions applicable to the Restricted Stock Units contained in any change in control severance agreement, change of control severance policy, or any other agreement that, prior to and effective as of the date of this Award Agreement, has been entered into between Participant and the Company or any parent or subsidiary corporation of the Company (such agreement, a "Separate Agreement") to the extent not otherwise duplicative of the vesting terms described above.

In the event Participant ceases to be a Service Provider for any or no reason before Participant vests in the Restricted Stock Units, the Restricted Stock Units and Participant's right to acquire any Shares hereunder will immediately terminate.

By Participant's signature and the signature of the representative of Zscaler, Inc. (the "Company") below or by Participant's acceptance of this agreement via the Company's designated electronic acceptance procedures, Participant and the Company agree that this Award of Restricted Stock Units is granted under and governed by the terms and conditions of the Plan and this Award Agreement, including the Terms and Conditions of Restricted Stock Unit Grant, attached hereto as Exhibit A, and the Country-Specific Provisions attached hereto as Exhibit B, all of which are made a part of this document. Participant acknowledges receipt of a copy of the Plan. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Award Agreement, and fully understands all provisions of the Plan and this Award Agreement. Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and the Award Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated below.

PARTICIPANT

ZSCALER, INC.

_____	_____
_____	_____
_____	_____

Residence Address

## EXHIBIT A

### TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT GRANT

1. Grant of Restricted Stock Units. The Company hereby grants to the individual (the “Participant”) named in the Notice of Grant of Restricted Stock Units of this Award Agreement (the “Notice of Grant”) under the Plan an Award of Restricted Stock Units, subject to all of the terms and conditions in this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 19(c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Award Agreement, the terms and conditions of the Plan shall prevail.

2. Company’s Obligation to Pay. Each Restricted Stock Unit represents the right to receive a Share on the date it vests. Unless and until the Restricted Stock Units will have vested in the manner set forth in Section 3 or 4, Participant will have no right to payment of any such Restricted Stock Units. Prior to actual payment of any vested Restricted Stock Units, such Restricted Stock Unit will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

3. Vesting Schedule. Except as provided in Section 4, and subject to Section 5, the Restricted Stock Units awarded by this Award Agreement will vest in accordance with the vesting schedule set forth in the Notice of Grant, subject to Participant continuing to be a Service Provider through each applicable vesting date.

4. Payment after Vesting.

(a) General Rule. Subject to Section 8, any Restricted Stock Units that vest will be paid to Participant (or in the event of Participant’s death, to his or her properly designated beneficiary or estate) in whole Shares. Subject to the provisions of Section 4(b), such vested Restricted Stock Units shall be paid in whole Shares as soon as practicable after vesting, but in each such case within sixty (60) days following the vesting date. In no event will Participant be permitted, directly or indirectly, to specify the taxable year of payment of any Restricted Stock Units payable under this Award Agreement.

(b) Acceleration.

(i) Discretionary Acceleration. The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock Units at any time, subject to the terms of the Plan. If so accelerated, such Restricted Stock Units will be considered as having vested as of the date specified by the Administrator. If Participant is a U.S. taxpayer, the payment of Shares vesting pursuant to this Section 4(b) shall in all cases be paid at a time or in a manner that is exempt from, or complies with, Section 409A. The prior sentence may be superseded in a future agreement or amendment to this Award Agreement only by direct and specific reference to such sentence.

(ii) Notwithstanding anything in the Plan or this Award Agreement or any other agreement (whether entered into before, on or after the Date of Grant), if the vesting of the balance, or some lesser portion of the balance, of the Restricted Stock Units is accelerated in connection with Participant’s termination as a Service Provider (provided that such termination is a “separation from service” within the meaning of Section 409A, as determined by the Company), other than due to Participant’s death, and if (x) Participant is a U.S. taxpayer and a “specified employee” within the meaning of Section 409A at the time of such termination as a Service Provider and (y) the payment of such accelerated Restricted Stock Units will result in the imposition of additional tax under Section 409A if paid to Participant on or within the six (6) month period

following Participant's termination as a Service Provider, then the payment of such accelerated Restricted Stock Units will not be made until the date six (6) months and one (1) day following the date of Participant's termination as a Service Provider, unless Participant dies following his or her termination as a Service Provider, in which case, the Restricted Stock Units will be paid in Shares to Participant's estate as soon as practicable following his or her death.

(c) Section 409A. It is the intent of this Award Agreement that it and all payments and benefits to U.S. taxpayers hereunder be exempt from, or comply with, the requirements of Section 409A so that none of the Restricted Stock Units provided under this Award Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to be so exempt or so comply. Each payment payable under this Award Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). However, in no event will the Company reimburse Participant, or be otherwise responsible for, any taxes or costs that may be imposed on Participant as a result of Section 409A.

5. Forfeiture Upon Termination as a Service Provider. Notwithstanding any contrary provision of this Award Agreement, if Participant ceases to be a Service Provider for any or no reason, the then-unvested Restricted Stock Units awarded by this Award Agreement will thereupon be forfeited at no cost to the Company and Participant will have no further rights thereunder.

6. Death of Participant. Any distribution or delivery to be made to Participant under this Award Agreement will, if Participant is then deceased, be made to Participant's designated beneficiary, or if no beneficiary survives Participant, the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

7. Taxes.

(a) Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer (the "Employer") or the Parent or Subsidiary to which Participant is providing services (the Employer, Parent or Subsidiary, as applicable, the "Service Recipient"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account, and other tax-related items related to Participant's participation in the Plan and legally applicable to Participant ("Tax-Related Items") is and remains Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Service Recipient. Participant further acknowledges that the Company and/or the Service Recipient (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends or other distributions paid on the Shares, and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction, Participant acknowledges that the Company and/or the Service Recipient (or former service recipient, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Tax Withholding. In connection with any relevant taxable or tax withholding event, as applicable, Participant agrees to make arrangements satisfactory to the Company and the Service Recipient to satisfy any withholding obligations the Company or the Service Recipient may have for Tax-Related Items. In this regard, Participant authorizes the Company or the Service

Recipient, as applicable, and their respective agents, at their discretion, to satisfy any withholding obligation for Tax-Related Items by one or a combination of the following:

- (i) withholding from wages or other cash compensation payable to Participant by the Company or any Service Recipient;
- (ii) requiring Participant to tender a cash payment to the Company or the Service Recipient;
- (iii) withholding from proceeds of the sale of Shares to be issued upon vesting of the Restricted Stock Units either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization without further consent);
- (iv) withholding in Shares to be issued upon vesting of the Restricted Stock Units (in which case Participant will be deemed to have been issued the full number of Shares subject to the vested portion of the Restricted Stock Units, notwithstanding that a number of the Shares is held back solely for the purpose of paying the Tax-Related Items); and
- (v) any other method acceptable to the Company and permitted under the Plan and Applicable Laws.

The Company may withhold or account for Tax-Related Items by considering minimum statutory withholding rates or other applicable withholding rates, including up to the maximum applicable rates for Participant's jurisdiction(s). If the maximum applicable rate for Participant's jurisdiction is used in connection with the withholding methods described in (iii) or (iv) above, Participant may receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent amount in Shares. If the withholding obligation for Tax-Related Items is satisfied by withholding in Shares as described in (iv) above, for tax purposes, Participant will be deemed to have been issued the full number of Shares subject to the vested portion of the Restricted Stock Units, notwithstanding that a number of the Shares is held back solely for the purpose of satisfying the Tax-Related Items.

(c) The Company may refuse to deliver the Shares or the proceeds of the sale of Shares, if Participant fails to comply with Participant's obligations for Tax-Related Items.

(d) Tax Consequences. Participant has reviewed with his or her own tax advisors the applicable tax consequences of this investment and the transactions contemplated by this Award Agreement. With respect to such matters, Participant relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral.

8. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). After such issuance, recordation, and delivery, Participant will have all the

rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

9. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE RESTRICTED STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER, WHICH UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW IS AT THE WILL OF THE COMPANY (OR THE SERVICE RECIPIENT), AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS RESTRICTED STOCK UNIT AWARD OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE SERVICE RECIPIENT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER, SUBJECT TO APPLICABLE LAW, WHICH TERMINATION, UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW, MAY BE AT ANY TIME, WITH OR WITHOUT CAUSE.

10. Grant is Not Transferable. Except to the limited extent provided in Section 7, this grant and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this grant, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby immediately will become null and void.

11. Nature of Grant. In accepting the Restricted Stock Units, Participant acknowledges, understands, and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended, or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the Restricted Stock Units is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;

(c) all decisions with respect to future Restricted Stock Units or other grants, if any, will be at the sole discretion of the Company;

(d) Participant is voluntarily participating in the Plan;

(e) the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income from and value of same, are not intended to replace any pension rights or compensation;

(f) the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income from and value of same, are not part of normal or expected compensation for any purpose, including but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, holiday pay, pension or retirement or welfare benefits or similar payments;

(g) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted;

(h) for purposes of the Restricted Stock Units, Participant's status as a Service Provider will be considered terminated as of the date Participant is no longer actively providing services to the Company or any Service Recipient (regardless of the reason for such termination and whether or not later to be found invalid or in breach of Applicable Laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Award Agreement (including by reference in the Notice of Grant to Separate Agreements) or determined by the Administrator, Participant's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under Applicable Laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any); the Administrator shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of the Restricted Stock Units (including whether Participant may still be considered to be providing services while on a leave of absence);

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from the termination of Participant's status as a Service Provider (for any reason whatsoever whether or not later found to be invalid or in breach of Applicable Laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any);

(j) unless otherwise provided in the Plan or by the Company in its discretion, the Restricted Stock Units and the benefits evidenced by this Award Agreement do not create any entitlement to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(k) neither the Company nor any Service Recipient shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Restricted Stock Units or of any amounts due to Participant pursuant to the settlement of the Restricted Stock Units or the subsequent sale of any Shares acquired upon settlement;

12. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

13. ***Data Privacy.*** *Participant hereby explicitly and unambiguously consents to the collection, use, processing and transfer, in electronic or other form, of Participant's personal data as described in this Award Agreement and any other Restricted Stock Unit materials by and among, as applicable, the Company and its affiliates for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.*

***Participant understands that the Company and its affiliates hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, email address, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares or directorships held in the***

*Company, details of all Restricted Stock Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").*

*Participant understands that Data will be transferred to a brokerage firm or share plan service provider designated by the Company which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that Participant may request a list with the names and addresses of any potential recipients of Data by contacting Participant's local human resources representative. Participant authorizes the Company, any Company-designated brokerage firm or share plan service provider and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain, process and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing Participant's participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that Participant may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Participant's local human resources representative. Further, Participant understands that Participant is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke Participant's consent, Participant's employment status or service with the Employer will not be affected; the only consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant Restricted Stock Units under the Plan or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing Participant's consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that Participant may contact Participant's local human resources representative.*

14. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company at Zscaler, Inc., 120 Holger Way, San Jose, CA 95134, USA, or at such other address as the Company may hereafter designate in writing.

15. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Stock Units awarded under the Plan or future Restricted Stock Units that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.

16. No Waiver. Either party's failure to enforce any provision or provisions of this Award Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Award

Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

17. Successors and Assigns. The Company may assign any of its rights under this Award Agreement to single or multiple assignees, and this Award Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Award Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Award Agreement may only be assigned with the prior written consent of the Company.

18. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any U.S. or non-U.S. federal, state, or local law, the Code and related regulations or under the rulings or regulations of the United States Securities and Exchange Commission (the "SEC") or any other governmental regulatory body or the clearance, consent or approval of the SEC or any other governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate) hereunder, such issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval will have been completed, effected or obtained free of any conditions not acceptable to the Company. Subject to the terms of the Award Agreement and the Plan, the Company shall not be required to issue any certificate or certificates for Shares hereunder prior to the lapse of such reasonable period of time following the date of vesting of the Restricted Stock Units as the Administrator may establish from time to time for reasons of administrative convenience.

19. Language. Participant acknowledges that Participant is sufficiently proficient in English, or has consulted with an advisor who is sufficiently proficient in English, so as to allow Participant to understand the terms and conditions of this Award Agreement. Furthermore, if Participant has received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise required by Applicable Laws.

20. Interpretation. The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Restricted Stock Units have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or this Award Agreement.

21. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

22. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received an Award of Restricted Stock Units under the Plan, and has received, read, and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

23. Modifications to the Award Agreement. This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements

other than those contained herein. Modifications to this Award Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection to this Award of Restricted Stock Units.

24. Governing Law and Venue. This Award Agreement and the Restricted Stock Units are governed by the internal substantive laws, but not the choice of law rules, of California. For purposes of litigating any dispute that arises under these Restricted Stock Units or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of California, and agree that such litigation will be conducted in the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this Award Agreement is made and/or to be performed.

25. Severability. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Award Agreement shall continue in full force and effect.

26. Entire Agreement. The Plan is incorporated herein by reference. The Plan and this Award Agreement (including the appendices and exhibits referenced herein) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

27. Country-Specific Provisions. The Restricted Stock Units shall be subject to any additional terms and conditions set forth for Participant's country in Exhibit B. Moreover, if Participant relocates to one of the countries included in Exhibit B, the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Exhibit B constitutes part of this Award Agreement.

28. Insider Trading/Market Abuse Laws. Participant may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions including, but not limited to, the United States and the Recipient's country of residence, which may affect Participant's ability to acquire or sell Shares or rights to Shares (e.g., Restricted Stock Units) under the Plan during such time as Participant is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. Participant is responsible for ensuring compliance with any applicable restrictions and should consult with his or her personal legal advisor on this matter.

29. Foreign Asset/Account, Exchange Control and Tax Reporting and Other Requirements. Participant may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the vesting of the Restricted Stock Units, the acquisition, holding and/or transfer of Shares or cash resulting from participation in the Plan and/or the opening and maintaining of a brokerage or bank account in connection with the Plan. Participant may be required to report such assets, accounts, account balances and values, and/or related transactions to the applicable authorities in his or her country. Participant may also be required to repatriate sale proceeds or other funds received as a result of his or her participation in the Plan to his or her country through a designated bank or broker and/or within a certain time after receipt. Participant acknowledges that he or she is responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting and other requirements. Participant further

understands that he or she should consult Participant's personal tax and legal advisors, as applicable on these matters.

30. Clawback/Recoupment. The Restricted Stock Units and any cash payment or Shares delivered pursuant to the Restricted Stock Units are subject to forfeiture, recovery by the Company or other action pursuant to any clawback or recoupment policy which the Company may adopt from time to time, including without limitation any such policy which the Company may be required to adopt under the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) and implementing rules and regulations thereunder, or as otherwise required by law. Further, the Restricted Stock Units, and any Shares issued upon vesting of the Restricted Stock Units, shall be subject to deduction, clawback or forfeiture to the extent required to comply with any recoupment requirement imposed under Applicable Laws, rules, regulations or stock exchange listing standards. In order to satisfy any recoupment obligation arising under any clawback or recoupment policy of the Company or otherwise under Applicable Laws, rules, regulations or stock exchange listing standards, among other things, Participant expressly and explicitly authorizes the Company to issue instructions, on Participant’s behalf, to any brokerage firm or stock plan service provider engaged by the Company to hold any Shares or other amounts acquired pursuant to the Restricted Stock Units to re-convey, transfer or otherwise return such Shares and/or other amounts to the Company upon the Company’s enforcement of any clawback or recoupment policy.

31.

**EXHIBIT B**  
**ZSCALER, INC.**  
**AMENDED AND RESTATED FY2018 EQUITY INCENTIVE PLAN**  
**COUNTRY-SPECIFIC PROVISIONS FOR NON-U.S. PARTICIPANTS**

***Terms and Conditions***

This Exhibit B includes additional (or, if so indicated, different) terms and conditions that govern the Restricted Stock Units granted to Participant if Participant resides and/or works in one of the countries listed herein.

If Participant is a citizen or resident of a country (or if Participant is considered as such for local law purposes) other than the one in which Participant is currently residing and/or working, or if Participant transfers to another country after being granted the Restricted Stock Units, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will be applicable to Participant.

Unless otherwise defined herein, capitalized terms used but not defined herein shall have the same meanings as set forth in the Plan or the Award Agreement, as applicable.

***Notifications***

This Exhibit B also includes information regarding certain issues of which Participant should be aware with respect to his or her participation in the Plan. The information is based on securities, exchange control and other laws in effect in the respective countries as of November 2023. Such laws are often complex and change frequently. As a result, Participant should not rely on the information in this Exhibit B as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the Restricted Stock Units vest or Participant sells Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to Participant's particular situation, and the Company is not in a position to assure Participant of a particular result. Accordingly, Participant should seek appropriate professional advice as to how the relevant laws in his or her country may apply to Participant's individual situation.

Finally, if Participant is a citizen or resident of a country (or if Participant is considered as such for local law purposes) other than the one in which Participant is currently residing and/or working, or if Participant transfers to another country after being granted the Restricted Stock Units, the information contained herein may not be applicable in the same manner.

## **EUROPEAN UNION/EUROPEAN ECONOMIC AREA**

**Data Privacy.** The following provision replaces in its entirety Section 13 of Exhibit A:

- a) **Data Collection and Usage.** Pursuant to applicable data protection laws, Participant is hereby notified that the Company collects, processes, uses and transfers certain personally-identifiable information about Participant in connection with granting Restricted Stock Units and implementing, administering and managing Participant's participation in the Plan. Specifics of the data processing are described below.
- b) **Role as a Data Controller.** The Company is the data controller responsible for the processing of Participant's personal data in connection with the Plan. Participant can reach out to [privacy@zscaler.com](mailto:privacy@zscaler.com) with any questions or concerns regarding the processing of their personal data.
- c) **Personal Data Subject to Processing.** The Company collects, processes and uses the following types of personal data about Participant: Participant's name, home address and telephone number, email address, date of birth, social insurance, passport number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to Shares awarded, canceled, settled, vested, unvested or outstanding in Participant's favor, which the Company receives from Participant or the Employer ("Personal Data").
- d) **Purposes and Legal Bases of Processing.** The Company processes Personal Data for the purpose of performing its contractual obligations under this Award Agreement, granting Restricted Stock Units, implementing, administering and managing Participant's participation in the Plan and facilitating compliance with applicable tax and securities law. The legal basis for the processing of the Personal Data by the Company is the necessity of the data processing for the Company to perform its contractual obligations under this Award Agreement and the Company's legitimate business interests of managing the Plan and generally administering employee equity awards.
- e) **International Data Transfers.** The Company operates in the United States, which means that it will be necessary for Personal Data to be transferred to, and processed in, the United States. Participant understands and acknowledges that the United States is not subject to an unlimited adequacy finding by the European Commission and that, without appropriate safeguards, Personal Data may not have an equivalent level of protection as compared to Participant's country. To provide appropriate safeguards for the protection of Personal Data, Personal Data is transferred to the Company based on the Standard Contractual Clauses.
- f) **Retention.** The Company will use Personal Data only as long as necessary to implement, administer and manage Participant's participation in the Plan, or as required to comply with legal or regulatory obligations, including tax and securities laws. When the Company no longer needs Personal Data, the Company will remove it from its systems to the fullest extent reasonably practicable. If the Company keeps Personal Data longer, it would be to satisfy

legal or regulatory obligations and the Company's legal basis would be relevant laws or regulations.

- g) Data Subject Rights. To the extent provided by law, Participant has the right to (i) inquire whether and what kind of Personal Data the Company holds and how it is processed, and to access or request copies of such Personal Data; (ii) request the correction or supplementation of Personal Data that is inaccurate, incomplete or out-of-date in light of the purposes underlying the processing; (iii) obtain the erasure of Personal Data no longer necessary for the purposes underlying the processing or processed in non-compliance with applicable legal requirements; (iv) request the Company to restrict the processing of Personal Data in certain situations where Participant feels its processing is inappropriate; (v) object, in certain circumstances, to the processing of Personal Data for legitimate interests; (vi) request portability of Personal Data that Participant has actively or passively provided to the Company, where the processing of such Personal Data is based on consent or a contractual agreement with Participant and is carried out by automated means; and (vii) lodge a complaint with the competent local data protection authority. To receive additional information regarding Participant's rights, raise any other questions regarding the practices described in this Award Agreement or to exercise his or her rights, Participant should reach out to [privacy@zscaler.com](mailto:privacy@zscaler.com).
- h) Contractual Requirement. Participant's provision of Personal Data and its processing as described above is a contractual requirement and a condition to Participant's ability to participate in the Plan. If Participant refuses to provide Personal Data, the Company would not be able to grant Restricted Stock Units to Participant or administer or maintain such Restricted Stock Units or allow Participant to participate in the Plan. However, Participant's participation in the Plan and his or her acceptance of the Restricted Stock Units are purely voluntary. While Participant will not receive Restricted Stock Units if he or she decides against participating in the Plan or providing Personal Data as described above, Participant's career and salary will not be affected in any way. For more information on the consequences of the refusal to provide Personal Data, Participant may reach out to [privacy@zscaler.com](mailto:privacy@zscaler.com).
- i) Stock Plan Administration Service Providers. Participant understands that the Company will transfer Personal Data to Morgan Stanley Smith Barney LLC, 2000 Westchester Avenue, Purchase, New York 10577, U.S.A., and certain of its affiliated companies ("Morgan Stanley"), the brokerage firm and independent stock plan administrator engaged by the Company to hold Participant's Shares and other amounts acquired under the Plan and assist the Company with the implementation, administration and management of the Plan. In the future, the Company may select different service providers and may share Personal Data with such service providers. The Company's stock plan administrator will open an account for Participant to receive and trade Shares. Participant may be asked to agree on separate terms and data processing practices with Morgan Stanley or any other service provider, with such agreement being a condition of the ability to participate in the Plan. Participant understands that he or she may request a list with the names and addresses of any potential recipients of Personal Data by reaching out to [privacy@zscaler.com](mailto:privacy@zscaler.com).

Morgan Stanley is based in the United States. Participant's country has enacted data privacy laws that are different from the United States. By indicating consent through the company's online acceptance procedure, Participant agrees to the transfer of Personal Data to Morgan Stanley for the exclusive purpose of administering Participant's participation in the Plan. The Company's legal basis for the transfer of Personal Data to Morgan Stanley is Participant's consent.

Participant may choose to opt out of allowing the Company to share Personal Data with Morgan Stanley and others as described above, although execution of such choice will mean the Company cannot grant Restricted Stock Units to Participant or allow Participant to participate in the Plan. For questions about this choice or to make this choice, Participant should reach out to [privacy@zscaler.com](mailto:privacy@zscaler.com).

## **AUSTRALIA**

### ***Terms and Conditions***

**Nature of Plan and Offer.** The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions in that Act).

**Securities Law Information.** This offer of Restricted Stock Units is being made under Division 1A Part 7.12 of the Corporations Act 2001 (Cth). If Participant offers Shares acquired under the Plan for sale to a person or entity resident in Australia, Participant's offer may be subject to disclosure requirements under Australian law. Participant should obtain legal advice on any disclosure obligations prior to making any such offer.

## **AUSTRIA**

### ***Notifications***

**Exchange Control Information.** If Participant holds securities (including Shares acquired under the Plan) or cash (including proceeds from the sale of Shares) outside Austria, Participant may be required to report certain information to the Austrian National Bank. If the value of Shares meets or exceeds a certain threshold (currently EUR 5,000,000), Participant must report the securities held on a quarterly basis to the Austrian National Bank as of the last day of the quarter, on or before the 15th day of the month following the end of the calendar quarter. In all other cases, an annual reporting obligation applies and the report has to be filed as of December 31 on or before January 31 of the following year using the form P2. Further, if Participant holds cash in accounts outside Austria, monthly reporting requirements will apply, as explained in the next paragraph, if the aggregate transaction volume of such cash accounts meets or exceeds a certain threshold.

If Participant sells Shares, or receives any cash dividends, Participant may have exchange control obligations if Participant holds the cash proceeds outside Austria. If the transaction volume of all Participant's accounts abroad meets or exceeds a certain threshold (currently EUR 10,000,000), Participant must report to the Austrian National Bank the movements and balances of all accounts on

a monthly basis, as of the last day of the month, on or before the 15th day of the following month, using the form “*Meldungen SI-Forderungen und/oder SI-Verpflichtungen.*”

## **BELGIUM**

### ***Notifications***

**Foreign Asset/Account Reporting Information.** Belgian residents are required to report any securities (*i.e.*, Shares acquired under the Plan) or bank accounts opened and maintained outside Belgium on their annual tax returns. Belgian residents are also required to complete a separate report providing the National Bank of Belgium with details regarding any such account. This report, as well as additional information on how to complete it, can be found on the website of the National Bank of Belgium, [www.nbb.be](http://www.nbb.be), under the *Kredietcentrales / Centrales des crédits* caption.

**Stock Exchange Tax.** A stock exchange tax applies to transactions executed by a Belgian resident through a financial intermediary, such as a bank or broker. If the transaction is conducted through a Belgian financial intermediary, it may withhold the stock exchange tax, but if the transaction is conducted through a non-Belgian financial intermediary, the Belgian resident may need to report and pay the stock exchange tax directly. The stock exchange tax likely will apply when Shares acquired under the Plan are sold. Belgian residents should consult with a personal tax or financial advisor for additional details on their obligations with respect to the stock exchange tax.

**Annual Securities Accounts Tax.** An annual securities accounts tax may be payable if the total average value of securities held in a Belgian or foreign securities account (e.g., Shares) exceeds a certain threshold (currently EUR 1,000,000) on four reference dates within the relevant reporting period (*i.e.*, December 31, March 31, June 30 and September 30). In such case, the tax will be due on the value of the qualifying securities held in such account. Participant should consult with a personal tax or financial advisor for additional details.

## **BRAZIL**

### ***Terms and Conditions***

**Nature of Grant.** This provision supplements Section 11 of Exhibit A:

By accepting the Restricted Stock Units, Participant agrees that (i) he or she is making an investment decision and (ii) the value of the underlying Shares is not fixed and may increase or decrease without compensation to Participant.

**Compliance with Law.** By accepting the Restricted Stock Units, Participant acknowledges that he or she agrees to comply with applicable Brazilian laws and pay any and all applicable Tax-Related Items associated with the vesting of the Restricted Stock Units, the receipt of any dividends and the sale of Shares acquired under the Plan.

### ***Notifications***

Exchange Control Information. If Participant is a resident or domiciled in Brazil, he or she may be required to submit a declaration of assets and rights held outside of Brazil to the Central Bank of Brazil, depending on the aggregate value of such assets and rights. If the aggregate value of such assets and rights is US\$100,000 or more but less than US\$100,000,000, a declaration must be submitted annually. If the aggregate value exceeds US\$100,000,000, a declaration must be submitted quarterly. Assets and rights that must be reported include Shares.

## **CANADA**

### ***Terms and Conditions***

Payment After Vesting. This provision supplements Section 4 of Exhibit A:

As provided herein, any Restricted Stock Units that vest will be paid to Participant in whole Shares. For the avoidance of doubt, any Restricted Stock Units that vest will not be settled in cash.

Nature of Grant. The following provision replaces Section 11(h) of Exhibit A:

For purposes of the Restricted Stock Units, Participant's status as a Service Provider will be considered terminated as of the date that is the earliest of: (i) the date that Participant's employment or service with the Company or the Service Recipient is terminated; or (ii) the date that Participant receives written notice of termination of employment or service, regardless of any notice period, period of pay in lieu of such notice, or related payments or damages provided or required to be provided under any Applicable Law in the country where Participant resides (including, but not limited to, statutory law, regulatory law and/or common law), even if such law is otherwise applicable to Participant's employment benefits from the Employer or other Service Recipient. Unless otherwise expressly provided in this Award Agreement (including by reference in the Notice of Grant to Separate Agreements) or determined by the Administrator, Participant's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of such date. The Administrator shall have the exclusive discretion to determine when Participant's status as a Service Provider will be considered terminated for purposes of the Restricted Stock Units (including whether Participant may still be considered to be providing services while on a leave of absence). Participant will not earn or be entitled to any pro-rated vesting of the Restricted Stock Units for that portion of time before the date on which Participant's employment or service terminates, nor will Participant be entitled to any compensation for lost vesting.

Notwithstanding the foregoing, if applicable employment standards legislation explicitly requires continued participation in the Plan during a statutory notice period, Participant acknowledges that his or her right to participate in the Plan, if any, will terminate effective as of the last day of Participant's minimum statutory notice period, but Participant will not earn or be entitled to pro-rata vesting to the extent any Quarterly Vesting Date falls after the end of Participant's statutory notice period, nor will Participant be entitled to any compensation for lost vesting.

**The following provisions apply to Participants in Quebec:**

French Language Documents. A French translation of this document and the Plan will be made available to Participant as soon as reasonably practicable. Notwithstanding anything to the contrary in the Award Agreement, and unless Participant indicates otherwise, the French translation of this document and the Plan will govern Participant's participation in the Plan.

*Documents en Langue Française. Une traduction française du présent document et du Plan sera mise à la disposition du Participant dès que cela sera raisonnablement possible. Nonobstant toute disposition contraire dans le Contrat, et à moins que le Participant n'indique le contraire, la traduction française du présent document et du Plan régira la participation du Participant au Plan.*

Data Privacy. The following provision supplements Section 13 of Exhibit A:

Participant hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration of the Plan. Participant further authorizes the Company, the Employer or other Service Recipient and the Administrator to disclose and discuss the Plan with their advisors and to record all relevant information and keep such information in Participant's employee file. Participant also acknowledges that the Company, Morgan Stanley, and the Employer may use technology for profiling purposes and to make automated decisions that may have an impact on Participant or the administration of the Plan.

### ***Notifications***

Securities Law Information. Participant is permitted to sell Shares acquired under the Plan through the designated broker appointed under the Plan, if any, provided the sale of the Shares takes place outside of Canada through the facilities of a stock exchange on which the Shares are listed. The Shares are currently traded on the The Nasdaq Stock Market, which is located outside of Canada, under the ticket symbol "ZS" and Shares acquired under the Plan may be sold through this exchange.

Foreign Asset / Account Reporting Information. Canadian residents are required to report foreign specified property, including Shares and rights to receive Shares (e.g., Restricted Stock Units), on form T1135 (Foreign Income Verification Statement) if the total cost of the foreign specified property exceeds C\$100,000 at any time in the year. Restricted Stock Units must be reported (generally at a nil cost) if the C\$100,000 cost threshold is exceeded because of other foreign specified property held by the resident. When Shares are acquired, their cost generally is the adjusted cost base ("ACB") of the Shares. The ACB would ordinarily equal the fair market value of the Shares at the time of acquisition, but if other Shares are owned, this ACB may have to be averaged with the ACB of the other Shares. *Participant should consult his or her personal legal advisor to ensure compliance with applicable reporting obligations.*

## **COLOMBIA**

### ***Terms and Conditions***

Nature of Grant. This provision supplements Section 11 of Exhibit A:

Participant acknowledges that pursuant to Article 128 of the Colombian Labor Code, the Plan, the Restricted Stock Units, the underlying Shares, and any other amounts or payments granted or realized from participation in the Plan do not constitute a component of Participant's "salary" for any purpose. To this extent, they will not be included and/or considered for purposes of calculating any and all labor benefits, such as legal/fringe benefits, vacations, indemnities, payroll taxes, social insurance contributions or any other labor-related amount which may be payable.

### ***Notifications***

Securities Law Information. The Shares are not and will not be registered with the Colombian registry of publicly traded securities (*Registro Nacional de Valores y Emisores*), and therefore, the Shares cannot be offered to the public in Colombia. Nothing in the Award Agreement shall be construed as making a public offer of securities, or the promotion of financial products in Colombia.

Exchange Control Information. Foreign investments (including Shares) must be registered with the Central Bank of Colombia (*Banco de la República*). Upon the subsequent sale or other disposition of investments held abroad, the registration with the Central Bank must be canceled, the proceeds from the sale or other disposition of the Shares must be repatriated to Colombia and the appropriate Central Bank form must be filed (usually with Participant's local bank). Participant acknowledges that Participant personally is responsible for complying with Colombian exchange control requirements.

Foreign Asset / Account Reporting Information. An annual informative return must be filed with the Colombian Tax Office detailing any assets held abroad (including the Shares acquired under the Plan). If the individual value of any of these assets exceeds a certain threshold, each asset must be described (*e.g.*, its nature and its value) and the jurisdiction in which it is located must be disclosed. Participant acknowledges that Participant personally is responsible for complying with this tax reporting requirement.

### **COSTA RICA**

There are no country-specific provisions.

### **DENMARK**

#### ***Terms and Conditions***

Danish Stock Option Act. Participant acknowledges that he or she has received an Employer Statement, attached hereto and translated into Danish, which sets forth additional terms of the Restricted Stock Units.

#### ***Notifications***

Foreign Asset / Account Reporting Information. If Participant establishes an account holding Shares or cash outside Denmark, Participant must report the account to the Danish Tax Administration. The form which should be used in this respect can be obtained from a local bank.

**SPECIAL NOTICE FOR EMPLOYEES IN DENMARK  
EMPLOYER STATEMENT**

Pursuant to Section 3(1) of the Act on Stock Options in employment relations, as amended January 1, 2019 (the “Stock Option Act”), you are entitled to receive the following information regarding the restricted stock units (“RSUs”) granted to you by Zscaler, Inc. (the “Company”) under the Zscaler, Inc. Amended and Restated FY2018 Equity Incentive Plan (the “Plan”) in a written statement.

This statement contains information applicable to your participation in the Plan, as required under the Stock Option Act, while the other terms and conditions of your RSUs are described in detail in the Plan and the Restricted Stock Unit Agreement (the “Agreement”), both of which have been made available to you. Capitalized terms used but not defined herein shall have the same meanings given to them in the Plan or the Agreement, as applicable.

**1. Date of grant**

The date of grant of your RSUs is the date that the Administrator approved a grant for you and determined it would be effective, which is set forth in the Agreement.

**2. Terms or conditions for option grant**

The grant of RSUs under the Plan is made at the sole discretion of the Company. Employees of the Company and its subsidiaries and affiliates, as well as certain other Service Providers, are eligible to receive grants under the Plan. The Administrator has broad discretion to determine who will receive RSUs and to set the terms and conditions of the RSUs. The Company may decide, in its sole discretion, not to make any grants of RSUs to you in the future. Under the terms of the Plan and the Agreement, you have no entitlement or claim to receive future grants of RSUs.

**3. Vesting period**

The RSUs will vest over a period of time (as set forth in the Agreement), subject to you continuing to be a Service Provider through the applicable vesting date and other conditions set forth in the Plan and Agreement.

**4. Exercise Price**

No exercise price is payable upon the vesting of your RSUs and the issuance of shares of the Company’s common stock to you in accordance with the vesting schedule described above.

**5. Your rights upon termination of employment**

The treatment of your RSUs upon termination of employment will be determined in accordance with the termination provisions of the Agreement, which are summarized

immediately below. In the event of a conflict between the terms of the Agreement and the summary below, the terms set forth in the Agreement will govern the treatment of your RSUs.

If you terminate employment with the Company group, your unvested RSUs will be forfeited.

## **6. Financial aspects of participating in the Plan**

The grant of RSUs has no immediate financial consequences for you. The value of the RSUs is not taken into account when calculating holiday allowances, pension contributions or other statutory consideration calculated on the basis of salary.

Shares of stock are financial instruments and investing in stock will always have financial risk. The future value of Company shares is unknown and cannot be predicted with certainty.

### **Zscaler, Inc.**

120 Holger Way  
San Jose, CA 95134  
U.S.A.

## **SÆRLIG MEDDELELSE TIL MEDARBEJDERE I DANMARK ARBEJDSGIVERERKLÆRING**

I henhold til § 3, stk. 1, i lov om brug af køberet eller tegningsret mv. i ansættelsesforhold som ændret med virkning fra 1. januar 2019 ("Aktieoptionsloven") er du berettiget til i en skriftlig erklæring at modtage følgende oplysninger om de betingede aktieenheder ("RSU'er"), som du tildeles af Zscaler, Inc. ("Selskabet") i henhold til Zscaler, Inc. Amended and Restated FY2018 Equity Incentive Plan ("Planen").

Denne erklæring indeholder, i henhold til Aktieoptionsloven, de oplysninger, der er gældende for din deltagelse i Planen, mens de øvrige kriterier og betingelser for dine RSU'er er beskrevet nærmere i Planen og i Restricted Stock Unit Agreement ("Aftalen"), som begge er stillet til rådighed for dig. Begreber, der står med stort begyndelsesbogstav i denne arbejdsgivererklæring, men som ikke er defineret heri, har den betydning, der er defineret i Planen, hhv. Aftalen.

### **1. Tildelingstidspunkt**

Tidspunktet for tildelingen af dine RSU'er er den dag, hvor Administratoren godkendte din tildeling og besluttede, at den skulle træde i kraft. Tidspunktet fremgår af Aftalen.

### **2. Vilkår og betingelser for optionstildelingen**

RSU'er, der er omfattet af Planen, tildeles udelukkende efter Selskabets skøn. Tildeling kan i henhold til Planen ske til medarbejdere i Selskabet og dets datterselskaber og tilknyttede selskaber samt visse andre Tjenesteydere. Administratoren har vide beføjelser til at bestemme, hvem der skal modtage RSU'er og til at fastsætte betingelserne herfor. Selskabet kan frit vælge fremover ikke at tildele dig RSU'er. I henhold til bestemmelserne i Planen og Aftalen har du ikke hverken ret til eller krav på fremover at få tildelt RSU'er.

### **3. Modningstidspunkt eller -periode**

RSU'er modnes over en periode (som anført i Aftalen), forudsat at du på det relevante modningstidspunkt fortsat er en Tjenesteyder, og at du opfylder de øvrige betingelser i Planen og i Aftalen.

### **4. Udnyttelseskurs**

Der skal ikke betales nogen udnyttelseskurs i forbindelse med, at dine RSU'er modnes, og at Selskabet udsteder ordinære aktier til dig i overensstemmelse med den ovenfor beskrevne modningstidsplan.

### **5. Din retsstilling i forbindelse med fratræden**

Dine RSU'er vil i tilfælde af din fratræden blive behandlet i overensstemmelse med fratrædelsesbestemmelserne i Aftalen, som er refereret straks nedenfor. Hvis der er

uoverensstemmelse mellem vilkårene i Aftalen og vilkårene refereret nedenfor, vil vilkårene i Aftalen være gældende for dine aktieoptioner.

Hvis dit ansættelsesforhold i Selskabets koncern ophører, vil din umodnede RSU'er bortfalde.

## **6. Økonomiske aspekter ved deltagelse i Planen**

Tildelingen af RSU'er har ingen umiddelbare økonomiske konsekvenser for dig. Værdien af RSU'er indgår ikke i beregningen af feriepenge, pensionsbidrag eller øvrige lovbestemte, vederlagsafhængige ydelser.

Aktier er finansielle instrumenter, og investering i aktier vil altid være forbundet med en økonomisk risiko. Den fremtidige værdi af Selskabets aktier kendes ikke og kan ikke forudsiges med sikkerhed.

### **Zscaler, Inc.**

120 Holger Way  
San Jose, CA 95134  
USA

## **FINLAND**

There are no country-specific provisions.

## **FRANCE**

### ***Terms and Conditions***

**Type of Grant.** The Restricted Stock Units are granted as French-Qualified Restricted Stock Units and are intended to qualify for the special tax and social security treatment applicable to Shares granted for no consideration under Sections L. 225-197-1 to L. 225-197-5 and Sections L. 22-10-59 to L. 22-10-60 of the French Commercial Code, as amended. The French-Qualified Restricted Stock Units are granted subject to the terms and conditions of the French Sub-Plan to the Plan (the “French Sub-Plan”).

Certain events may affect the status of the Restricted Stock Units as French-Qualified Restricted Stock Units or the underlying Shares, and the French-Qualified Restricted Stock Units or the underlying Shares may be disqualified in the future. The Company does not make any undertaking or representation to maintain the qualified status of the French-Qualified Restricted Stock Units or of the underlying Shares.

Capitalized terms not defined herein, in the Award Agreement or the Plan shall have the meanings ascribed to them in the French Sub-Plan.

### **Restrictions on Sale or Transfer of Shares.**

- (a) **Minimum Vesting Period.** French-Qualified Restricted Stock Units will vest according to the vesting schedule set forth in the Notice of Grant, provided, however, that under no circumstances will the French-Qualified Restricted Stock Units vest prior to the expiration of such period as is required to comply with the minimum vesting period applicable to French-Qualified Restricted Stock Units under Section L. 225-197-1 of the French Commercial Code, as amended, the relevant sections of the French Tax Code and/or the relevant sections of the French Social Security Code, as amended, except in the case of Participant’s death. The minimum vesting period is currently one year from the Date of Grant.
- (b) **Minimum Mandatory Holding Period.** Participant may not sell or transfer the Shares acquired upon vesting of the French-Qualified Restricted Stock Units until such time as is required to comply with the minimum holding period applicable to Shares underlying French-Qualified Restricted Stock Units under Section L. 225-197-1 of the French Commercial Code, as amended, the relevant sections of the French Tax Code and/or the relevant sections of the French Social Security Code, as amended, except in the case of Participant’s death or Disability (as defined in the French Sub-Plan). The minimum holding period is currently two years from the Date of Grant.

Except in the case of Participant's termination of employment due to death or Disability (as defined in the French Sub-Plan), the minimum holding period restriction will continue to apply even if Participant is no longer employed by the Company or any Parent or Subsidiary.

- (c) Closed Periods. Participant may not sell any Shares issued upon vesting of the French-Qualified Restricted Stock Units during certain Closed Periods, to the extent applicable to the Shares underlying the French-Qualified Restricted Stock Units granted by the Company, as described in the French Sub-Plan.

Holding Periods for Managing Corporate Officers. If, on the Date of Grant, Participant qualifies as an executive corporate officer under French law ("mandataires sociaux") or any similar official capacity of the Company or a Parent or Subsidiary, Participant may not sell 20% of the Shares acquired upon vesting of the French-Qualified Restricted Stock Units until the termination of such official capacity, as long as this restriction is applicable to French-Qualified Restricted Stock Units.

Termination of Service Due to Death. In the event of Participant's death, the applicable vesting requirements will be considered met in full and Participant's heirs may request the issuance of the Shares subject to the French-Qualified Restricted Stock Units within six months from the date of Participant's death. If Participant's heirs do not request the Shares within six months from the date of Participant's death, the French-Qualified Restricted Stock Units will be forfeited.

Language Consent. By accepting the Award Agreement providing for the terms and conditions of Participant's grant, Participant confirms having read and understood the documents relating to this grant (the Plan and this Award Agreement) which were provided in English language. Participant accepts the terms of those documents accordingly.

*Consentement Relatif à la Langue Utilisée. En acceptant le Contrat décrivant les termes et conditions de l'attribution («Award Agreement»), le Participant confirme avoir lu et compris les documents relatifs à cette attribution (le Plan et ce Contrat) qui ont été communiqués en langue anglaise. Le Participant accepte les termes de ces documents en connaissance de cause.*

### ***Notifications***

Foreign Asset/Account Reporting Information. If Participant is a French resident and holds Shares outside of France or maintains a foreign bank account, Participant is required to declare all foreign securities, bank, and brokerage accounts, whether open, current, or closed during the tax year, in his or her annual income tax return.

### **GERMANY**

#### ***Notifications***

Exchange Control Information. Cross-border payments in excess of EUR 12,500 must be reported to the German Federal Bank (*Bundesbank*). If Participant otherwise makes or receives a payment in excess of EUR 12,500 (including if Participant acquires Shares under the Plan with a value in excess of this amount or sells Shares via a foreign broker, bank or service provider and receives proceeds in

excess of this amount) and/or if the Company withholds or sells Shares with a value in excess of this amount to cover Tax-Related Items, Participant must report the payment and/or the value of the Shares withheld or sold to the Bundesbank. Such reports must be filed either electronically by accessing the electronic General Statistics Reporting Portal (“*Allgemeines Meldeportal Statistik*”) via the Bundesbank’s website ([www.bundesbank.de](http://www.bundesbank.de)), or by such other method (e.g., email or telephone) and within such other timing as permitted or required by Bundesbank. The report must be submitted monthly or within such timing as it permitted or required by the Bundesbank. It is Participant’s responsibility to comply with this reporting obligation and Participant should consult with his or her personal legal advisor in this regard.

**Foreign Asset/Account Reporting Information.** If Participant’s acquisition of Shares under the Plan leads to a so-called “qualified participation” at any point during the calendar year, Participant will need to report the acquisition when Participant files Participant’s tax return for the relevant year. A qualified participation is attained if (i) the value of the Shares acquired exceeds EUR 150,000 or (ii) in the unlikely event Participant holds 10% or more of the total Shares. However, as long as the Shares are listed on a recognized stock exchange (e.g., the Nasdaq Global Select Market) and Participant owns less than 1% of the Company, this requirement will not apply.

## **GREECE**

There are no country-specific provisions.

## **HONG KONG**

### ***Terms and Conditions***

**Payment After Vesting.** This provision supplements Section 4 of Exhibit A:

As provided herein, any Restricted Stock Units that vest will be paid to Participant in whole Shares. For the avoidance of doubt, any Restricted Stock Units that vest will not be settled in cash.

**Sale of Shares.** For any Restricted Stock Units that vest within six (6) months of the Date of Grant, Participant agrees that he or she will not dispose of the Shares acquired prior to the six-month anniversary of the Date of Grant.

### ***Notifications***

**Securities Law Notice.** *WARNING: The Restricted Stock Units and the Shares issued upon vesting do not constitute a public offering of securities under Hong Kong law and are available only to certain Service Providers. The Award Agreement, including this Exhibit B, the Plan and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under the applicable securities legislation in Hong Kong. In addition, the documents have not been reviewed by any regulatory authority in Hong Kong. The Restricted Stock Units are intended only for the personal use of each Participant, and may not be distributed to any other person. If Participant is in any*

doubt about any of the contents of the Award Agreement, including this Exhibit B, or the Plan, Participant should obtain independent professional advice.

## **HUNGARY**

There are no country-specific provisions.

## **INDIA**

### ***Notifications***

**Exchange Control Information.** Participant must repatriate any funds recognized in connection with the Restricted Stock Units to India within certain prescribed time periods (e.g., proceeds from the sale of Shares must be repatriated within 90 days of receipt or within such other period of time as may be required under applicable regulations). Participant should obtain a foreign inward remittance certificate (“FIRC”) from the bank where Participant deposits the foreign currency and maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India, the Company, or the Employer or other Service Recipient requests proof of repatriation. Participant agrees to provide any information that may be required by the Company, the Employer or other Service Recipient to make any applicable filings under exchange control laws in India.

**Foreign Asset/Account Reporting Information.** Indian residents are required to declare any foreign bank accounts and any foreign financial assets (including Shares held outside India) in their annual tax return.

## **INDONESIA**

### ***Terms and Conditions***

**Language Consent.** By accepting the Restricted Stock Units, Participant (i) confirms having read and understood the documents relating to the grant (i.e., the Notice of Grant, the Plan and the Award Agreement) which were provided in the English language, (ii) accepts the terms of those documents accordingly, and (iii) agrees not to challenge the validity of this document based on Law No. 24 of 2009 on National Flag, Language, Coat of Arms and National Anthem or the implementing Presidential Regulation.

***Persetujuan dan Pemberitahuan Bahasa.*** Dengan menerima pemberian Unit Saham Terbatas ini, Peserta (i) memberikan konfirmasi bahwa dirinya telah membaca dan memahami dokumen-dokumen berkaitan dengan pemberian ini (yaitu, Pemberitahuan Pemberian, Perjanjian Penghargaan dan Program) yang disediakan dalam Bahasa Inggris, (ii) menerima persyaratan di dalam dokumen-dokumen tersebut, dan (iii) setuju untuk tidak mengajukan keberatan atas keberlakuan dari dokumen ini berdasarkan Undang-Undang No. 24 Tahun 2009 tentang Bendera, Bahasa dan Lambang Negara serta Lagu Kebangsaan ataupun Peraturan Presiden sebagai pelaksanaannya.

### ***Notifications***

Exchange Control Information. If Participant remits funds into Indonesia (e.g., proceeds from the sale of Shares), the Indonesian Bank through which the transaction is made will submit a report of the transaction to the Bank of Indonesia for statistical reporting purposes. For transactions of US\$10,000 or more, a description of the transaction must be included in the report and Participant may be required to provide information about the transaction (e.g., the relationship between Participant and the transferor of the funds, the source of the funds, etc.) to the bank in order for the bank to complete the report.

In addition, Participant must provide the Bank of Indonesia with information on foreign exchange activities via a monthly report submitted online through the Bank of Indonesia's website. The report is due no later than the 15th day of the month following the month in which the activity occurred.

Foreign Asset/Account Reporting Information. Indonesian residents are required to report any foreign bank accounts and any foreign financial assets (including Shares acquired under the Plan) in their annual tax return.

## **IRELAND**

There are no country-specific provisions.

## **ISRAEL**

### ***Terms and Conditions***

Capital Gains Track Requirements. *The following provision applies only to Participants who are or are deemed to be residents of the State of Israel for tax purposes or are otherwise subject to taxation in Israel with respect to the Restricted Stock Units on the Date of Grant.*

Capitalized terms used but not defined in these provisions or the Plan or the Award Agreement shall have the meanings ascribed to them in the Sub-Plan to the Plan for Israeli Participants (the "Israel Sub-Plan").

By accepting the Restricted Stock Units, Participant acknowledges and agrees that the Restricted Stock Units are subject to the Plan, the Israel Sub-Plan and Sections 102(b)(2) and (3) of the ITO, the Rules, and the Trust Agreement, a copy of which has been made available to Participant. Participant confirms that (a) Participant is familiar with the terms and provisions of Section 102 of the ITO, particularly the capital gains track described in subsection (b)(2) and (3) thereof, and agrees not to require the Trustee to release the Restricted Stock Units or to sell or transfer the Restricted Stock Units to Participant or any third party unless permitted to do so by applicable law; (b) the terms and restrictions set forth in the Israel Sub-Plan will apply to the Restricted Stock Units in all respects, including without limitation with respect to mandatory withholding requirements for Tax-Related Items, and the rights and authorities of the Company, the Employer and the Trustee with respect thereto, and (c) the Company, its affiliates, assignees and successors shall be under no duty to ensure, and no representation or commitment is made, that the Restricted Stock Units qualify or shall qualify under any particular tax treatment.

32. Participant further acknowledges and agrees that Restricted Stock Units and any Shares issued upon vesting thereof shall be deposited with the Trustee, or shall be subject to a supervisory trustee arrangement approved by the ITA for the Trustee, in order to comply with the requirements of the capital gains track under Sections 102(b)(2) and (3) of the ITO.

33. Participant hereby undertakes to release the Trustee from any liability in respect of any action or decision duly taken and bona fide executed in relation to the Plan, Restricted Stock Units or Shares issued thereunder.

Data Privacy. The following provision supplements Section 13 of Exhibit A:

Participant hereby authorizes the Company, the Trustee and their representatives to collect, use and transfer all relevant information regarding Participant and the Restricted Stock Units to all Company personnel and agents and or third parties involved in the administration of the Plan and/or in the event of a corporate financing, merger, acquisitions and/or business transfers, including transfers outside of Israel and further transfers thereafter.

*The following provision applies only to Participants who permanently transfer to Israel after the Date of Grant who do not hold 102 Capital Gains Track Grants.*

Settlement of Restricted Stock Units. To facilitate compliance with withholding obligations for Tax-Related Items in Israel, the Company reserves the right to restrict Participant from acquiring Shares at settlement of the Restricted Stock Units. Instead, the Company reserves the right to make a payment to Participant in cash or its equivalent of an amount determined by multiplying (a) the fair market value per Share on the date of settlement of the Restricted Stock Units by (b) the number of Shares settled. In addition, the Company reserves the discretion to force the immediate sale of the Shares issued upon settlement of the Restricted Stock Units (on Participant's behalf and at Participant's direction pursuant to this authorization). Any references to the issuance of Shares in any documents related to the Restricted Stock Units shall not be applicable in these circumstances.

### ***Notifications***

Securities Law Information. The Company has obtained an exemption to the prospectus filing requirement from the Israeli Securities Authority. Accordingly, Restricted Stock Units will be granted pursuant to an exemption from filing a Plan prospectus granted to the Company by the Israeli Securities Authority. Copies of the Plan and Form S-8 registration statement for the Plan filed with the U.S. Securities and Exchange Commission are available from the Company.

## **ITALY**

### ***Terms and Conditions***

Plan Document Acknowledgement. In accepting the Restricted Stock Units, Participant acknowledges that he or she has received a copy of the Plan, has reviewed the Plan and the Award Agreement in their entirety and fully understands and accepts all provisions of the Plan and the Award Agreement.

Participant further acknowledges that he or she has read and specifically and expressly approves the following clauses in Exhibit A: Section 3: Vesting Schedule; Section 7: Taxes; Section 11: Nature of Grant; and Section 24: Governing Law and Venue.

### ***Notifications***

Foreign Asset/Account Reporting Information. Italian residents who, at any time during the fiscal year, hold foreign financial assets (including cash and Shares) that may generate taxable income in Italy are required to report these assets on their annual tax returns (UNICO Form, RW Schedule) for the year during which the assets are held, or on a special form if no tax is due. These reporting obligations will also apply to Italian residents who are the beneficial owners of foreign financial assets under Italian money laundering provisions.

### **JAPAN**

#### ***Notifications***

Foreign Asset/Account Reporting Information. Details of any assets held outside Japan as of December 31 of each year (including Shares acquired under the Plan) must be reported to the tax authorities by March 15<sup>th</sup> of the following year, to the extent such assets have a total net fair market value exceeding a certain threshold (currently, JPY 50,000,000).

### **KOREA**

#### ***Notifications***

Foreign Asset / Account Reporting Information. Korean residents must declare all foreign financial accounts (e.g., brokerage accounts, bank accounts) to the Korean tax authority and file a report with respect to such accounts if the value of the assets in such accounts exceeds a certain threshold (currently KRW 500,000,000 or an equivalent amount in a foreign currency). *Participant is responsible for complying with applicable reporting obligations and should speak to his or her personal legal advisor on this matter.*

Restriction on Sale of Shares. Korean residents are not permitted to sell foreign securities (including Shares) through non-Korean brokers (such as Morgan Stanley) or deposit funds resulting from the sale of Shares in an account with an overseas financial institution. If Participant wishes to sell Shares acquired under the Plan, Participant may be required to transfer the Shares to a domestic investment broker in Korea and to effect the sale through such broker. Participant is solely responsible for engaging the domestic broker in Korea, and non-compliance with the requirement to sell Shares through a domestic broker can result in significant penalties. *Participant should consult with his or her personal advisor(s) regarding any personal legal, regulatory or foreign exchange obligations he or she may have in connection with Participant's participation in the Plan.*

### **MEXICO**

### ***Terms and Conditions***

**Acknowledgment of the Agreement.** By participating in the Plan, Participant acknowledges that Participant has received a copy of the Plan, has reviewed the Plan in its entirety and fully understands and accepts all provisions of the Plan. Participant further acknowledges that Participant has read and expressly approves the terms and conditions set forth in Section 11 of Exhibit A, in which the following is clearly described and established: (i) Participant's participation in the Plan does not constitute an acquired right; (ii) the Plan and Participant's participation in the Plan are offered by the Company on a wholly discretionary basis; (iii) Participant's participation in the Plan is voluntary; and (iv) the Company and its Subsidiaries are not responsible for any decrease in the value of the underlying Shares.

**Labor Law Policy and Acknowledgment.** By participating in the Plan, Participant expressly recognizes that Zscaler, Inc., with registered offices at 120 Holger Way, San Jose, CA 95134, USA, is solely responsible for the administration of the Plan and that Participant's participation in the Plan and acquisition of Shares does not constitute an employment relationship between Participant and the Company since Participant is participating in the Plan on a wholly commercial basis. Based on the foregoing, Participant expressly recognizes that the Plan and the benefits that Participant may derive from participation in the Plan do not establish any rights between Participant and the Company and do not form part of the employment conditions and/or benefits provided by the Company and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of Participant's employment.

Participant further understands that Participant's participation in the Plan is as a result of a unilateral and discretionary decision of the Company; therefore, the Company reserves the absolute right to amend and/or discontinue Participant's participation at any time without any liability to Participant.

Finally, Participant hereby declares that Participant does not reserve any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and Participant therefore grants a full and broad release to the Company, its Subsidiaries, branches, representation offices, its shareholders, officers, agents or legal representatives with respect to any claim that may arise.

### ***Términos y Condiciones***

**Reconocimiento del Contrato.** *Al participar en el Plan, usted reconoce que ha recibido una copia del Plan, que ha revisado el Plan en su totalidad, y que entiende y acepta en su totalidad, todas y cada una de las disposiciones del Plan. Asimismo reconoce que ha leído y aprueba expresamente los términos y condiciones señalados en Sección 11 de Exhibición A, en lo que claramente se describe y establece lo siguiente: (i) su participación en el Plan no constituye un derecho adquirido; (ii) el Plan y su participación en el Plan son ofrecidos por la Compañía sobre una base completamente discrecional; (iii) su participación en el Plan es voluntaria; y (iv) la Compañía y sus Afiliadas no son responsables de ninguna por la disminución en el valor de las Acciones subyacentes.*

Política de Legislación Laboral y Reconocimiento. Al participar en el Plan, usted reconoce expresamente que Zscaler, Inc., con oficinas registradas en 120 Holger Way, San Jose, CA 95134, Estados Unidos de América, es la única responsable por la administración del Plan, y que su participación en el Plan, así como la adquisición de las Acciones, no constituye una relación laboral entre usted y la Compañía, debido a que usted participa en el plan sobre una base completamente mercantil. Con base en lo anterior, usted reconoce expresamente que el Plan y los beneficios que pudiera obtener por su participación en el Plan, no establecen derecho alguno entre usted y la Compañía, y no forman parte de las condiciones y/o prestaciones laborales que la Compañía ofrece, y que las modificaciones al Plan o su terminación, no constituirán un cambio ni afectarán los términos y condiciones de su relación laboral.

Asimismo usted entiende que su participación en el Plan es el resultado de una decisión unilateral y discrecional de la Compañía; por lo tanto, la Compañía se reserva el derecho absoluto de modificar y/o suspender su participación en cualquier momento, sin que usted incurra en responsabilidad alguna.

Finalmente, usted declara que no se reserva acción o derecho alguno para interponer reclamación alguna en contra de la Compañía, por concepto de compensación o daños relacionados con cualquier disposición del Plan o de los beneficios derivados del Plan, y por lo tanto, usted libera total y ampliamente de toda responsabilidad a la Compañía, a sus Afiliadas, sucursales, oficinas de representación, sus accionistas, funcionarios, agentes o representantes legales, con respecto a cualquier reclamación que pudiera surgir.

Securities Law Information. The Restricted Stock Units and any Shares acquired under the Plan have not been registered with the National Register of Securities maintained by the Mexican National Banking and Securities Commission and cannot be offered or sold publicly in Mexico. In addition, the Plan, the Award Agreement and any other document relating to the Restricted Stock Units may not be publicly distributed in Mexico. These materials are addressed to Participant because of Participant's existing relationship with the Company and these materials should not be reproduced or copied in any form. The offer contained in these materials does not constitute a public offering of securities, but rather constitutes a private placement of securities addressed specifically to individuals who are present Service Providers made in accordance with the provisions of the Mexican Securities Market Law, and any rights under such offering shall not be assigned or transferred.

## **NETHERLANDS**

There are no country-specific provisions.

## **NEPAL**

### ***Terms and Conditions***

Settlement of Restricted Stock Units. The Company reserves the right to restrict Participant from acquiring Shares at settlement of the Restricted Stock Units. Instead, the Company reserves the right to make a payment to Participant in cash or its equivalent of an amount determined by multiplying

(a) the fair market value per Share on the date of settlement of the Restricted Stock Units by (b) the number of Shares settled. In addition, the Company reserves the discretion to force the immediate sale of the Shares issued upon settlement of the Restricted Stock Units (on Participant's behalf and at Participant's direction pursuant to this authorization). Any references to the issuance of Shares in any documents related to the Restricted Stock Units shall not be applicable in these circumstances.

## **NEW ZEALAND**

### ***Notifications***

**Securities Law Information.** *WARNING:* Participant is being offered Restricted Stock Units which, if vested, will entitle Participant to acquire Shares in accordance with the terms of the Award Agreement and the Plan. The Shares, if issued, will give Participant a stake in the ownership of the Company. Participant may receive a return if dividends are paid.

If the Company runs into financial difficulties and is wound up, Participant will be paid only after all creditors and holders of preference shares (if any) have been paid. Participant may lose some or all of Participant's investment, if any.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision. The usual rules do not apply to this offer because it is made under an employee share scheme. As a result, Participant may not be given all the information usually required. Participant will also have fewer other legal protections for this investment. Participant should ask questions, read all documents carefully, and seek independent financial advice before committing.

The Shares are quoted on the Nasdaq Stock Market. This means that if Participant acquires Shares under the Plan, Participant may be able to sell the Shares on the Nasdaq Stock Market if there are interested buyers. Participant may get less than Participant invested. The price will depend on the demand for the Shares.

For information on risk factors impacting the Company's business that may affect the value of the Shares, Participant should refer to the risk factors discussion on the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at [www.sec.gov](http://www.sec.gov), as well as on the Company's "Investor Relations" website at <https://ir.zscaler.com>.

## **NORWAY**

There are no country-specific provisions.

## **POLAND**

### ***Notifications***

**Exchange Control Information.** Polish residents holding foreign securities (*e.g.*, Shares) and/or maintaining accounts abroad must report information to the National Bank of Poland on transactions

and balances of the securities and cash deposited in such accounts if the value of such securities and cash (when combined with all other assets possessed abroad) exceeds PLN 7 million. If required, the reports must be filed on a quarterly basis on special forms that are available on the website of the National Bank of Poland.

Further, if Participant transfers funds in excess of EUR 15,000 (or PLN15,000 if the transfer of funds is connected with the business activity of an entrepreneur) into Poland, the funds must be transferred via a bank account in Poland. Participant is required to retain the documents connected with a foreign exchange transaction for a period of five years, as measured from the end of the year in which such transaction occurred.

## **QATAR**

There are no country-specific provisions.

## **ROMANIA**

### ***Terms and Conditions***

Language Consent. By accepting the Award Agreement providing for the terms and conditions of Participant's grant, Participant confirms having read and understood the documents relating to this grant (the Plan and this Award Agreement) which were provided in English language. Participant accepts the terms of those documents accordingly.

*Consimtământ cu privire la limba. Prin acceptarea Acordului de atribuire care prevede termenii și condițiile grantului Participantului, Participantul confirmă că a citit și a înțeles documentele referitoare la acest grant (Planul și acest Acord de atribuire) care au fost furnizate în limba engleză. Participantul acceptă termenii acelor documente în consecință.*

### ***Notifications***

Exchange Control Information. If Participant deposits proceeds from the sale of Shares acquired under the Plan into a bank account in Romania, Participant may be required to provide the Romanian bank with appropriate documentation explaining the source of the funds.

## **RUSSIA**

### ***Terms and Conditions***

Data Privacy. The following provision supplements Section 13 of Exhibit A:

Participant hereby acknowledges that Participant has read and understood the terms regarding the collection, processing and transfer of Data contained in Section 13 of Exhibit A and, by participating in the Plan, Participant agrees to such terms. In this regard, upon request of the Company or the Service Recipient, Participant agrees to provide an executed data privacy consent form to the Company or the Service Recipient (or any other agreements or consents) that the Company and/or the Service Recipient may deem necessary to obtain under the data privacy laws Russia, either now

or in the future. Participant understands that Participant will not be able to participate in the Plan if Participant fails to execute any such consent or agreement.

U.S. Transaction. Participant understands that the acceptance of the Restricted Stock Units results in an agreement between Participant and the Company that is completed in the United States and that the Award Agreement is governed by the laws of the State of California. Upon vesting and settlement of the Restricted Stock Units, any Shares to be issued to Participant shall be held or delivered to Participant in the United States and in no event will such Shares be delivered to Participant in Russia. Participant acknowledges that Participant is not permitted to sell or otherwise transfer Shares directly to other individuals in Russia, nor is Participant permitted to bring any certificates representing the Shares into Russia (if such certificates are actually issued).

### ***Notifications***

Securities Law Notification. This Award Agreement, the Plan and all other materials Participant may receive regarding participation in the Plan do not constitute advertising or an offering of securities in Russia. Any issuance of Shares under the Plan has not and will not be registered in Russia and hence the Shares described in any Plan-related documents may not be offered or placed in public circulation in Russia.

Exchange Control Information. Temporary restrictions imposed by the Russian Presidential Decrees may prohibit Russian residents (e.g., Russian citizens and foreign nationals with a residence permit in Russia) from receiving any Shares or proceeds from the sale of Shares) into a non-Russian bank and/or brokerage account (such as Morgan Stanley). *The exchange control rules and regulations in Russia are subject to very frequent change. Therefore, Participant should consult with Participant's personal legal advisor to determine the applicability of all repatriation, remittance or other exchange control requirements that may apply to Participant before Participant accepts the Restricted Stock Units to ensure compliance with all applicable exchange control requirements.*

Foreign Asset/Account Reporting Information. Russian residents will be required to notify the Russian tax authorities within one month of opening or closing a foreign bank account or of changing any account details. Russian residents are also required to file reports of the transactions in their foreign bank accounts with the Russian tax authorities on an annual basis. In addition, Russian residents are required to report any cash transactions with respect to foreign bank accounts to the Russian tax authorities. The tax authorities can require any supporting documents related to the transactions in a Russian resident's foreign bank account. *Participant should consult his or her personal tax advisor to ensure compliance with applicable requirements.*

## **SAUDI ARABIA**

### ***Notifications***

Securities Law Information. This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority. The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any

liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Participant should conduct Participant's own due diligence on the accuracy of the information relating to the securities. If Participant does not understand the contents of this document, Participant should consult an authorized financial adviser.

## **SINGAPORE**

### ***Notifications***

**Securities Law Information.** The grant of the Restricted Stock Units is being made pursuant to the “Qualifying Person” exemption under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) (“SFA”). The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. Participant should note that the Restricted Stock Units are subject to section 257 of the SFA and Participant will not be able to make any subsequent sale of the Shares in Singapore or any offer of such subsequent sale of the Shares in Singapore, unless such offer or sale is made (i) after six (6) months from the Date of Grant or (ii) pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

**Director Notification Information.** If Participant is a director (including an alternate, substitute or shadow director<sup>1</sup>) of a Parent or Subsidiary of the Company in Singapore, Participant is subject to certain notification requirements under the Singapore Companies Act, regardless of whether Participant is a Singapore resident or employed in Singapore. Among these requirements is an obligation to notify the Singapore Parent or Subsidiary of an interest (*e.g.*, Restricted Stock Units, Shares) in the Company or a related company within two business days of (i) acquiring or disposing of such interest, (ii) any change in a previously disclosed interest (*e.g.*, vesting of Restricted Stock Units, sale of Shares), or (iii) becoming or a director if such an interest exists at the time. If Participant is the chief executive officer (“CEO”) of a Parent or Subsidiary of the Company in Singapore and the above notification requirements are determined to apply to the CEO of a Singapore Parent or Subsidiary, the above notification requirements also may apply to Participant.

## **SOUTH AFRICA**

### ***Terms and Conditions***

**Taxes.** The following provision supplements Section 7 of Exhibit A:

By accepting the Restricted Stock Units, Participant agrees to immediately notify the Service Recipient of the amount of any gain realized upon vesting of the Restricted Stock Units. If Participant fails to advise the Service Recipient of the gain realized upon vesting of the Restricted Stock Units, then he or she may be liable for a fine. Participant will be responsible for paying the difference between the actual tax liability and the amount withheld by the Company or the Service Recipient.

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<sup>1</sup> A shadow director is an individual who is not on the board of the Singapore Parent or Subsidiary but who has sufficient control so that the board of directors acts in accordance with the “directions or instructions” of the individual.

## ***Notifications***

**Securities Law Information and Deemed Acceptance of Restricted Stock Units.** In compliance with South African securities law, the documents listed below are available for Participant's review on the Company's "Investor Relations" page at <https://ir.zscaler.com/>:

- (a) a copy of the Company's most recent Annual Report on Form 10-K; and
- (b) a copy of the Plan Prospectus.

A copy of the above documents will be sent to Participant free of charge on written request to Zscaler, Inc.'s Stock Administration at 120 Holger Way, San Jose, CA 95134, USA.

Participant should carefully read the materials provided before making a decision whether to participate in the Plan.

**Exchange Control Information.** Participant is responsible for ensuring compliance with any applicable exchange control laws and regulations in South Africa. Because no remittance of funds out of South Africa is required in connection with the Restricted Stock Units, no exchange control requirements should apply when Shares are issued upon vesting of the Restricted Stock Units. However, because exchange control regulations change frequently and without notice, Participant should consult with his or her personal legal advisor prior to the acquisition or sale of Shares to ensure compliance with current regulations.

## **SPAIN**

### ***Terms and Conditions***

**Nature of Grant.** The following provision supplements Section 11 of Exhibit A:

In accepting the Restricted Stock Units, Participant acknowledges that Participant consents to participation in the Plan and has received a copy of the Plan.

Participant understands that the Company has unilaterally, gratuitously, and in its sole discretion decided to grant Restricted Stock Units under the Plan to Service Providers throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any Parent or Subsidiary of the Company on an ongoing basis. Consequently, Participant understands that the Restricted Stock Units are granted on the assumption and condition that the Restricted Stock Units and any Shares acquired under the Plan are not part of any employment contract (either with the Company or any Parent or Subsidiary) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation), or any other right whatsoever. In addition, Participant understands that this grant would not be made but for the assumptions and conditions referred to above; thus, Participant acknowledges and freely accepts that, should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant of or right to the Restricted Stock Units shall be null and void.

Participant understands and agrees that, as a condition of the grant of the Restricted Stock Units, the termination of Participant's status as Service Provider for any reason (including the reasons listed below) will automatically result in the loss of the Restricted Stock Units to the extent the Restricted Stock Units have not vested as of the date Participant is no longer actively providing services to the Company and/or a Parent or Subsidiary of the Company. In particular, Participant understands and agrees that any unvested portion of the Restricted Stock Units as of the date Participant is no longer actively providing services will be forfeited without entitlement to the underlying Shares or to any amount of indemnification in the event of a termination of Participant's status as a Service Provider by reason of, but not limited to, resignation, retirement, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without good cause (*i.e.*, subject to a "*despido improcedente*"), individual or collective dismissal on objective grounds, whether adjudged or recognized to be with or without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer and under Article 10.3 of the Royal Decree 1382/1985. Participant acknowledges that he or she has read and specifically accepts the conditions referred to in the Notice of Grant as well as Section 11 of Exhibit A (as supplemented by this provision).

### ***Notifications***

Securities Law Information. No "offer of securities to the public," within the meaning of Spanish law, has taken place or will take place in the Spanish territory in connection with the Restricted Stock Units. The Plan, the Award Agreement and any other documents evidencing the grant of the Restricted Stock Units have not been, nor will they be, registered with the *Comisión Nacional del Mercado de Valores* (the Spanish securities regulator), and none of those documents constitutes a public offering prospectus.

Exchange Control Information. Participant will be required to declare electronically to the Bank of Spain any foreign accounts (including brokerage accounts held abroad), any foreign instruments (including Shares acquired under the Plan), and any transactions with non-Spanish residents (including any payments of Shares made to Participant pursuant to the Plan) if the balances in such accounts together with the value of such instruments as of December 31, or the volume of transactions with non-Spanish residents during the prior or current year, exceed EUR 1,000,000. Once the EUR 1,000,000 threshold has been surpassed in either respect, Participant will generally be required to report all foreign accounts, foreign instruments and transactions with non-Spanish residents, even if the relevant threshold has not been crossed for an individual item. Generally, Participant will only be required to report on an annual basis.

Foreign Asset/Account Reporting Information. Participant is required to report rights or assets deposited or held outside of Spain (including Shares acquired under the Plan or cash proceeds from the sale of such Shares) as of December 31 of each year, if the value of such rights or assets exceeds €50,000 per type of right or asset. After such rights and/or assets are initially reported, the reporting obligation will apply for subsequent years only if the value of any previously-reported rights or assets increases by more than €20,000 or if the ownership of the assets is transferred or relinquished during the year.

The exchange control and foreign asset / account reporting requirements in Spain are complex. *Participant should consult his or her personal legal and tax advisors to ensure compliance with the applicable requirements.*

## **SWEDEN**

### ***Terms and Conditions***

Authorization to Withhold. The following provision supplements Section 7 of Exhibit A:

Without limiting the Company's and the Service Recipient's authority to satisfy their withholding obligations for Tax-Related Items as set forth in Section 7 of Exhibit A, by accepting the Restricted Stock Units, Participant authorizes the Company and/or the Service Recipient to withhold Shares or to sell Shares otherwise deliverable upon vesting to satisfy Tax-Related Items, regardless of whether the Company and/or the Service Recipient have an obligation to withhold such Tax-Related Items.

## **SWITZERLAND**

### ***Notifications***

Securities Law Information. The Restricted Stock Units offered by the Company are considered a private offering in Switzerland; therefore, such offer is not subject to registration in Switzerland. Neither this document nor any other materials relating to the Restricted Stock Units (i) constitutes a prospectus as such term is understood pursuant to articles 35 et. seq. of the Swiss Federal Act on Financial Services ("FinSA"), (ii) may be publicly distributed nor otherwise made publicly available in Switzerland to any person other than a Service Provider, and (iii) has been or will be filed with, approved, or supervised by any Swiss reviewing body according to article 51 of FinSA or any Swiss regulatory authority (in particular, the Swiss Financial Market Supervisory Authority (FINMA)).

## **TAIWAN**

### ***Terms and Conditions***

Data Privacy Consent. The following provision supplements Section 13 of Exhibit A:

Participant hereby acknowledges that Participant has read and understood the terms regarding the collection, processing and transfer of Data contained in Section 13 of this Exhibit A and by participating in the Plan, Participant agrees to such terms. In this regard, upon request of the Company or the Service Recipient, Participant agrees to provide an executed data privacy consent form to the Service Recipient or the Company (or any other agreements or consents that may be required by the Service Recipient or the Company) that the Company and/or the Service Recipient may deem necessary to obtain under applicable data privacy laws, either now or in the future. Participant understands that Participant will not be able to participate in the Plan if Participant fails to execute any such consent or agreement.

### ***Notifications***

Securities Law Information. The offer of participation in the Plan is available only for Service Providers. The offer of participation in the Plan is not a public offer of securities by a Taiwanese company.

Exchange Control Information. Participant may acquire and remit foreign currency (including proceeds from the sale of Shares) into and out of Taiwan up to USD 5,000,000 per year. If the transaction amount is TWD 500,000 or more in a single transaction, Participant must submit a foreign exchange transaction form and also provide supporting documentation to the satisfaction of the remitting bank.

If the transaction amount is USD 500,000 or more, Participant may be required to provide additional supporting documentation to the satisfaction of the remitting bank. Participant should consult Participant's personal advisor to ensure compliance with applicable exchange control laws in Taiwan.

## **THAILAND**

### ***Notifications***

Exchange Control Information. If Participant receives proceeds from the sale of Shares or cash dividends in relation to the Shares in excess of US\$1,000,000 in a single transaction, Participant must immediately repatriate the funds to Thailand (or utilize such funds offshore for permissible purposes) and convert the funds to Thai Baht within 360 days of repatriation or deposit the funds in an authorized foreign exchange account in Thailand. Participant is also required to provide details of the transaction (*i.e.*, identification information and purpose of the transaction) to the receiving bank.

If Participant does not repatriate such funds and utilizes them offshore for permissible purposes (*i.e.*, purposes not listed in the negative list prescribed by the Bank of Thailand), Participant must obtain a waiver of the repatriation requirement from a commercial bank in Thailand by submitting an application and supporting documents evidencing that such funds will be utilized offshore for permissible purposes.

## **UNITED ARAB EMIRATES**

### ***Terms and Conditions***

Securities Law Information. The Restricted Stock Units are granted under the Plan only to select Service Providers and are in the nature of providing equity incentives to Service Providers in the United Arab Emirates. The Plan and the Award Agreement are intended for distribution only to such Service Providers and must not be delivered to, or relied on by, any other person. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If Participant does not understand the contents of the Plan and the Award Agreement, Participant should consult an authorized financial adviser. The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any documents in connection with the Plan. Neither the Ministry of Economy nor the Dubai Department of Economic Development has approved the

Plan or the Award Agreement nor taken steps to verify the information set out herein, and has no responsibility for such documents.

## **UNITED KINGDOM**

### ***Terms and Conditions***

Payment After Vesting. This provision supplements Section 4 of Exhibit A:

As provided herein, any Restricted Stock Units that vest will be paid to Participant in whole Shares. For the avoidance of doubt, any Restricted Stock Units that vest will not be settled in cash.

Taxes. The following provision supplements Section 7 of Exhibit A:

Without limitation to Section 7 of Exhibit A, Participant agrees that Participant is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items, as and when requested by the Company or the Service Recipient or by HM Revenue and Customs (“HMRC”) (or any other tax authority or any other relevant authority). Participant also agrees to indemnify and keep indemnified the Company and the Service Recipient against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on Participant’s behalf.

Notwithstanding the foregoing, if Participant is a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act), the amount of any uncollected income tax may constitute a benefit to the Participant on which additional income tax and national insurance contributions (“NICs”) may be payable. Participant will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime, and for paying the Company or the Service Recipient (as appropriate) the value of any employee NICs due on this additional benefit, which may also be collected from Participant by any of the means referred to in Section 7 of Exhibit A.

NIC Joint Election. As a condition of Participant’s participation in the Plan and the vesting and settlement of the Restricted Stock Units or receipt of any benefit in connection with the Restricted Stock Units, Participant agrees to accept any liability for secondary Class 1 NICs that may be payable by the Company or the Service Recipient (or any successor to the Company or the Service Recipient) in connection with the Restricted Stock Units and any event giving rise to Tax-Related Items (the “Employer’s Liability”). Without prejudice to the foregoing, Participant agrees to enter into the following joint election with the Company, the form of such joint election being formally approved by HMRC (the “Joint Election”), and any other required consent or elections. Participant further agrees to enter into such other Joint Elections as may be required between Participant and any successor to the Company and/or the Service Recipient for the purpose of continuing the effectiveness of the Joint Election. Participant further agrees that the Company and/or the Service Recipient may collect the Employer’s Liability from Participant by any of the means set forth in Section 7 of Exhibit A.

If Participant does not enter into the Joint Election prior to the vesting of the Restricted Stock Units or any other event giving rise to Tax-Related Items, Participant will not be entitled to vest in the

Restricted Stock Units and receive Shares (or receive any other benefit in connection with the Restricted Stock Units) unless and until he or she enters into the Joint Election, and no Shares or other benefit will be issued to him or her under the Plan, without any liability to the Company, the Employer or any other Service Recipient.

***IMPORTANT NOTE: By accepting the Restricted Stock Units (whether by signing the Notice of Restricted Stock Unit Grant or via the Company's designated electronic acceptance procedures) or by separately signing the Joint Election (whether in hard copy or electronically), Participant is agreeing to be bound by the terms of the Joint Election. Participant should read the terms of the Joint Election carefully before accepting the Award Agreement and the Joint Election. If requested by the Company, Participant agrees to execute the Joint Election in hard copy even if Participant has accepted the Award Agreement through the Company's electronic acceptance procedure.***

***By entering into the Joint Election:***

- ***Participant agrees that any Employer's Liability that may arise in connection with participation in the Plan will be transferred to Participant;***
- ***Participant authorizes his or her employer to recover an amount sufficient to cover this liability by such methods including but not limited to, deductions from Participant's salary or other payments due or the sale of sufficient shares acquired pursuant to the Restricted Stock Units or any other method set out in the Award Agreement.***

**ZSCALER, INC.**  
**AMENDED AND RESTATED FY2018 EQUITY INCENTIVE PLAN**  
**(UK Employees)**

**Election To Transfer the Employer's National Insurance Liability to the Employee**

**1. PARTIES**

This Election is between:

- (A) The individual who has gained access to this Election (the "**Employee**"), who is employed by one of the employing companies listed in the attached schedule (the "**Employer**") and who is eligible to receive restricted stock units ("**RSUs**") pursuant to the terms and conditions of the Zscaler, Inc. Amended and Restated FY2018 Equity Incentive Plan, as amended from time to time (the "**Plan**"), and
- (B) Zscaler, Inc. of 120 Holger Way, San Jose, CA 95134, USA (the "**Company**"), which may grant RSUs under the Plan and is entering into this Form of Election on behalf of the Employer.

**2. PURPOSE OF ELECTION**

2.1 This Election relates to all RSUs granted to the Employee under the Plan up to the termination date of the Plan.

2.2 In this Election the following words and phrases have the following meanings:

"**Taxable Event**" means any event giving rise to Relevant Employment Income.

"**ITEPA**" means the Income Tax (Earnings and Pensions) Act 2003.

"**Relevant Employment Income**" from RSUs on which employer's National Insurance Contributions becomes due is defined as:

- (i) an amount that counts as employment income of the earner under section 426 ITEPA (restricted securities: charge on certain post-acquisition events);
- (ii) an amount that counts as employment income of the earner under section 438 of ITEPA (convertible securities: charge on certain post-acquisition events); or
- (iii) any gain that is treated as remuneration derived from the earner's employment by virtue of section 4(4)(a) SSCBA, including without limitation:
  - (A) the acquisition of securities pursuant to the RSUs (within the meaning of section 477(3)(a) of ITEPA);
  - (B) the assignment (if applicable) or release of the RSUs in return for consideration (within the meaning of section 477(3)(b) of ITEPA);

- (C) the receipt of a benefit in connection with the RSUs, other than a benefit within (i) or (ii) above (within the meaning of section 477(3)(c) of ITEPA).

“SSCBA” means the Social Security Contributions and Benefits Act 1992.

- 2.3 This Election relates to the Employer’s secondary Class 1 National Insurance Contributions (the “*Employer’s Liability*”) which may arise in respect of Relevant Employment Income in respect of the RSUs pursuant to section 4(4)(a) and/or paragraph 3B(1A) of Schedule 1 of the SSCBA.
- 2.4 This Election does not apply in relation to any liability, or any part of any liability, arising as a result of regulations being given retrospective effect by virtue of section 4B(2) of either the SSCBA or the Social Security Contributions and Benefits (Northern Ireland) Act 1992.
- 2.5 This Election does not apply to the extent that it relates to relevant employment income which is employment income of the earner by virtue of Chapter 3A of Part VII of ITEPA (employment income: securities with artificially depressed market value).
- 2.6 Any reference to the Company and/or the Employer shall include that entity’s successors in title and assigns as permitted in accordance with the terms of the Plan and the Restricted Stock Unit Agreement. This Election will have effect in respect of the RSUs and any awards which replace or replaced the RSUs following their grant in circumstances where section 483 of ITEPA applies.

### 3. ELECTION

The Employee and the Company jointly elect that the entire liability of the Employer to pay the Employer’s Liability that arises on any Relevant Employment Income is hereby transferred to the Employee. The Employee understands that by accepting the RSUs (whether by clicking on the “ACCEPT” box where indicated in the Company’s electronic acceptance procedure or by signing the Notice of Restricted Stock Unit Grant in hard copy) or by separately signing this Election (whether in hard copy or electronically), he or she will become personally liable for the Employer’s Liability covered by this Election. This Election is made in accordance with paragraph 3B(1) of Schedule 1 to SSCBA.

### 4. PAYMENT OF THE EMPLOYER’S LIABILITY

- 4.1 The Employee hereby authorises the Company and/or the Employer to collect the Employer’s Liability in respect of any Relevant Employment Income from the Employee at any time after the Taxable Event:
  - (i) by deduction from salary or any other payment payable to the Employee at any time on or after the date of the Taxable Event; and/or
  - (ii) directly from the Employee by payment in cash or cleared funds; and/or
  - (iii) by arranging, on behalf of the Employee, for the sale of some of the securities which the Employee is entitled to receive in respect of the RSUs; and/or
  - (iv) by any other means specified in the Restricted Stock Unit Agreement.

- 4.2 The Company hereby reserves for itself and the Employer the right to withhold the transfer of any securities in respect of the RSUs to the Employee until full payment of the Employer's Liability is received.
- 4.3 The Company agrees to procure the remittance by the Employer of the Employer's Liability to HM Revenue and Customs on behalf of the Employee within 14 days after the end of the UK tax month during which the Taxable Event occurs (or within 17 days after the end of the UK tax month during which the Taxable Event occurs, if payments are made electronically).

5. **DURATION OF ELECTION**

- 5.1 The Employee and the Company agree to be bound by the terms of this Election regardless of whether the Employee is transferred abroad or is not employed by the Employer on the date on which the Employer's Liability becomes due.
- 5.2 This Election will continue in effect until the earliest of the following:
- (i) the Employee and the Company agree in writing that it should cease to have effect;
  - (ii) on the date the Company serves written notice on the Employee terminating its effect;
  - (iii) on the date HM Revenue and Customs withdraws approval of this Election; or
  - (iv) after due payment of the Employer's Liability in respect of the entirety of the RSUs to which this Election relates or could relate, such that the Election ceases to have effect in accordance with its terms.

**Acceptance by the Employee**

The Employee acknowledges that by accepting the RSUs (whether by clicking on the "ACCEPT" box where indicated in the Company's electronic acceptance procedure or by signing the Notice of Restricted Stock Unit Grant in hard copy) or by separately signing this Election (whether in hard copy or electronically), the Employee agrees to be bound by the terms of this Election.

Signed

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The Employee

**Acceptance by the Company**

The Company acknowledges that, by arranging for the scanned signature of an authorised representative to appear on this Election, the Company agrees to be bound by the terms of this Election.

Signed for and on behalf of the Company

**ZSCALER, INC.**

By: /s/ Jay Chaudhry

Name: Jay Chaudhry

Title: CEO

### SCHEDULE OF EMPLOYER COMPANIES

The following are the employing companies to which this Joint Election may apply:

Name:	Zscaler UK Ltd.
Registered Office:	Reading International Business Park, Basingstoke Rd., Reading, United Kingdom, RG2 6DA
Company Registration Number:	10299928
Corporation Tax Reference:	623 28244 22672A
PAYE Reference:	120/RB48851

August 7, 2024

Adam Geller

adamgeller55@gmail.com

Dear Adam,

We are thrilled to extend you an offer to join our team at Zscaler. We look forward to welcoming and supporting you on this exciting journey of growth and amazing experiences ahead.

## Role Overview

- **Your Employment Start Date:** TBD
- **Your Position:** Chief Product Officer
- **Your Direct Manager:** Jay Chaudhry
- **Your Work Location:** San Jose, California

## Compensation Package

**Annual Base Salary:** Your annual base salary will be **\$450,000**, subject to applicable withholding and paid in accordance with the Company's regular semi-monthly payroll process. As a full-time exempt employee, you will not be eligible to receive any overtime pay. Any adjustments to your base salary will be determined by the Company in its sole discretion based upon your performance, the Company's performance, and other relevant criteria.

**Annual Bonus Plan:** You will be eligible to participate in the Zscaler, Inc. discretionary Bonus Plan. The plan includes two (2) Performance Periods based on our Fiscal Year (Aug-Jan and Feb-July) payable in March and September, respectively. Your Target Award is **100%** of your annual salary, subject to applicable tax withholding, prorated based on your paid employment during the Performance Period, provided that your employment starts at least one month prior to the end of the Performance Period. Target Awards are discretionary and subject to individual and Company performance and will be payable following the end of each Performance Period provided you remain employed and in good standing with the Company on the date the bonus payment is made. Bonus Plan participation eligibility, Target Awards, Performance Periods and any other terms and conditions are subject to change at the discretion of Zscaler, Inc. and the Plan Administrator.

**Restricted Stock Units:** Subject to approval from Zscaler's Board of Directors (or an authorized committee thereof), the terms of our 2018 Equity Incentive Plan (the "Plan") and your equity award agreement, you will receive an award of Restricted Stock Units (RSUs). The value of the award is **\$9,000,000** with the number of shares determined by dividing the award value by the average closing price of Zscaler's stock for the trading days in the month of your hire date, rounded up to the nearest whole share. These RSUs will vest over an approximately four-year period provided your continuous service with the Company through the vesting dates with **12.5%** of your RSUs vesting on the first Quarterly Vesting Date following your **six-month** work anniversary and **6.25%** vesting on each quarterly vesting date thereafter. Quarterly Vesting Dates are March 15, June 15, September 15 and December 15.

**Performance Stock Units:** Subject to approval from Zscaler's Board of Directors (or an authorized committee thereof), the terms of our 2018 Equity Incentive Plan (the "Plan") and your equity award agreement, you will receive an award of Performance Stock Units (PSUs). The value of the award is **\$9,000,000** with the number of shares determined by dividing the award value by the average closing price of Zscaler's stock for the trading days in the month of your hire date, rounded up to the nearest whole share. The award will be subject to performance criteria with thirty-three and a third percent (33.33%) of the Value of the PSU Grant achievable for each of three individual performance criteria to be established by the Board of Directors (or an authorized committee thereof). To the extent each individual performance criteria is deemed to be achieved by the Board of Directors (or an authorized committee thereof), earned PSUs will vest on the first Quarterly Vesting Date following the quarter in which the respective performance criteria is achieved, subject to you continuing to be employed by the Company through such Quarterly Vesting Date.

**Option Grant:** The Company will grant you a stock option to purchase **50,000** shares of the Company's Common Stock (the "Option"). The Option will be subject to the terms and conditions of the Plan and your Stock Option Agreement entered into under the Plan, including vesting requirements. Subject to your continued employment with the Company, 25% of the shares subject to the Option shall vest on the one-year anniversary of your Hire Date, and 1/48th of the shares subject to the Option shall vest on the corresponding day of each month thereafter (or if there is no corresponding day in any such month, on the last day of such month), until all shares have vested.

**Employee Benefits:** We proudly offer comprehensive and inclusive benefits to meet the diverse needs of our employees and their families, including medical, dental, vision, life & disability insurance, flexible time off, 401k, and more. Please visit Zscaler Benefits to explore our benefits in more detail, and you will receive further information during onboarding.

## Terms & Conditions

**Termination of Employment and Compensation/Benefits Changes:** Your employment with the Company is “at will,” and thus you or the Company may terminate our employment relationship at any time, with or without cause or notice. The Company reserves the right, in its sole discretion, to change your position, duties, compensation, and/or employee benefits at any time on a prospective basis. Your at-will status may only be changed by a legally binding written agreement.

**Termination in Connection with a Change of Control.** Upon approval from the Zscaler Board of Directors, you will be permitted to participate in the Company’s Change of Control and Severance Policy (“COC Policy”) under which you will be eligible to receive certain severance payments and benefits in the event of your Qualifying Termination (as defined in the COC Policy). The benefits of the COC Policy will be substantially similar to those currently in effect for the Company’s other executive officers, but will also include an extension of the period of time in which you have to exercise your vested options to purchase Company common stock subject to the Option until the date that is twelve (12) months following your termination date, subject to earlier termination on a change in control (or similar transaction) pursuant to the terms of the equity plan under which the options are granted. Upon being designated participant in the COC Policy, you will be asked to sign a participation agreement that sets forth your rights under the COC Policy.

**Termination Unrelated to a Change in Control.** In the event the Company terminates your employment hereunder without Cause (as defined in the COC Policy) or you resign for Good Reason (as defined in the COC Policy) prior to any Change in Control (as defined in the COC Policy) , then you shall be entitled to a severance payment equivalent to six (6) months of your base salary at the time of the cessation of your employment (“Severance Payment”), less withholdings and contingent upon your execution of a signing and not revoking a release of claims in a form substantially similar to release attached hereto as Exhibit B to the COC Policy, subject to such changes as required by law. Such release of claims must become effective and irrevocable no later than the sixtieth (60th) day following your actual termination date. The Severance Payment shall be payable in equal installments in accordance with Company’s normal payroll practices, commencing on the first regular pay date of the Company that occurs after the executed Severance and Release Agreement becomes legally effective; provided, however, the first payment shall include the cumulative amount of payments that would have been paid to you during the period of time between the cessation of your employment and the date such payments commence had such payments commenced immediately following the cessation of your employment. This Severance Payment is in addition to any obligations Company may have as to provision of COBRA coverage, payment of all benefits and compensation earned prior to the termination of your employment, and equity grants pursuant to your equity letter and Company’s Equity Incentive Plan. In the event of a Qualifying Termination (as defined in the COC Policy), no severance payments will be made under the terms of this paragraph.

**Conditions of Employment:** As a condition of your employment, you agree to sign the Company’s standard Confidentiality Agreement, a copy of which is enclosed. You further agree that at all times during your employment (and afterwards as applicable), you will be bound by, and will fully comply with, the Confidentiality Agreement. This offer of employment is contingent upon your signing and returning the Confidentiality Agreement on or before your employment start date.

**Background Check & Right to Work:** This offer of employment is also contingent upon the successful completion (as determined by the Company) of any background or reference checks desired by the Company. Such background/reference checks must be completed before your employment start date. For purposes of federal immigration law, you will be required to provide to the Company documentary

evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three business days following the start of your employment, or our employment relationship with you may be terminated. This offer is further contingent on timely receipt of any required visa or immigration authorizations, if applicable for your role.

**Complete Agreement/Modification:** This Employment Agreement, along with any other agreements described herein, sets forth the terms and conditions of your employment with the Company, and supersedes any prior representations or agreements concerning your employment with the Company, whether written or oral. You acknowledge and agree that you are not relying on any statements or representations concerning the Company or your employment with the Company except those made in this Agreement. This Agreement may not be modified or amended except by a written agreement signed by you and an authorized officer of the Company.

This offer of employment will expire at 5:00 pm PST on **August 9, 2024**.

We are excited about the opportunity to formally welcome you to the Zscaler family and look forward to your contributions to the team. If you have any questions or require further clarification, please do not hesitate to contact your recruiting partner.

Sincerely,

By: /s/ Jay Chaudhry

**Jay Chaudhry**  
**Chairman and CEO**

\*\*\*\*\*

I hereby agree to and accept employment with Zscaler, Inc. on the terms and conditions set forth in this Employment Agreement.

Signature: /s/ Adam Geller

Full Legal Name: Adam Geller

Date: August 8, 2024

## Zscaler Americas Employee Privacy Notice

Effective Date: March 31, 2023

### Introduction

Zscaler Inc. and its associated companies ("Zscaler", "we", "our", or "us") process your personal data and are committed to safeguarding your privacy. This Zscaler Employee Privacy Notice (this "Notice") describes the personal information that we collect from or about you and how we use that information. This Notice applies to all our employees, workers, contractors and temporary staff ("employees" or "you") residing in North, South, and Latin America and describes how we collect and use your personal data during and after your working relationship with us.

### Legal bases for employee data use

At all times, we collect and use your personal data in accordance with applicable data protection laws. For certain jurisdictions this requires that we establish a lawful legal basis in order to process your Personal data. These legal bases include:

- Legitimate Interests: where it is necessary for our legitimate interests (or those of a third party) and your interests and fundamental rights do not override those interests. The legitimate interests pursued by us are our interests to secure, defend and develop our business and people and to make strategic and corporate responsibility decisions that we deem necessary. Where required, we will inform you about further legitimate interests where it becomes relevant.
- Contractual Obligations: where we need to perform the employment contract or other contract of engagement we have entered into with you.
- Legal Obligations: where we need to comply with a legal obligation to which we are subject.
- Employee's free and explicit consent: where we have your consent. In general, we do not rely on your consent for data use. However, we may approach you for your consent to allow us to process certain personal data. If we do so, we will provide you with full details of the data that we would like and the reason we need it, so that you can carefully consider whether you wish to freely consent. We will also inform you about the fact that you can revoke your consent at any time and how you should do that. Withholding your consent will never have an impact on your employment with us or will otherwise negatively affect you.
- Legal Disputes: where the processing is necessary to the establishment, exercise or defense of legal claims.
  - where the processing of so-called special categories of data is necessary for the purposes of carrying out the obligations and exercising the rights of you or Zscaler in the field of employment law, social security and social protection law;
  - where the processing of so-called special categories of data where the processing is necessary to assess the working capacity of the employee;
  - where the processing is necessary to exercise or satisfy rights and obligations of employees' representation laid down by law or by collective agreements; or
  - where a works agreement provides for a legal basis.

## **How We Use Personal Information**

We may use or disclose the personal information we collect from you or about you to do one or more of the following:

- To fulfill or meet the purpose for which you provided the information. For example, if you share your name and contact information to become an employee, we will use that personal information in connection with your employment or potential employment.
- To contact you and to inform you about benefits or information relating to your employment or potential employment.
- To administer pay and compensation.
- To provide, support, personalize, and develop our website and services relating to your employment or potential employment.
- To create, maintain, customize, and secure your information or account with us.
- To conduct employee performance evaluations, reviews, assessment, development, and training.
- To process employee work-related claims (e.g. worker compensation, insurance claims, etc.).
- To process your requests or transactions and prevent transactional fraud.
- To provide you with support and to respond to your inquiries, including to investigate and address your concerns and monitor and improve our responses.
- To help maintain the safety, security, and integrity of our systems, website, services, databases and other technology assets, physical spaces, and business processes.
- For research, analysis, and business development, including to develop and improve our business processes, website and services.
- To respond to law enforcement requests and as required by applicable law, court order, or governmental regulations.
- As described to you when collecting your personal information or subsequently agreed to by you.
- To evaluate or conduct a merger, divestiture, restructuring, reorganization, dissolution, or other sale or transfer of some or all of Zscaler assets, whether as a going concern or as part of bankruptcy, liquidation, or similar proceeding, in which personal information held by Zscaler about our employees is among the assets transferred.

## **Information We Collect**

“Personal information” and “sensitive personal data or information” shall have the meaning ascribed to it under applicable laws of the relevant jurisdiction. Personal information does not include de-identified or aggregated employee information.

We may collect personal information from you in a variety of different situations, including but not limited to on our website, your mobile device, through email, in physical locations, through the mail, and/or over the telephone. More specifically, Zscaler may collect the following categories of personal information from you:



D. Internet or other similar network activity.	Browsing history, search history, information related to messaging applications.
E. Geolocation data.	Physical location.
F. Sensory data.	Audio, electronic, visual, or similar information.
G. Professional or employment-related information.	Current or past job history or performance evaluations.
H. Education information, as defined by the Family Educational Rights and Privacy Act	Records that are directly related to a student maintained by an educational agency or institution or by a party acting for the agency or institution.  Profile reflecting a person's preferences, characteristics, predispositions, behavior, attitudes, or abilities.
I. Inferences drawn from other personal information.	

### Special Categories of Personal Information

Special categories of personal data will only be collected and used in so far as we are able to establish an appropriate lawful basis relevant to the special category data, such as where the processing is necessary to exercise rights or comply with legal obligations under employment law, social security and social protection law, where we are establishing, exercising or defending legal rights, where we are assessing your working capacity as an employee, or where there is a relevant substantial public interest exemption under local law (for example, conducting equal opportunity monitoring exercises in certain countries).

Zscaler obtains the categories of personal information listed above from the following categories of sources:

- *Directly from you.* For example, from forms you complete during onboarding or services we provide you.
- *Indirectly from you.* For example, from observing your actions on our website or from information your computer or mobile device transmits when interacting with our website or mobile applications, among other things.
- *Third parties.* Including recruiters who submit your information to us for an employment opportunity that may interest you and consumer reporting agencies for employment background checks.

### **How We Share Personal Information**

Zscaler may disclose your personal information, as described in the table above, to a third party for a business purpose, including to our service providers.

We disclose and share your personal information with the following categories of third parties:

- Service providers.
- Third parties with whom you direct us to share your personal information.
- Third parties as part of our employment process such as consumer reporting agencies for employment background checks.

We take steps to limit access to your Personal Data to those persons who need to have access to it for one of the purposes listed in this Notice. We may share your Personal Data on a need-to-know basis with certain Zscaler employees based on their function within Zscaler (both in the country where you apply and in other countries in which we have operations), as well as vendors and suppliers we use to process data on our behalf; successors in title of our business in case of a corporate transaction; and competent regulatory authorities, enforcement authorities, and other governmental agencies. We ensure that any third party processing your Personal Data equally provides for confidentiality and integrity of your Personal Data in a secure way. This will include transfers of your Personal Data both in the country where you apply and to other countries in which we have operations.

### **International Transfers of Personal Information**

Zscaler operates globally, so your personal data may be transferred to Zscaler group headquarters in the U.S., to Zscaler group employees located inside or outside your country, and/or to a person or company that is not part of the Zscaler group located in or outside your country, on a need-to-know basis.

Zscaler takes all reasonably necessary steps to ensure that your Personal Data is shared and treated securely and in accordance with this Notice and applicable legislation. This means that we entered into legally necessary contracts with recipients of your Personal Data.

### **Security**

Zscaler maintains physical, technical, and procedural safeguards as appropriate to safeguard your personal information. These safeguards are designed to protect your personal information from loss and unauthorized access, copying, use, modification, or disclosure.

### **Monitoring**

While conducting business, Zscaler may monitor employee activities, our premises, and property. When using Zscaler equipment or resources you should not have an expectation of privacy with respect to the use of such equipment or resources.

### **Retention**

Zscaler will retain personal data for as long as necessary to fulfill the purposes for which the personal data was collected, as required by applicable laws or regulatory requirements, and/or as necessary in the event of a legal claim.

### **Individual Rights and Responsibilities**

You have the responsibility to ensure that you notify your employer about changes to your personal data to help ensure that all your personal data is up to date.

Certain jurisdictions may provide you with privacy rights under applicable data protection or privacy law regarding your personal data. You may have the right to:

- Access your personal data,
- Rectify any personal data that is inaccurate,
- Erase your personal data,
- Object to or restrict processing of your personal data, or
- Withdraw consent previously given for any personal data collection and processing.

These rights may be limited depending on the nature of the request.

To exercise any of these rights, please contact us [at\\_privacy@zscaler.com](mailto:at_privacy@zscaler.com).

### **Changes to this Notice**

Zscaler reserves the right to amend this Notice at our discretion and at any time. If we make significant changes to this Notice, then we will provide notice which may include an email notification explaining the impact of any changes.

### **Contact Information**

Please contact Zscaler's Privacy Team if you have any questions or comments about this Notice or the ways in which Zscaler collects and uses your information as described in this Notice at:

Email: [privacy@zscaler.com](mailto:privacy@zscaler.com)

Postal Address: ATTN: Zscaler Privacy Team

120 Holger Way, San Jose, CA 95134

**Consent for Collection and Use of Personal Information**

I hereby accept and agree that I have read and understood the terms and conditions of this Notice.

Further, I understand and accept that the Company will collect personal information/sensitive personal data or information from its employees, as may be required by it. I hereby grant my unconditional consent for the collection, and use, of my personal information/sensitive personal data or information for such purposes as the Company may require.

**AGREED AND ACCEPTED**

Signature: /s/ Adam Geller

Full Legal Name: Adam Geller

Date: August 8, 2024

March 31, 2025  
Raj Judge

Dear Raj,

We are thrilled to extend you an offer to join our team at Zscaler. We look forward to welcoming and supporting you on this exciting journey of growth and amazing experiences ahead.

## Role Overview

- **Your Employment Start Date:** 4/7/2025
- **Your Position:** EVP, Corporate Strategy & Ventures
- **Your Direct Manager:** Jay Chaudhry
- **Your Work Location:** San Jose Office, CA

## Compensation Package

**Annual Base Salary:** Your starting annual base salary will be **\$425,000**, subject to applicable withholding and paid in accordance with the Company's regular semi-monthly payroll process. As a full-time exempt employee, you will not be eligible to receive any overtime pay. Any adjustments to your base salary will be determined by the Company in its sole discretion based upon your performance, the Company's performance, and other relevant criteria.

**Annual Bonus Plan:** You will be eligible to participate in the Zscaler, Inc. discretionary Bonus Plan. The plan includes two (2) Performance Periods based on our Fiscal Year (Aug-Jan and Feb-July) payable in March and September, respectively. Your Target Award is **75%** of your annual salary, subject to applicable tax withholding, prorated based on your paid employment during the Performance Period, provided that your employment starts at least one month prior to the end of the Performance Period. Target Awards are discretionary and subject to individual and Company performance, and will be payable following the end of each Performance Period provided you remain employed and in good standing with the Company on the date the bonus payment is made. Bonus Plan participation eligibility, Target Awards, Performance Periods and any other terms and conditions are subject to change at the discretion of Zscaler, Inc. and the Plan Administrator.

**New Hire Restricted Stock Units:** Subject to approval from Zscaler's Board of Directors (or an authorized committee thereof), the terms of the Plan and your equity award agreement, you will receive an award of RSUs. The value of the award is **\$13,500,000** with the number of shares determined by dividing the award value by the average closing price of Zscaler's stock for the trading days in the month of your hire date, rounded up to the nearest whole share. **6.25%** of these RSUs will vest on June 15, 2025 and **6.25%** will vest on each Quarterly Vesting Date (as defined in the Plan or your equity award agreement) thereafter until fully vested.

**Special One-Time Restricted Stock Units:** Subject to approval from Zscaler's Board of Directors (or an authorized committee thereof), the terms of the Plan and your equity award agreement, you will receive an award of special RSUs. The value of the award is **\$2,000,000** with the number of shares determined by dividing the award value by the average closing price of Zscaler's stock for the trading days in the month of your hire date, rounded up to the nearest whole share. **25%** of these RSUs will vest on June

15, 2025 and **25%** will vest on each Quarterly Vesting Date (as defined in the Plan or your equity award agreement) thereafter until fully vested.

**Performance Stock Units:** Subject to approval from Zscaler's Board of Directors (or an authorized committee thereof), the terms of the Plan and your equity award agreement, you will receive additional awards of PSUs. The total value of the awards is **\$1,500,000** with the number of shares determined by dividing the award value by the trailing 20-day trading average of Zscaler's stock preceding and ending on the date of approval of each award, or the Grant Date, rounded up to the nearest whole share. To the extent each individual performance criteria is deemed to be achieved by the Board of Directors (or an authorized committee thereof), earned PSUs will vest on the first Quarterly Vesting Date following the quarter in which the respective performance criteria is achieved, subject to you continuing to be employed by the Company through such Quarterly Vesting Date.

**Employee Benefits:** We proudly offer comprehensive and inclusive benefits to meet the diverse needs of our employees and their families, including medical, dental, vision, life & disability insurance, flexible time off, 401k, and more. Please visit Zscaler Benefits to explore our benefits in more detail, and you will receive further information during onboarding.

## Terms & Conditions

**Termination of Employment and Compensation/Benefits Changes:** Your employment with the Company is "at will," and thus you or the Company may terminate our employment relationship at any time, with or without cause or notice. The Company reserves the right, in its sole discretion, to change your position, duties, compensation, and/or employee benefits at any time on a prospective basis. Your at-will status may only be changed by a legally binding written agreement.

**Termination in Connection with a Change of Control.** Upon approval from the Zscaler Board of Directors, you will be permitted to participate in the Company's Change of Control and Severance Policy ("COC Policy") under which you will be eligible to receive certain severance payments and benefits in the event of your Qualifying Termination (as defined in the COC Policy). The benefits of the COC Policy will be substantially similar to those currently in effect for the Company's other executive officers, but will also include an extension of the period of time in which you have to exercise your vested options to purchase Company common stock subject to the Option until the date that is twelve (12) months following your termination date, subject to earlier termination on a change in control (or similar transaction) pursuant to the terms of the equity plan under which the options are granted. Upon being designated participant in the COC Policy, you will be asked to sign a participation agreement that sets forth your rights under the COC Policy.

**Termination Unrelated to a Change in Control.** In the event the Company terminates your employment hereunder without Cause (as defined in the COC Policy) or you resign for Good Reason (as defined in the COC Policy) prior to any Change in Control (as defined in the COC Policy), then you shall be entitled to a severance payment equivalent to six (6) months of your base salary at the time of the cessation of your employment ("Severance Payment"), less withholdings and contingent upon your execution of a signing and not revoking a release of claims in a form substantially similar to release attached hereto as Exhibit B to the COC Policy, subject to such changes as required by law. Such release of claims must become effective and irrevocable no later than the sixtieth (60th) day following your actual termination date. The Severance Payment shall be payable in equal installments in accordance with Company's normal payroll practices, commencing on the first regular pay date of the Company that occurs after the executed Severance and Release Agreement becomes legally effective; provided, however, the first payment shall include the cumulative amount of payments that would have been paid to you during the

period of time between the cessation of your employment and the date such payments commence had such payments commenced immediately following the cessation of your employment. This Severance Payment is in addition to any obligations Company may have as to provision of COBRA coverage, payment of all benefits and compensation earned prior to the termination of your employment, and equity grants pursuant to your equity letter and Company's Equity Incentive Plan. In the event of a Qualifying Termination (as defined in the COC Policy), no severance payments will be made under the terms of this paragraph.

**Severance Benefits.** Upon approval from the Zscaler Board of Directors or an authorized committee thereof, you will be permitted to participate in the Company's Change of Control and Severance Policy ("COC Policy") under which you will be eligible to receive certain severance payments and benefits in the event of your Non-COC Qualified Termination or a COC Qualified Termination (each as defined in the COC Policy). Except as set forth above with respect to your Sign-on RSUs, the benefits of the COC Policy will be substantially similar to those currently in effect for the Company's other executive officers. Upon being designated participant in the COC Policy, you will be asked to sign a participation agreement that sets forth your rights under the COC Policy.

**Conditions of Employment:** As a condition of your employment, you agree to sign the Company's standard Confidentiality Agreement, a copy of which is enclosed. You further agree that at all times during your employment (and afterwards as applicable), you will be bound by, and will fully comply with, the Confidentiality Agreement. This offer of employment is contingent upon your signing and returning the Confidentiality Agreement on or before your employment start date.

**Background Check & Right to Work:** This offer of employment is also contingent upon the successful completion (as determined by the Company) of any background or reference checks desired by the Company. Such background/reference checks must be completed before your employment start date. For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three business days following the start of your employment, or our employment relationship with you may be terminated. This offer is further contingent on timely receipt of any required visa or immigration authorizations, if applicable for your role.

**Complete Agreement/Modification:** This Employment Agreement, along with any other agreements described herein, sets forth the terms and conditions of your employment with the Company, and supersedes any prior representations or agreements concerning your employment with the Company, whether written or oral. You acknowledge and agree that you are not relying on any statements or representations concerning the Company or your employment with the Company except those made in this Agreement. This Agreement may not be modified or amended except by a written agreement signed by you and an authorized officer of the Company.

We are excited about the opportunity to formally welcome you to the Zscaler family and look forward to your contributions to the team. If you have any questions or require further clarification, please do not hesitate to contact your recruiting partner.

Sincerely,

By: /s/ Jay Chaudhry

**Jay Chaudhry**  
**Chairman and CEO**

\*\*\*\*\*

I hereby agree to and accept employment with Zscaler, Inc. on the terms and conditions set forth in this Employment Agreement.

Signature: /s/ Raj Judge

Full Legal Name: Raj Judge

Date: March 31, 2025

## Zscaler Americas Employee Privacy Notice

Effective Date: March 31, 2023

### Introduction

Zscaler Inc. and its associated companies ("Zscaler", "we", "our", or "us") process your personal data and are committed to safeguarding your privacy. This Zscaler Employee Privacy Notice (this "Notice") describes the personal information that we collect from or about you and how we use that information. This Notice applies to all our employees, workers, contractors and temporary staff ("employees" or "you") residing in North, South, and Latin America and describes how we collect and use your personal data during and after your working relationship with us.

### Legal bases for employee data use

At all times, we collect and use your personal data in accordance with applicable data protection laws. For certain jurisdictions this requires that we establish a lawful legal basis in order to process your Personal data. These legal bases include:

- Legitimate Interests: where it is necessary for our legitimate interests (or those of a third party) and your interests and fundamental rights do not override those interests. The legitimate interests pursued by us are our interests to secure, defend and develop our business and people and to make strategic and corporate responsibility decisions that we deem necessary. Where required, we will inform you about further legitimate interests where it becomes relevant.
- Contractual Obligations: where we need to perform the employment contract or other contract of engagement we have entered into with you.
- Legal Obligations: where we need to comply with a legal obligation to which we are subject.
- Employee's free and explicit consent: where we have your consent. In general, we do not rely on your consent for data use. However, we may approach you for your consent to allow us to process certain personal data. If we do so, we will provide you with full details of the data that we would like and the reason we need it, so that you can carefully consider whether you wish to freely consent. We will also inform you about the fact that you can revoke your consent at any time and how you should do that. Withholding your consent will never have an impact on your employment with us or will otherwise negatively affect you.
- Legal Disputes: where the processing is necessary to the establishment, exercise or defense of legal claims.
  - where the processing of so-called special categories of data is necessary for the purposes of carrying out the obligations and exercising the rights of you or Zscaler in the field of employment law, social security and social protection law;
  - where the processing of so-called special categories of data where the processing is necessary to assess the working capacity of the employee;
  - where the processing is necessary to exercise or satisfy rights and obligations of employees' representation laid down by law or by collective agreements; or
  - where a works agreement provides for a legal basis.

## **How We Use Personal Information**

We may use or disclose the personal information we collect from you or about you to do one or more of the following:

- To fulfill or meet the purpose for which you provided the information. For example, if you share your name and contact information to become an employee, we will use that personal information in connection with your employment or potential employment.
- To contact you and to inform you about benefits or information relating to your employment or potential employment.
- To administer pay and compensation.
- To provide, support, personalize, and develop our website and services relating to your employment or potential employment.
- To create, maintain, customize, and secure your information or account with us.
- To conduct employee performance evaluations, reviews, assessment, development, and training.
- To process employee work-related claims (e.g. worker compensation, insurance claims, etc.).
- To process your requests or transactions and prevent transactional fraud.
- To provide you with support and to respond to your inquiries, including to investigate and address your concerns and monitor and improve our responses.
- To help maintain the safety, security, and integrity of our systems, website, services, databases and other technology assets, physical spaces, and business processes.
- For research, analysis, and business development, including to develop and improve our business processes, website and services.
- To respond to law enforcement requests and as required by applicable law, court order, or governmental regulations.
- As described to you when collecting your personal information or subsequently agreed to by you.
- To evaluate or conduct a merger, divestiture, restructuring, reorganization, dissolution, or other sale or transfer of some or all of Zscaler assets, whether as a going concern or as part of bankruptcy, liquidation, or similar proceeding, in which personal information held by Zscaler about our employees is among the assets transferred.

## **Information We Collect**

“Personal information” and “sensitive personal data or information” shall have the meaning ascribed to it under applicable laws of the relevant jurisdiction. Personal information does not include de-identified or aggregated employee information.

We may collect personal information from you in a variety of different situations, including but not limited to on our website, your mobile device, through email, in physical locations, through the mail, and/or over the telephone. More specifically, Zscaler may collect the following categories of personal information from you:



D. Internet or other similar network activity.	Browsing history, search history, information related to messaging applications.
E. Geolocation data.	Physical location.
F. Sensory data.	Audio, electronic, visual, or similar information.
G. Professional or employment-related information.	Current or past job history or performance evaluations.
H. Education information, as defined by the Family Educational Rights and Privacy Act	Records that are directly related to a student maintained by an educational agency or institution or by a party acting for the agency or institution.  Profile reflecting a person's preferences, characteristics, predispositions, behavior, attitudes, or abilities.
I. Inferences drawn from other personal information.	

### Special Categories of Personal Information

Special categories of personal data will only be collected and used in so far as we are able to establish an appropriate lawful basis relevant to the special category data, such as where the processing is necessary to exercise rights or comply with legal obligations under employment law, social security and social protection law, where we are establishing, exercising or defending legal rights, where we are assessing your working capacity as an employee, or where there is a relevant substantial public interest exemption under local law (for example, conducting equal opportunity monitoring exercises in certain countries).

Zscaler obtains the categories of personal information listed above from the following categories of sources:

- *Directly from you.* For example, from forms you complete during onboarding or services we provide you.
- *Indirectly from you.* For example, from observing your actions on our website or from information your computer or mobile device transmits when interacting with our website or mobile applications, among other things.
- *Third parties.* Including recruiters who submit your information to us for an employment opportunity that may interest you and consumer reporting agencies for employment background checks.

### **How We Share Personal Information**

Zscaler may disclose your personal information, as described in the table above, to a third party for a business purpose, including to our service providers.

We disclose and share your personal information with the following categories of third parties:

- Service providers.
- Third parties with whom you direct us to share your personal information.
- Third parties as part of our employment process such as consumer reporting agencies for employment background checks.

We take steps to limit access to your Personal Data to those persons who need to have access to it for one of the purposes listed in this Notice. We may share your Personal Data on a need-to-know basis with certain Zscaler employees based on their function within Zscaler (both in the country where you apply and in other countries in which we have operations), as well as vendors and suppliers we use to process data on our behalf; successors in title of our business in case of a corporate transaction; and competent regulatory authorities, enforcement authorities, and other governmental agencies. We ensure that any third party processing your Personal Data equally provides for confidentiality and integrity of your Personal Data in a secure way. This will include transfers of your Personal Data both in the country where you apply and to other countries in which we have operations.

### **International Transfers of Personal Information**

Zscaler operates globally, so your personal data may be transferred to Zscaler group headquarters in the U.S., to Zscaler group employees located inside or outside your country, and/or to a person or company that is not part of the Zscaler group located in or outside your country, on a need-to-know basis.

Zscaler takes all reasonably necessary steps to ensure that your Personal Data is shared and treated securely and in accordance with this Notice and applicable legislation. This means that we entered into legally necessary contracts with recipients of your Personal Data.

### **Security**

Zscaler maintains physical, technical, and procedural safeguards as appropriate to safeguard your personal information. These safeguards are designed to protect your personal information from loss and unauthorized access, copying, use, modification, or disclosure.

### **Monitoring**

While conducting business, Zscaler may monitor employee activities, our premises, and property. When using Zscaler equipment or resources you should not have an expectation of privacy with respect to the use of such equipment or resources.

### **Retention**

Zscaler will retain personal data for as long as necessary to fulfill the purposes for which the personal data was collected, as required by applicable laws or regulatory requirements, and/or as necessary in the event of a legal claim.

### **Individual Rights and Responsibilities**

You have the responsibility to ensure that you notify your employer about changes to your personal data to help ensure that all your personal data is up to date.

Certain jurisdictions may provide you with privacy rights under applicable data protection or privacy law regarding your personal data. You may have the right to:

- Access your personal data,
- Rectify any personal data that is inaccurate,
- Erase your personal data,
- Object to or restrict processing of your personal data, or
- Withdraw consent previously given for any personal data collection and processing.

These rights may be limited depending on the nature of the request.

To exercise any of these rights, please contact us [at\\_privacy@zscaler.com](mailto:at_privacy@zscaler.com).

### **Changes to this Notice**

Zscaler reserves the right to amend this Notice at our discretion and at any time. If we make significant changes to this Notice, then we will provide notice which may include an email notification explaining the impact of any changes.

### **Contact Information**

Please contact Zscaler's Privacy Team if you have any questions or comments about this Notice or the ways in which Zscaler collects and uses your information as described in this Notice at:

Email: [privacy@zscaler.com](mailto:privacy@zscaler.com)

Postal Address: ATTN: Zscaler Privacy Team

120 Holger Way, San Jose, CA 95134

**Consent for Collection and Use of Personal Information**

I hereby accept and agree that I have read and understood the terms and conditions of this Notice.

Further, I understand and accept that the Company will collect personal information/sensitive personal data or information from its employees, as may be required by it. I hereby grant my unconditional consent for the collection, and use, of my personal information/sensitive personal data or information for such purposes as the Company may require.

**AGREED AND ACCEPTED**

Signature: /s/ Raj Judge

Full Legal Name: Raj Judge

Date: March 31, 2025

April 23, 2025

Kevin Rubin  
[kevin@kevinrubin.com](mailto:kevin@kevinrubin.com)  
4533 Perham Rd  
Corona del Mar, CA 92625

Dear Kevin,

We are thrilled to extend you an offer to join our team at Zscaler. We look forward to welcoming and supporting you on this exciting journey of growth and amazing experiences ahead.

## Role Overview

- **Your Employment Start Date:** 5/26/2025
- **Your Position:** Chief Financial Officer
- **Your Direct Manager:** Jay Chaudhry
- **Your Work Location:** San Jose Office, CA

## Compensation Package

**Annual Base Salary:** Your starting annual base salary will be **\$470,000**, subject to applicable withholding and paid in accordance with the Company's regular semi-monthly payroll process. As a full-time exempt employee, you will not be eligible to receive any overtime pay. Any adjustments to your base salary will be determined by the Company in its sole discretion based upon your performance, the Company's performance, and other relevant criteria.

**Annual Bonus Plan:** You will be eligible to participate in the Zscaler, Inc. discretionary Bonus Plan. The plan includes two (2) Performance Periods based on our Fiscal Year (Aug-Jan and Feb-July) payable in March and September, respectively. Your Target Award is **100%** of your annual salary, subject to applicable tax withholding, prorated based on your paid employment during the Performance Period, provided that your employment starts at least one month prior to the end of the Performance Period. Target Awards are discretionary and subject to individual and Company performance, and will be payable following the end of each Performance Period provided you remain employed and in good standing with the Company on the date the bonus payment is made. Bonus Plan participation eligibility, Target Awards, Performance Periods and any other terms and conditions are subject to change at the discretion of Zscaler, Inc. and the Plan Administrator.

**New Hire Restricted Stock Units:** Subject to approval from Zscaler's Board of Directors (or an authorized committee thereof), the terms of the Plan and your equity award agreement, you will receive an award of RSUs. The value of the award is **\$12,600,000** with the number of shares determined by dividing the award value by the average closing price of Zscaler's stock for the trading days in the month of your hire date, rounded up to the nearest whole share. **12.5%** of these RSUs will vest on December 15, 2025 and **6.25%** will vest on each Quarterly Vesting Date (as defined in the Plan or your equity award agreement) thereafter until fully vested.

**Performance Stock Units:** Subject to approval from Zscaler's Board of Directors (or an authorized committee thereof), the terms of the Plan and your equity award agreement, you will receive additional awards of PSUs. The total value of the awards is **\$5,400,000** with the number of shares determined by dividing the award value by the trailing 20-day trading average of Zscaler's stock preceding and ending

on the date of approval of each award, or the Grant Date, rounded up to the nearest whole share. To the extent each individual performance criteria is deemed to be achieved by the Board of Directors (or an authorized committee thereof), earned PSUs will vest on the first Quarterly Vesting Date following the quarter in which the respective performance criteria is achieved, subject to you continuing to be employed by the Company through such Quarterly Vesting Date.

**Option Grant:** The Company will grant you a stock option to purchase **50,000** shares of the Company's Common Stock (the "Option"). The Option will be subject to the terms and conditions of the Plan and your Stock Option Agreement entered into under the Plan, including vesting requirements. Subject to your continued employment with the Company, 25% of the shares subject to the Option shall vest on the one-year anniversary of your Hire Date, and 1/48th of the shares subject to the Option shall vest on the corresponding day of each month thereafter (or if there is no corresponding day in any such month, on the last day of such month), until all shares have vested.

**Relocation Support:** To help support your move, you will be provided a Relocation Cash Allowance of **\$25,000**. Zscaler will "gross up" this payment to assist in paying the taxes associated with this allowance, subject to local regulations. It will be reported as income in your annual earnings/wages statement. Your Lump Sum will be paid via payroll within your first month of employment.

**Travel Arrangements:** Zscaler's Travel team will assist in booking suitable flight/ground transportation for you and your immediate family (if applicable) from your home location to your new work location, as per Zscaler's Travel & Expense Policy.

**Temporary Accommodations:** Zscaler's Travel team will assist in booking suitable temporary housing accommodation for up to 60 days, upon arrival at your new work location. When you are ready to book your travel arrangements, please reach out to [bcastle@zscaler.com](mailto:bcastle@zscaler.com) who will connect you with travel.

You agree to reimburse the Company for any relocation costs incurred on your behalf, including your relocation cash allowance, if you resign before completion of your first year at Zscaler.

**Employee Benefits:** We proudly offer comprehensive and inclusive benefits to meet the diverse needs of our employees and their families, including medical, dental, vision, life & disability insurance, flexible time off, 401k, and more. Please visit Zscaler Benefits to explore our benefits in more detail, and you will receive further information during onboarding.

## Terms & Conditions

**Termination of Employment and Compensation/Benefits Changes:** Your employment with the Company is "at will," and thus you or the Company may terminate our employment relationship at any time, with or without cause or notice. The Company reserves the right, in its sole discretion, to change your position, duties, compensation, and/or employee benefits at any time on a prospective basis. Your at-will status may only be changed by a legally binding written agreement.

**Termination in Connection with a Change of Control.** Upon approval from the Zscaler Board of Directors, you will be permitted to participate in the Company's Change of Control and Severance Policy ("COC Policy") under which you will be eligible to receive certain severance payments and benefits in the event of your Qualifying Termination (as defined in the COC Policy). The benefits of the COC Policy will be substantially similar to those currently in effect for the Company's other executive officers, but will also include an extension of the period of time in which you have to exercise your vested options to purchase Company common stock subject to the Option until the date that is twelve (12) months

following your termination date, subject to earlier termination on a change in control (or similar transaction) pursuant to the terms of the equity plan under which the options are granted. Upon being designated participant in the COC Policy, you will be asked to sign a participation agreement that sets forth your rights under the COC Policy.

**Termination Unrelated to a Change in Control.** In the event the Company terminates your employment hereunder without Cause (as defined in the COC Policy) or you resign for Good Reason (as defined in the COC Policy) prior to any Change in Control (as defined in the COC Policy), then you shall be entitled to a severance payment equivalent to six (6) months of your base salary at the time of the cessation of your employment ("Severance Payment"), less withholdings, with each of your outstanding Time Based Equity Awards immediately vesting as to the number of then-unvested shares subject to each such Time Based Equity Award which are scheduled to have vested as of the date that is 6 months following the date of your Non-COC Qualified Termination and contingent upon your execution of a signing and not revoking a release of claims in a form substantially similar to release attached hereto as Exhibit B to the COC Policy, subject to such changes as required by law. Such release of claims must become effective and irrevocable no later than the sixtieth (60th) day following your actual termination date. The Severance Payment shall be payable in equal installments in accordance with Company's normal payroll practices, commencing on the first regular pay date of the Company that occurs after the executed Severance and Release Agreement becomes legally effective; provided, however, the first payment shall include the cumulative amount of payments that would have been paid to you during the period of time between the cessation of your employment and the date such payments commence had such payments commenced immediately following the cessation of your employment. This Severance Payment is in addition to any obligations Company may have as to provision of COBRA coverage, payment of all benefits and compensation earned prior to the termination of your employment, and equity grants pursuant to your equity letter and Company's Equity Incentive Plan. In the event of a Qualifying Termination (as defined in the COC Policy), no severance payments will be made under the terms of this paragraph.

**Severance Benefits.** Upon approval from the Zscaler Board of Directors or an authorized committee thereof, you will be permitted to participate in the Company's Change of Control and Severance Policy ("COC Policy") under which you will be eligible to receive certain severance payments and benefits in the event of your Non-COC Qualified Termination or a COC Qualified Termination (each as defined in the COC Policy). Except as set forth above with respect to your Sign-on RSUs, the benefits of the COC Policy will be substantially similar to those currently in effect for the Company's other executive officers. Upon being designated participant in the COC Policy, you will be asked to sign a participation agreement that sets forth your rights under the COC Policy.

**Conditions of Employment:** As a condition of your employment, you agree to sign the Company's standard Confidentiality Agreement, a copy of which is enclosed. You further agree that at all times during your employment (and afterwards as applicable), you will be bound by, and will fully comply with, the Confidentiality Agreement. This offer of employment is contingent upon your signing and returning the Confidentiality Agreement on or before your employment start date.

**Background Check & Right to Work:** This offer of employment is also contingent upon the successful completion (as determined by the Company) of any background or reference checks desired by the Company. Such background/reference checks must be completed before your employment start date. For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three business days following the start of your employment, or our

employment relationship with you may be terminated. This offer is further contingent on timely receipt of any required visa or immigration authorizations, if applicable for your role.

**Complete Agreement/Modification:** This Employment Agreement, along with any other agreements described herein, sets forth the terms and conditions of your employment with the Company, and supersedes any prior representations or agreements concerning your employment with the Company, whether written or oral. You acknowledge and agree that you are not relying on any statements or representations concerning the Company or your employment with the Company except those made in this Agreement. This Agreement may not be modified or amended except by a written agreement signed by you and an authorized officer of the Company.

We are excited about the opportunity to formally welcome you to the Zscaler family and look forward to your contributions to the team. If you have any questions or require further clarification, please do not hesitate to contact your recruiting partner.

Sincerely,

By: /s/ Jay Chaudhry

**Jay Chaudhry**  
**Chairman and CEO**

\*\*\*\*\*

I hereby agree to and accept employment with Zscaler, Inc. on the terms and conditions set forth in this Employment Agreement.

Signature: /s/ Kevin Rubin

Full Legal Name: Kevin Rubin

Date: April 23, 2025

## Zscaler Americas Employee Privacy Notice

Effective Date: March 31, 2023

### Introduction

Zscaler Inc. and its associated companies ("Zscaler", "we", "our", or "us") process your personal data and are committed to safeguarding your privacy. This Zscaler Employee Privacy Notice (this "Notice") describes the personal information that we collect from or about you and how we use that information. This Notice applies to all our employees, workers, contractors and temporary staff ("employees" or "you") residing in North, South, and Latin America and describes how we collect and use your personal data during and after your working relationship with us.

### Legal bases for employee data use

At all times, we collect and use your personal data in accordance with applicable data protection laws. For certain jurisdictions this requires that we establish a lawful legal basis in order to process your Personal data. These legal bases include:

- Legitimate Interests: where it is necessary for our legitimate interests (or those of a third party) and your interests and fundamental rights do not override those interests. The legitimate interests pursued by us are our interests to secure, defend and develop our business and people and to make strategic and corporate responsibility decisions that we deem necessary. Where required, we will inform you about further legitimate interests where it becomes relevant.
- Contractual Obligations: where we need to perform the employment contract or other contract of engagement we have entered into with you.
- Legal Obligations: where we need to comply with a legal obligation to which we are subject.
- Employee's free and explicit consent: where we have your consent. In general, we do not rely on your consent for data use. However, we may approach you for your consent to allow us to process certain personal data. If we do so, we will provide you with full details of the data that we would like and the reason we need it, so that you can carefully consider whether you wish to freely consent. We will also inform you about the fact that you can revoke your consent at any time and how you should do that. Withholding your consent will never have an impact on your employment with us or will otherwise negatively affect you.
- Legal Disputes: where the processing is necessary to the establishment, exercise or defense of legal claims.
  - where the processing of so-called special categories of data is necessary for the purposes of carrying out the obligations and exercising the rights of you or Zscaler in the field of employment law, social security and social protection law;
  - where the processing of so-called special categories of data where the processing is necessary to assess the working capacity of the employee;
  - where the processing is necessary to exercise or satisfy rights and obligations of employees' representation laid down by law or by collective agreements; or
  - where a works agreement provides for a legal basis.

## **How We Use Personal Information**

We may use or disclose the personal information we collect from you or about you to do one or more of the following:

- To fulfill or meet the purpose for which you provided the information. For example, if you share your name and contact information to become an employee, we will use that personal information in connection with your employment or potential employment.
- To contact you and to inform you about benefits or information relating to your employment or potential employment.
- To administer pay and compensation.
- To provide, support, personalize, and develop our website and services relating to your employment or potential employment.
- To create, maintain, customize, and secure your information or account with us.
- To conduct employee performance evaluations, reviews, assessment, development, and training.
- To process employee work-related claims (e.g. worker compensation, insurance claims, etc.).
- To process your requests or transactions and prevent transactional fraud.
- To provide you with support and to respond to your inquiries, including to investigate and address your concerns and monitor and improve our responses.
- To help maintain the safety, security, and integrity of our systems, website, services, databases and other technology assets, physical spaces, and business processes.
- For research, analysis, and business development, including to develop and improve our business processes, website and services.
- To respond to law enforcement requests and as required by applicable law, court order, or governmental regulations.
- As described to you when collecting your personal information or subsequently agreed to by you.
- To evaluate or conduct a merger, divestiture, restructuring, reorganization, dissolution, or other sale or transfer of some or all of Zscaler assets, whether as a going concern or as part of bankruptcy, liquidation, or similar proceeding, in which personal information held by Zscaler about our employees is among the assets transferred.

## **Information We Collect**

“Personal information” and “sensitive personal data or information” shall have the meaning ascribed to it under applicable laws of the relevant jurisdiction. Personal information does not include de-identified or aggregated employee information.

We may collect personal information from you in a variety of different situations, including but not limited to on our website, your mobile device, through email, in physical locations, through the mail, and/or over the telephone. More specifically, Zscaler may collect the following categories of personal information from you:



D. Internet or other similar network activity.	Browsing history, search history, information related to messaging applications.
E. Geolocation data.	Physical location.
F. Sensory data.	Audio, electronic, visual, or similar information.
G. Professional or employment-related information.	Current or past job history or performance evaluations.
H. Education information, as defined by the Family Educational Rights and Privacy Act	Records that are directly related to a student maintained by an educational agency or institution or by a party acting for the agency or institution.  Profile reflecting a person's preferences, characteristics, predispositions, behavior, attitudes, or abilities.
I. Inferences drawn from other personal information.	

### Special Categories of Personal Information

Special categories of personal data will only be collected and used in so far as we are able to establish an appropriate lawful basis relevant to the special category data, such as where the processing is necessary to exercise rights or comply with legal obligations under employment law, social security and social protection law, where we are establishing, exercising or defending legal rights, where we are assessing your working capacity as an employee, or where there is a relevant substantial public interest exemption under local law (for example, conducting equal opportunity monitoring exercises in certain countries).

Zscaler obtains the categories of personal information listed above from the following categories of sources:

- *Directly from you.* For example, from forms you complete during onboarding or services we provide you.
- *Indirectly from you.* For example, from observing your actions on our website or from information your computer or mobile device transmits when interacting with our website or mobile applications, among other things.
- *Third parties.* Including recruiters who submit your information to us for an employment opportunity that may interest you and consumer reporting agencies for employment background checks.

### **How We Share Personal Information**

Zscaler may disclose your personal information, as described in the table above, to a third party for a business purpose, including to our service providers.

We disclose and share your personal information with the following categories of third parties:

- Service providers.
- Third parties with whom you direct us to share your personal information.
- Third parties as part of our employment process such as consumer reporting agencies for employment background checks.

We take steps to limit access to your Personal Data to those persons who need to have access to it for one of the purposes listed in this Notice. We may share your Personal Data on a need-to-know basis with certain Zscaler employees based on their function within Zscaler (both in the country where you apply and in other countries in which we have operations), as well as vendors and suppliers we use to process data on our behalf; successors in title of our business in case of a corporate transaction; and competent regulatory authorities, enforcement authorities, and other governmental agencies. We ensure that any third party processing your Personal Data equally provides for confidentiality and integrity of your Personal Data in a secure way. This will include transfers of your Personal Data both in the country where you apply and to other countries in which we have operations.

### **International Transfers of Personal Information**

Zscaler operates globally, so your personal data may be transferred to Zscaler group headquarters in the U.S., to Zscaler group employees located inside or outside your country, and/or to a person or company that is not part of the Zscaler group located in or outside your country, on a need-to-know basis.

Zscaler takes all reasonably necessary steps to ensure that your Personal Data is shared and treated securely and in accordance with this Notice and applicable legislation. This means that we entered into legally necessary contracts with recipients of your Personal Data.

### **Security**

Zscaler maintains physical, technical, and procedural safeguards as appropriate to safeguard your personal information. These safeguards are designed to protect your personal information from loss and unauthorized access, copying, use, modification, or disclosure.

### **Monitoring**

While conducting business, Zscaler may monitor employee activities, our premises, and property. When using Zscaler equipment or resources you should not have an expectation of privacy with respect to the use of such equipment or resources.

### **Retention**

Zscaler will retain personal data for as long as necessary to fulfill the purposes for which the personal data was collected, as required by applicable laws or regulatory requirements, and/or as necessary in the event of a legal claim.

### **Individual Rights and Responsibilities**

You have the responsibility to ensure that you notify your employer about changes to your personal data to help ensure that all your personal data is up to date.

Certain jurisdictions may provide you with privacy rights under applicable data protection or privacy law regarding your personal data. You may have the right to:

- Access your personal data,
- Rectify any personal data that is inaccurate,
- Erase your personal data,
- Object to or restrict processing of your personal data, or
- Withdraw consent previously given for any personal data collection and processing.

These rights may be limited depending on the nature of the request.

To exercise any of these rights, please contact us [at privacy@zscaler.com](mailto:at_privacy@zscaler.com).

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Zscaler reserves the right to amend this Notice at our discretion and at any time. If we make significant changes to this Notice, then we will provide notice which may include an email notification explaining the impact of any changes.

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Email: [privacy@zscaler.com](mailto:privacy@zscaler.com)

Postal Address: ATTN: Zscaler Privacy Team

120 Holger Way, San Jose, CA 95134

**Consent for Collection and Use of Personal Information**

I hereby accept and agree that I have read and understood the terms and conditions of this Notice.

Further, I understand and accept that the Company will collect personal information/sensitive personal data or information from its employees, as may be required by it. I hereby grant my unconditional consent for the collection, and use, of my personal information/sensitive personal data or information for such purposes as the Company may require.

**AGREED AND ACCEPTED**

Signature:  /s/ Kevin Rubin

Full Legal Name: Kevin Rubin

Date: April 23, 2025

## TRANSITION AGREEMENT AND RELEASE

This Transition Agreement and Release (this “Agreement”) is made by and between Remo Canessa (“Executive”) and Zscaler, Inc. (the “Company”) (collectively referred to as the “Parties” or individually referred to as a “Party”).

### RECITALS

WHEREAS, Executive is employed by the Company;

WHEREAS, Executive signed an offer letter with the Company dated January 8, 2017 (the “Offer Letter”);

WHEREAS, Executive signed a Confidential Information and Invention Assignment Agreement with the Company on February 3, 2017 (the “Confidentiality Agreement”);

WHEREAS, Executive voluntarily announced his retirement and resignation of his employment with the Company;

WHEREAS, the Company thanks Executive for his years of excellent service to the Company;

WHEREAS, the Parties wish to provide for Executive’s orderly transition of the day-to-day duties of Executive’s position with the Company until the Separation Date (defined as the last day of Executive’s employment with the Company) and so mutually agree upon the following terms to effectuate such transition; and

NOW, THEREFORE, in consideration of the mutual promises made herein, the Company and Executive hereby agree as follows:

### COVENANTS

#### 1. Consideration.

1. Continued Employment; Transition Services. The Company agrees that beginning on May 26, 2025, the Company will continue to employ Executive as an at-will Executive through December 31, 2025, or an earlier date on which employment is terminated by the Company or Executive pursuant to at-will employment principles (such period the “Transition Period”). From the commencement of the Transition Period to the New CFO Date, Executive shall remain the Chief Financial Officer of the Company and provide services to the Company as the Company’s Chief Financial Officer. “New CFO Date” means the actual date on which the Company’s appointment of an individual other than Executive to serve as the Company’s Chief Financial Officer (“New CFO”) is effective. From and including the New CFO Date through the end of the Transition Period, Executive will work in good faith with the Company to complete open projects, transition Executive’s responsibilities and duties, facilitate the knowledge transfer of items within Executive’s area of responsibility, and/or provide other transition and advisory services to the Company to enable the smooth transition and support for the New CFO; however, starting July 31, 2025, Executive shall cease to provide such services through active day-to-day work or reporting to Company offices, unless as otherwise instructed by the Company (“Transition Services”). During the Transition Period, Executive will continue receiving Executive’s current regular

base salary, will receive a bonus only for the second half of the 2025 Fiscal Year, will continue vesting under applicable equity plans, and will be eligible to participate in then-available Company benefit plans at the same level as Executive would have been eligible to participate in such plans immediately prior to the start of the Transition Period, subject to the terms and conditions, including eligibility requirements, of such plans. Notwithstanding the foregoing, Executive will not participate in the Company's Fiscal Year 2026 bonus plans or the Company's Change of Control and Severance Policy.

2. Early Termination. In case of early termination of his employment by Executive or in case of termination by the Company for Cause, as defined herein, Executive understands that all compensation and benefits including participation in any bonus program and equity vesting related to his employment shall cease and terminate upon the end of his employment. If the Company terminates Executive's employment without Cause, the Company shall pay to Executive the lump sum value of the remainder of his base salary, in effect at the time of termination, from his termination date through December 31, 2025, including, if unpaid, the value of his target bonus for the second half of Fiscal Year 2025, and the value of any unvested restricted stock units that would have vested through December 31, 2025, to be calculated using the market value as of the close of Executive's termination date. In the event of such termination without Cause, this payment will be made within 30 days of the Executive's termination date. "Cause" means (i) an act of dishonesty made by Executive which negatively impacts Executive's fulfillment of his responsibilities as an executive of the Company; (ii) Executive's conviction of, or plea of nolo contendere to, a felony or any crime involving fraud or embezzlement; (iii) Executive's gross misconduct which injures the Company; (iv) Executive's unauthorized use or disclosure of any material proprietary information or trade secrets of the Company or any other party to whom Executive owes an obligation of nondisclosure as a result of Executive's relationship with the Company; (v) Executive's willful breach of any material obligations under any written agreement or covenant with the Company which injures the Company; (vi) Executive's failure to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers or employees, if the Company has requested Executive's cooperation; or (vii) Executive's continued failure to perform Executive's material employment duties after Executive has received a written demand of performance from the Company which specifically sets forth the factual basis for the Company's belief that Executive has not substantially performed his material duties and has failed to cure such non-performance to the Company's satisfaction within 10 business days after receiving such notice.

3. Release Consideration. As consideration for the releases under Paragraph 5, Company will directly pay for Executive's COBRA coverage for a period of twelve (12) months immediately following the termination of Executive's Company health insurance benefits, or until Executive has secured other employment, whichever occurs first, provided Executive timely elects and pays for COBRA coverage (the "Release Consideration").

4. Acknowledgement. Except as set forth above, Executive acknowledges that without this Agreement, Executive is otherwise not entitled to the consideration listed in this Section 1. Accordingly, Executive acknowledges that without this Agreement, Executive would not be entitled to any employment (or compensation for such employment) during the Transition Period. Executive specifically acknowledges and agrees that the consideration provided to Executive under this Agreement and the Separation Agreement (as defined below) fully satisfies any obligation by the Company to provide or satisfy any severance, notice, release deadline, or other post-employment benefits, including under the Company's Executive Severance Policy and/or the Company's Change of Control and Severance Policy.

2. Separation Agreement and Release. Following the end of the Transition Period (unless Executive terminates his employment prior to the end of the Transition Period as determined by the Company), in exchange for Executive's execution and non-revocation of the Separation Agreement and Release attached hereto as Exhibit A (the "Separation Agreement") within the timeframe set forth in the Separation Agreement, the Company agrees to provide Executive with the consideration set forth in Section 1 of the Separation Agreement, subject to the terms and conditions of the Separation Agreement. Executive acknowledges that without the Separation Agreement, Executive is otherwise not entitled to the consideration listed in Section 1 of the Separation Agreement. The Parties agree to modify the Separation Agreement pursuant to or otherwise as may be required by applicable law. Executive acknowledges and agrees that no payment or other consideration provided to Executive under the Separation Agreement constitutes, in whole or in part, a raise, a bonus, employment, or continued employment and that the Separation Agreement is not a condition of employment or continued employment.

3. Benefits. Executive's participation in all benefits and incidents of employment, including, but not limited to, vesting in equity award, and the accrual of bonuses, vacation, and paid time off, shall cease as of the Separation Date.

4. Payment of Salary and Receipt of All Benefits. Executive acknowledges and represents that, other than the consideration set forth in this Agreement, the Company has paid or provided all salary, wages, bonuses, accrued vacation/paid time off, notice periods, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to Executive as of the date Executive signs this Agreement.

5. Release of Claims. In exchange for the consideration provided under this Agreement, Executive (on Executive's own behalf and on behalf of Executive's respective heirs, family members, executors, agents, and assigns) agrees to release any and all claims Executive may have against the Company or any of its current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, benefit plans, plan administrators, professional employer organization or co-employer, insurers, trustees, divisions, subsidiaries, predecessor and successor corporations, and assigns (collectively the "Releasees") as of the date Executive signs this Agreement including, but not limited to, the following: (a) claims arising under the federal or any state constitution; (b) claims for breach of contract, breach of public policy, physical or mental harm or distress; (c) any claim for attorneys' fees and costs; (d) any and all claims relating to, or arising from, Executive's right to purchase, or actual purchase of shares of stock of the Company; and (e) any and all other claims arising from Executive's employment relationship with the Company or the termination of that relationship. Executive agrees that, with respect to the claims released herein, Executive will not file any legal action asserting any such claims. Executive agrees that the release set forth in this Section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to: (i) any obligations incurred under this Agreement; or (ii) claims that cannot be released as a matter of law. Nothing herein releases any rights or claims Executive may have under the California Fair Employment and Housing Act ("FEHA") or right to indemnification under the Company bylaws, the indemnity agreement between the Company and Executive, California Labor Code section 2802 or any other indemnification provision of California law or agreement with the Company or policy or practice of the Company.

6. California Civil Code Section 1542. Executive acknowledges that Executive has been advised to consult with legal counsel and is familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown claims, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Executive, being aware of said code section, agrees to expressly waive any rights Executive may have thereunder with respect only to the claims released herein, as well as under any other statute or common law principles of similar effect.

7. Protected Activity Not Prohibited. Executive understands that nothing in this Agreement or the Confidentiality Agreement shall in any way limit or prohibit Executive from engaging in any Protected Activity. Protected Activity includes: (i) filing and/or pursuing a charge, complaint, or report with, or otherwise communicating, cooperating, or participating in any investigation or proceeding that may be conducted by any federal, state or local government agency or commission, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, and the National Labor Relations Board (“Government Agencies”); and/or (ii) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Executive has reason to believe is unlawful. Notwithstanding the foregoing, Executive agrees to take all reasonable precautions to prevent any unauthorized use or disclosure of any Company trade secrets, proprietary information, or confidential information that does not involve unlawful acts in the workplace or the activity otherwise protected herein. Executive further understands that Protected Activity does not include the disclosure of any Company attorney-client privileged communications or attorney work product. Any language in the Confidentiality Agreement regarding Executive’s right to engage in protected conduct that conflicts with, or is contrary to, this Section is superseded by this Agreement. In addition, pursuant to the Defend Trade Secrets Act of 2016, Executive is notified that an individual will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made in confidence to a federal, state, or local government official (directly or indirectly) or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if (and only if) such filing is made under seal. In addition, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the individual’s attorney and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order. Finally, nothing in this Agreement constitutes a waiver of any rights Executive may have under the Sarbanes-Oxley Act or Section 7 of the National Labor Relations Act (“NLRA”). For purposes of clarity, nothing in this Agreement shall be interpreted to impair or limit Executive’s participation in any legally protected activities, such as (i) forming, joining, or supporting labor unions, (ii) bargaining collectively through representatives of employees’ choosing, (iii) discussing wages, benefits, or terms and conditions of employment, and (iv) discussing, or raising complaints about, working conditions for the purpose of mutual aid or protection of Executive or the Company’s other current or former employees, to the extent such activities are protected by Section 7 of the NLRA.

8. No Admission of Liability. Executive understands and acknowledges that with respect to all claims released herein, this Agreement constitutes a compromise and settlement of any and all actual or potential disputed claims by Executive unless such claims were explicitly not released by the release in

this Agreement. No action taken by the Company hereto, either previously or in connection with this Agreement, shall be deemed or construed to be (a) an admission of the truth or falsity of any actual or potential claims or (b) an acknowledgment or admission by the Company of any fault or liability whatsoever to Executive or to any third party.

9. **Effective Date.** This Agreement will become effective on the date it has been signed by both Parties (the “Effective Date”). Executive acknowledges that Executive was given a copy of this Agreement with at least twenty-one (21) days to review and consider its terms and whether or not to execute this Agreement. In the event Executive signs this Agreement and returns it to the Company in less than the twenty-one (21) day period identified above, Executive hereby acknowledges that Executive has knowingly and voluntarily chosen to waive the time period allotted for considering this Agreement. Executive further understands that the earliest he may sign this Agreement is May 29, 2025, but must sign it no later than June 11, 2025.

10. **Governing Law and No Oral Modification.** This Agreement shall be governed by the laws of the State of California, without regard for choice-of-law provisions. Executive consents to personal and exclusive jurisdiction and venue in the State of California. This Agreement may only be amended in a writing signed by Executive and the Company’s Chief Executive Officer.

11. **Authority.** The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Agreement. Executive represents and warrants that Executive has the capacity to act on Executive’s own behalf and on behalf of all who might claim through Executive to bind them to the terms and conditions of this Agreement. Each Party warrants and represents that there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

12. **Attorneys’ Fees.** In the event that either Party brings an action to enforce or effect its rights under this Agreement, the prevailing Party shall be entitled to recover its costs and expenses, including the costs of mediation, arbitration, litigation, court fees, and reasonable attorneys’ fees incurred in connection with such an action.

13. **Miscellaneous.** In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision. This Agreement along with the Confidentiality Agreement and other agreements referenced herein represents the entire agreement and understanding between the Company and Executive concerning the subject matter of this Agreement, and supersedes and replaces any and all prior agreements and understandings concerning the subject matter of this Agreement and Executive’s relationship with the Company. This Agreement may be executed in counterparts and each counterpart shall be deemed an original and all of which counterparts taken together shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned. The counterparts of this Agreement may be executed and delivered by facsimile, photo, email PDF, or other electronic transmission or signature.

14. **Voluntary Execution of Agreement.** Executive understands and agrees that Executive executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing Executive’s claims against the Company as

set forth herein. Executive acknowledges that: (a) Executive has read this Agreement; (b) Executive has a right to consult with an attorney regarding this Agreement and has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of Executive's own choice or has elected not to retain legal counsel; (c) Executive understands the terms and consequences of this Agreement and of the releases it contains; (d) Executive is fully aware of the legal and binding effect of this Agreement; and (e) Executive has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

REMO CANESSA, an individual

Dated: June 9, 2025 /s/ Remo Canessa  
Remo Canessa

ZSCALER, INC.

Dated: June 9, 2025 /s/ Brendan Castle  
Brendan Castle  
Chief People Officer

## **EXHIBIT A OF TRANSITION AGREEMENT**

### **SEPARATION AGREEMENT AND RELEASE**

This Separation Agreement and Release (this "Separation Agreement") is made by and between Remo Canessa ("Executive") and Zscaler, Inc. (the "Company") (collectively referred to as the "Parties" or individually referred to as a "Party"). Capitalized terms not defined herein have the meaning ascribed to them in the Transition Agreement.

### **RECITALS**

WHEREAS, Executive was employed by the Company;

WHEREAS, Executive signed an offer letter with the Company dated January 8, 2017 (the "Offer Letter");

WHEREAS, Executive signed a Confidential Information and Invention Assignment Agreement with the Company on February 3, 2017 (the "Confidentiality Agreement");

WHEREAS, Executive voluntarily announced his retirement and resignation of his employment with the Company and Company thanks Executive for his years of excellent service to the Company;

WHEREAS, Executive signed a Transition Agreement and Release with the Company (the "Transition Agreement");

WHEREAS, Executive's employment with the Company terminated on December 31, 2025, or at an earlier date, as provided in the Transition Agreement (the last day of Executive's employment with the Company, the "Separation Date"); and

WHEREAS, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that Executive may have against the Company and any of the Releasees as defined below, including, but not limited to, any and all claims arising out of or in any way related to Executive's employment with or separation from the Company.

NOW, THEREFORE, in consideration of the mutual promises made herein, the Company and Executive hereby agree as follows:

### **COVENANTS**

1. **Separation Agreement Consideration.** Subject to Executive's execution of, and non-revocation of, this Separation Agreement, the Company shall provide the following benefits that Executive is not otherwise entitled to:

1. A lump sum payment of \$750,000.00, less applicable withholdings in effect as of Executive's Separation Date. Such payment will be made by direct deposit to Executive's Company payroll bank account on the next regularly scheduled Zscaler payroll date after the Effective Date, and will be reported to the IRS and other taxing authorities on a Form W-2 or other appropriate form.

2. Subject to the approval of the Company's Board of Directors, the Company will accelerate the vesting of 28,774 shares of Company restricted stock units that were previously granted to Executive by the Company that would be unvested as of the Separation Date and otherwise forfeited under the Company's Fiscal Year 2018 Equity Incentive Plan ("Accelerated RSUs"). The Company will sell a portion of the Accelerated RSUs to meet the Company's tax withholding obligations, and the remainder of the Accelerated RSUs will be released to Executive.
3. For removal of doubt, any other of Executive's outstanding but unvested restricted stock units, stock options or other equity or stock awards as of the Separation Date, apart from the Accelerated RSUs, shall cease vesting, expire, and be forfeited in accordance with the terms and conditions of the applicable stock award agreements between Executive and the Company, and Executive shall have no further rights whatsoever with respect to such stock awards.

Executive acknowledges that without this Separation Agreement, Executive is otherwise not entitled to the consideration listed in this Section 1. Executive specifically acknowledges and agrees that the consideration provided to Executive under this Separation Agreement fully satisfies any obligation by the Company to provide or satisfy any severance, notice, release deadline, or other post-employment benefits, including under the Company's Executive Severance Policy and/or the Company's Change of Control and Severance Policy. Executive acknowledges and agrees that consideration for this Separation Agreement does not constitute, in whole or in part, a raise, a bonus, employment, or continued employment. With respect to any other equity grants, including any unearned PSUs that were previously granted to Executive by the Company that have not become vested as of the Separation Date (after taking into consideration the accelerated vesting described in (c) above), Executive understands and agrees that (i) Executive shall not be entitled to any additional vesting of such units after the Separation Date and (ii) such unvested units shall be cancelled as of the Separation Date and all such equity shall automatically forfeit in their entirety by their terms.

2. Benefits. Executive's participation in all benefits and incidents of employment, including, but not limited to, vesting in stock options, and the accrual of bonuses, vacation, and paid time off, ceased as of the Separation Date.

3. Payment of Salary and Receipt of All Benefits. Executive acknowledges and represents that, other than the consideration set forth in this Separation Agreement, the Company has paid or provided all salary, wages, bonuses, accrued vacation/paid time off, notice periods, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to Executive.

4. Release of Claims. Executive agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Executive by the Company and its current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, benefit plans, plan administrators, professional employer organization or co-employer, insurers, trustees, divisions, subsidiaries, predecessor and successor corporations, and assigns (collectively, the "Releasees"). Executive, on Executive's own behalf and on behalf of Executive's respective heirs, family members, executors, agents, and assigns, hereby and forever releases the Releasees from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty,

obligation, demand, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Executive may possess against any of the Releasees arising from any omissions, acts, facts, or damages that have occurred up until and including the date Executive signs this Separation Agreement, including, without limitation:

a. any and all claims relating to or arising from Executive's employment relationship with the Company and the termination of that relationship;

b. any and all claims relating to, or arising from, Executive's right to purchase, or actual purchase of shares of stock of the Company, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;

c. any and all claims for wrongful discharge of employment, termination in violation of public policy, discrimination, harassment, retaliation, breach of contract (both express and implied), breach of covenant of good faith and fair dealing (both express and implied), promissory estoppel, negligent or intentional infliction of emotional distress, fraud, negligent or intentional misrepresentation, negligent or intentional interference with contract or prospective economic advantage, unfair business practices, defamation, libel, slander, negligence, personal injury, assault, battery, invasion of privacy, false imprisonment, conversion, and disability benefits;

d. any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Equal Pay Act, the Fair Labor Standards Act, the Fair Credit Reporting Act, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act, the Employee Retirement Income Security Act of 1974, the Worker Adjustment and Retraining Notification Act, the Family and Medical Leave Act, the Immigration Reform and Control Act, the California Family Rights Act, the California Labor Code, the California Workers' Compensation Act, the California Worker Adjustment and Retraining Notification Act, and the California Fair Employment and Housing Act;

e. any and all claims for violation of the federal or any state constitution;

f. any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

g. any claim for any loss, cost, damage, or expense arising out of any dispute over the nonwithholding or other tax treatment of any of the proceeds received by Executive as a result of this Separation Agreement; and

h. any and all claims for attorneys' fees and costs.

Executive agrees that the release set forth in this Section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to any obligations incurred under this Separation Agreement. This release does not release claims that cannot be released as a matter of law, including, but not necessarily limited to, any Protected Activity (as defined below) and any rights Executive may have under the Sarbanes Oxley Act. Any and all disputed wage claims that are released herein shall be subject to binding arbitration in accordance with this Separation Agreement, except as required by applicable law. This release does not extend to any right Executive may have to

unemployment compensation benefits or right to indemnification under the Company bylaws, the indemnity agreement between the Company and Executive, California Labor Code section 2802 or any other indemnification provision of California law or agreement with the Company or policy or practice of the Company.

5. Acknowledgment of Waiver of Claims under ADEA. Executive acknowledges that Executive is waiving and releasing any rights Executive may have under the Age Discrimination in Employment Act of 1967 (“ADEA”), and that this waiver and release is knowing and voluntary. Executive agrees that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the date Executive signs this Separation Agreement. Executive acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Executive was already entitled. Executive further acknowledges that Executive has been advised by this writing that: (a) Executive should consult with an attorney prior to executing this Separation Agreement; (b) Executive has been given at least twenty-one (21) days within which to consider this Separation Agreement; (c) Executive has seven (7) days following Executive’s execution of this Separation Agreement to revoke this Separation Agreement; (d) this Separation Agreement shall not be effective until after the revocation period has expired; and (e) nothing in this Separation Agreement prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law. In the event Executive signs this Separation Agreement and returns it to the Company in less than the 21-day period identified above, Executive hereby acknowledges that Executive has knowingly and voluntarily chosen to waive the time period allotted for considering this Separation Agreement. Executive acknowledges and understands that revocation must be accomplished by a written notification to the person executing this Separation Agreement on the Company’s behalf that is received prior to the Effective Date. The Parties agree that changes, whether material or immaterial, do not restart the running of the 21-day period.

6. California Civil Code Section 1542. Executive acknowledges that Executive has been advised to consult with legal counsel and is familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown claims, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Executive, being aware of said code section, agrees to expressly waive any rights Executive may have thereunder, as well as under any other statute or common law principles of similar effect.

7. Trade Secrets and Confidential Information/Company Property. Executive acknowledges that, separate from this Separation Agreement, Executive remains under continuing obligations to the Company under the Confidentiality Agreement, including the provisions therein regarding nondisclosure of the Company’s trade secrets and confidential and proprietary information. Executive’s signature below constitutes Executive’s certification under penalty of perjury that Executive has returned all Company property, devices and equipment, and taken all necessary steps to permanently delete or destroy all information, documents, and other items provided to Executive by the Company (with the exception of a copy of any Executive Handbook and personnel documents specifically relating to Executive), developed

or obtained by Executive in connection with Executive's employment with the Company, or otherwise belonging to the Company.

8. No Cooperation. Subject to the "Protected Activity Not Prohibited" Section below, Executive agrees that Executive will not knowingly encourage, counsel, or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against any of the Releasees, unless under a subpoena or other court order to do so or upon written request from an administrative agency or the legislature or as related directly to the ADEA waiver in this Separation Agreement. Executive agrees both to immediately notify the Company upon receipt of any such subpoena or court order or written request from an administrative agency or the legislature, and to furnish, within three (3) business days of its receipt, a copy of such subpoena or other court order or written request from an administrative agency or the legislature. Subject to the "Protected Activity Not Prohibited" Section below, If approached by anyone for counsel or assistance in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints against any of the Releasees, Executive shall state no more than that Executive cannot provide counsel or assistance.

9. Protected Activity Not Prohibited. Executive understands that nothing in this Separation Agreement shall in any way limit or prohibit Executive from engaging in any Protected Activity. Protected Activity includes: (i) filing and/or pursuing a charge, complaint, or report with, or otherwise communicating, cooperating, or participating in any investigation or proceeding that may be conducted by any federal, state or local government agency or commission, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, and the National Labor Relations Board ("Government Agencies"); and/or (ii) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Executive has reason to believe is unlawful. Notwithstanding the foregoing, Executive agrees to take all reasonable precautions to prevent any unauthorized use or disclosure of any Company trade secrets, proprietary information, or confidential information that does not involve unlawful acts in the workplace or the activity otherwise protected herein. Executive further understands that Protected Activity does not include the disclosure of any Company attorney-client privileged communications or attorney work product. Any language in the Confidentiality Agreement regarding Executive's right to engage in protected conduct that conflicts with, or is contrary to, this Section is superseded by this Separation Agreement. In addition, pursuant to the Defend Trade Secrets Act of 2016, Executive is notified that an individual will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made in confidence to a federal, state, or local government official (directly or indirectly) or to an attorney *solely* for the purpose of reporting or investigating a suspected violation of law, or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if (and only if) such filing is made under seal. In addition, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the individual's attorney and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order. Finally, nothing in this Separation Agreement constitutes a waiver of any rights Executive may have under the Sarbanes-Oxley Act or Section 7 of the National Labor Relations Act ("NLRA"). For purposes of clarity, nothing in this Separation Agreement shall be interpreted to impair or limit Executive's participation in any legally protected activities, such as (i) forming, joining, or supporting labor unions, (ii) bargaining collectively through representatives of employees' choosing, (iii) discussing wages, benefits, or terms and conditions of employment, and (iv) discussing, or raising complaints about, working conditions for the purpose of mutual aid or protection of Executive or the

Company's other current or former employees, to the extent such activities are protected by Section 7 of the NLRA.

10. No Admission of Liability. Executive understands and acknowledges that with respect to all claims released herein, this Separation Agreement constitutes a compromise and settlement of any and all actual or potential disputed claims by Executive.

11. Nondisparagement. Subject to the "Protected Activity Not Prohibited" Section, Executive agrees to refrain from any disparagement, defamation, libel, or slander of any of the Releasees, and agrees to refrain from any tortious interference with the contracts and relationships of any of the Releasees. Executive shall direct any inquiries by potential future employers to the Company's human resources department.

12. Breach. In addition to the rights provided in the "Attorneys' Fees" section below, Executive acknowledges and agrees that any material breach of this Separation Agreement, unless such breach constitutes a legal action by Executive challenging or seeking a determination in good faith of the validity of the waiver herein under the ADEA, or of any provision of the Confidentiality Agreement, shall entitle the Company immediately to recover and/or cease providing the consideration provided to Executive under this Separation Agreement and to obtain damages, except as provided by law, provided, however, that the Company shall not recover One Hundred Dollars (\$100.00) of the consideration already paid pursuant to this Separation Agreement and such amount shall serve as full and complete consideration for the promises and obligations assumed by Executive under this Separation Agreement and the Confidentiality Agreement.

13. Separation Agreement Effective Date. Executive acknowledges that Executive was given a copy of this Separation Agreement with at least twenty-one (21) days to review and consider its terms and whether or not to execute this Separation Agreement. Executive understands that Executive cannot sign this Separation Agreement prior to the Separation Date but that it must be executed on the Separation Date. Each Party has seven (7) days after that Party signs this Separation Agreement to revoke it. This Separation Agreement will become effective on the eight (8th) day after the Parties sign the Agreement, so long as Executive only executes this Separation Agreement on or after the Separation Date and it has not been revoked by either Party before that date (the "Separation Agreement Effective Date").

14. No Pending or Future Lawsuits. Executive represents that Executive has no lawsuits, claims, or actions pending in Executive's name, or on behalf of any other person or entity, against the Company or any of the other Releasees. Executive also represents that Executive does not intend to bring any claims on Executive's own behalf or on behalf of any other person or entity against the Company or any of the other Releasees.

15. Cooperation in Litigation. Executive agrees to provide reasonable cooperation to the Company and its legal counsel in connection with any ongoing or future litigation, investigations, or other legal proceedings involving the Company, including but not limited to providing information, documents, or testimony as reasonably requested by the Company. Such cooperation shall be provided at times and in a manner that does not unreasonably interfere with the Executive's personal or professional obligations. For any such cooperation after Executive's Separation Date, the Company agrees to reimburse Executive for reasonable out-of-pocket expenses, approved by the Company in writing in advance, incurred in connection with such cooperation.

16. ARBITRATION. EXCEPT AS PROHIBITED BY LAW, THE PARTIES AGREE THAT ANY AND ALL DISPUTES ARISING OUT OF THE TERMS OF THIS SEPARATION AGREEMENT, THEIR INTERPRETATION, EXECUTIVE'S EMPLOYMENT WITH THE COMPANY OR THE TERMS THEREOF, OR ANY OF THE MATTERS HEREIN RELEASED, SHALL BE SUBJECT TO ARBITRATION UNDER THE FEDERAL ARBITRATION ACT (THE "FAA") AND THAT THE FAA SHALL GOVERN AND APPLY TO THIS ARBITRATION AGREEMENT WITH FULL FORCE AND EFFECT; HOWEVER, WITHOUT LIMITING ANY PROVISIONS OF THE FAA, A MOTION OR PETITION OR ACTION TO COMPEL ARBITRATION MAY ALSO BE BROUGHT IN STATE COURT UNDER THE PROCEDURAL PROVISIONS OF SUCH STATE'S LAWS RELATING TO MOTIONS OR PETITIONS OR ACTIONS TO COMPEL ARBITRATION. EXECUTIVE AGREES THAT, TO THE FULLEST EXTENT PERMITTED BY LAW, EXECUTIVE MAY BRING ANY SUCH ARBITRATION PROCEEDING ONLY IN EXECUTIVE'S INDIVIDUAL CAPACITY. ANY CLAIMS EXECUTIVE MAY BRING PURSUANT TO THE PRIVATE ATTORNEYS GENERAL ACT ("PAGA") ON BEHALF OF THE LABOR AND WORKFORCE DEVELOPMENT AGENCY MUST BE ARBITRATED ONLY IN EXECUTIVE'S INDIVIDUAL CAPACITY WITHOUT ANY JOINDER OR REPRESENTATION OF ANY CALIFORNIA LABOR CODE VIOLATIONS THAT WERE OR COULD BE ASSERTED BY OR ON BEHALF OF ANY OTHER EMPLOYEES. ANY ARBITRATION WILL OCCUR IN SANTA CLARA COUNTY, CALIFORNIA, BEFORE JAMS, PURSUANT TO ITS EMPLOYMENT ARBITRATION RULES & PROCEDURES ("JAMS RULES"), EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION. THE PARTIES AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO DECIDE ANY MOTIONS BROUGHT BY ANY PARTY TO THE ARBITRATION, INCLUDING MOTIONS FOR SUMMARY JUDGMENT AND/OR ADJUDICATION, AND MOTIONS TO DISMISS AND DEMURRERS, APPLYING THE STANDARDS SET FORTH UNDER THE CALIFORNIA CODE OF CIVIL PROCEDURE. THE PARTIES AGREE THAT THE ARBITRATOR SHALL ISSUE A WRITTEN DECISION ON THE MERITS. THE PARTIES ALSO AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO AWARD ANY REMEDIES AVAILABLE UNDER APPLICABLE LAW. THE ARBITRATOR MAY GRANT INJUNCTIONS AND OTHER RELIEF IN SUCH DISPUTES. THE DECISION OF THE ARBITRATOR SHALL BE FINAL, CONCLUSIVE, AND BINDING ON THE PARTIES TO THE ARBITRATION. THE PARTIES AGREE THAT THE PREVAILING PARTY IN ANY ARBITRATION SHALL BE ENTITLED TO INJUNCTIVE RELIEF IN ANY COURT OF COMPETENT JURISDICTION TO ENFORCE THE ARBITRATION AWARD. THE PARTIES TO THE ARBITRATION SHALL EACH PAY AN EQUAL SHARE OF THE COSTS AND EXPENSES OF SUCH ARBITRATION, AND EACH PARTY SHALL SEPARATELY PAY FOR ITS RESPECTIVE COUNSEL FEES AND EXPENSES; PROVIDED, HOWEVER, THAT THE ARBITRATOR MAY AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, EXCEPT AS PROHIBITED BY LAW. THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO HAVE ANY DISPUTE BETWEEN THEM RESOLVED IN A COURT OF LAW BY A JUDGE OR JURY. NOTWITHSTANDING THE FOREGOING, THIS SECTION WILL NOT PREVENT EITHER PARTY FROM SEEKING INJUNCTIVE RELIEF (OR ANY OTHER PROVISIONAL REMEDY) FROM ANY COURT HAVING JURISDICTION OVER THE PARTIES AND THE SUBJECT MATTER OF THEIR DISPUTE RELATING TO THIS SEPARATION AGREEMENT AND THE AGREEMENTS INCORPORATED HEREIN BY REFERENCE. SHOULD ANY PART OF THE ARBITRATION AGREEMENT CONTAINED IN THIS SECTION CONFLICT WITH ANY OTHER ARBITRATION AGREEMENT BETWEEN THE PARTIES, INCLUDING, BUT NOT LIMITED TO THE ARBITRATION SECTION OF THE CONFIDENTIALITY AGREEMENT, THE PARTIES AGREE THAT THIS ARBITRATION AGREEMENT IN THIS SECTION SHALL GOVERN.

17. Tax Consequences. The Company makes no representations or warranties with respect to the tax consequences of the payments and any other consideration provided to Executive or made on Executive's behalf under the terms of this Separation Agreement. Executive agrees and understands that Executive is responsible for payment, if any, of local, state, and/or federal taxes on the payments and any other consideration provided hereunder by the Company and any penalties or assessments thereon. Executive further agrees to indemnify and hold the Releasees harmless from any claims, demands, deficiencies, penalties, interest, assessments, executions, judgments, or recoveries by any government agency against the Company for any amounts claimed due on account of (a) Executive's failure to pay or delayed payment of federal or state taxes, or (b) damages sustained by the Company by reason of any such claims, including attorneys' fees and costs. The Parties agree and acknowledge that the payments made pursuant to section 1 of this Separation Agreement are not related to sexual harassment or sexual abuse and not intended to fall within the scope of 26 U.S.C. Section 162(q).

18. Authority. The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Separation Agreement. Executive represents and warrants that Executive has the capacity to act on Executive's own behalf and on behalf of all who might claim through Executive to bind them to the terms and conditions of this Separation Agreement. Each Party warrants and represents that there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

19. Attorneys' Fees. Except with regard to a legal action challenging or seeking a determination in good faith of the validity of the waiver herein under the ADEA, in the event that either Party brings an action to enforce or effect its rights under this Separation Agreement, the prevailing Party shall be entitled to recover its costs and expenses, including the costs of mediation, arbitration, litigation, court fees, and reasonable attorneys' fees incurred in connection with such an action.

20. Miscellaneous. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Separation Agreement shall continue in full force and effect without said provision or portion of provision. This Separation Agreement, along with the Confidentiality Agreement and other agreements referenced herein, represents the entire agreement and understanding between the Company and Executive concerning the subject matter of this Separation Agreement and Executive's employment with and separation from the Company and the events leading thereto and associated therewith, and supersedes and replaces any and all prior agreements and understandings concerning the subject matter of this Separation Agreement. This Separation Agreement may only be amended in a writing signed by Executive and the Company's Chief Executive Officer. This Separation Agreement may be executed in counterparts and each counterpart shall be deemed an original and all of which counterparts taken together shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned. The counterparts of this Separation Agreement may be executed and delivered by facsimile, photo, email PDF, or other electronic transmission or signature. The Parties shall each bear their own costs, attorneys' fees, and other fees incurred in connection with the preparation of this Separation Agreement.

21. Governing Law. This Separation Agreement shall be governed by the laws of the State of California, without regard for choice-of-law provisions, except that any dispute regarding the enforceability of the arbitration section of this Separation Agreement shall be governed by the FAA. Executive consents to personal and exclusive jurisdiction and venue in the State of California.

22. Voluntary Execution of Agreement. Executive understands and agrees that Executive executed this Separation Agreement voluntarily and without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of Executive's claims against the Company and any of the other Releasees. Executive acknowledges that:

- (a) Executive has read this Separation Agreement;
- (b) Executive cannot sign this Separation Agreement before the Separation Date, but that Executive must sign this Separation Agreement on the Separation Date;
- (c) Executive has a right to consult with an attorney regarding this Separation Agreement, and has been represented in the preparation, negotiation, and execution of this Separation Agreement by an attorney of Executive's own choice or has elected not to retain an attorney;
- (d) Executive understands the terms and consequences of this Separation Agreement and of the releases it contains;
- (e) Executive is fully aware of the legal and binding effect of this Separation Agreement; and
- (f) Executive has not relied upon any representations or statements made by the Company that are not specifically set forth in this Separation Agreement.

IN WITNESS WHEREOF, the Parties have executed this Separation Agreement on the respective dates set forth below.

REMO CANESSA, an individual

Dated: June 9, 2025 /s/ Remo Canessa  
Remo Canessa

ZSCALER, INC.

Dated: June 9, 2025 /s/ Brendan Castle  
Brendan Castle  
Chief People Officer

## SUBSIDIARIES OF ZSCALER, INC.

Name of Subsidiary	Jurisdiction of Incorporation
Airgap Networks Inc.	United States
Avalor Technologies LTD	Israel
Securelyshare Software Private Limited	India
Smokescreen Technologies Private Limited	India
Zscaler Softech India Private Limited	India
ZSC Brasil LTDA	Brazil
ZSC Holdings Limited	United States
Zscaler Australia PTY LTD	Australia
Zscaler Canada, Inc.	Canada
Zscaler Costa Rica S.A.	Costa Rica
Zscaler France SARL	France
Zscaler Germany GmbH	Germany
Zscaler Israel LTD	Israel
Zscaler K.K.	Japan
Zscaler Netherlands B.V.	Netherlands
Zscaler Spain S.L.	Spain
Zscaler Sweden AB	Sweden
Zscaler Switzerland GmbH	Switzerland
Zscaler UK LTD	United Kingdom
Zscaler US Government Solutions, LLC	United States

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-282061, 333-274512, 333-267439, 333-259587, 333-248870, 333-233831, 333-227323, and 333-223740) of Zscaler, Inc. of our report dated September 11, 2025 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

San Jose, California  
September 11, 2025

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO  
EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jagtar Chaudhry, certify that:

1. I have reviewed this Annual Report on Form 10-K of Zscaler, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

ZSCALER, INC.

By: /s/ Jagtar Chaudhry  
Name: Jagtar Chaudhry  
Title: Chief Executive Officer  
(Principal Executive Officer)

Date: September 11, 2025

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO  
EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Kevin Rubin, certify that:

1. I have reviewed this Annual Report on Form 10-K of Zscaler, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

ZSCALER, INC.

By: /s/ Kevin Rubin  
Name: Kevin Rubin  
Title: Chief Financial Officer  
(Principal Financial Officer)

Date: September 11, 2025

**CERTIFICATIONS OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jagtar Chaudhry, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K of Zscaler, Inc. for the fiscal year ended July 31, 2025 fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 and that information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Zscaler, Inc.

Date: September 11, 2025

By: /s/ Jagtar Chaudhry  
Name: Jagtar Chaudhry  
Title: Chief Executive Officer  
(Principal Executive Officer)

I, Kevin Rubin, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K of Zscaler, Inc. for the fiscal year ended July 31, 2025 fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 and that information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Zscaler, Inc.

Date: September 11, 2025

By: /s/ Kevin Rubin  
Name: Kevin Rubin  
Title: Chief Financial Officer  
(Principal Financial Officer)