Securing your digital transformation

Corporate IR Presentation
September 2023

Safe Harbor

Forward-Looking Statements

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This presentation contains forward-looking statements. All statements other than statements of historical fact, including statements regarding our future financial and operating performance, including our financial outlook for the first quarter of fiscal 2024 and full year fiscal 2024, our planned products and upgrades, business strategy and plans and objectives of management for future operations of Zscaler are forward-looking statements. These statements involve known and a significant number of unknown risks, uncertainties, assumptions and other factors that could cause results to differ materially from statements made in this message, including any performance or achievements expressed or implied by the forward-looking statements. Moreover, we operate in a very competitive and rapidly changing environment, and new risks may emerge from time to time. It is not possible for us 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 or outcomes to differ materially from those contained in any forward-looking statements we may make, including but not limited to the ongoing effects of inflation, geopolitical events and the COVID-19 pandemic on our business, operations and financial results and the economy in general; our limited operating history; our ability to identify and effectively implement the necessary changes to address execution challenges; risks associated with managing our rapid growth, including fluctuations from period to period; our limited experience with new product and subscription and support introductions and the risks associated with new products and subscription and support offerings, including the discovery of software bugs; our ability to attract and retain new customers; the failure to timely develop and achieve market acceptance of new products and subscriptions as well as existing products and subscription and support; rapidly evolving technological developments in the market for network security products and subscription and support offerings and our ability to remain competitive; length of sales cycles; and general market, political, economic and business conditions. Additional risks and uncertainties that could affect our financial and operating results are included in our most recent filings with the Securities and Exchange Commission (“SEC”). You can locate these reports though our website at http://ir.zscaler.com or on the SEC website at www.sec.gov.

In some cases, you can identify forward-looking statements by terms such as “anticipate,” “believe,” “continues,” “contemplate,” “could,” “estimate,” “expect,” “explore,” “intend,” “likely,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will” or “would” or the negative of these terms or other similar words. Zscaler based these forward-looking statements largely on its current expectations and projections about future events that it believes may affect its business. Actual outcomes and results may differ materially from those contemplated by these forward-looking statements. All forward-looking statements in this message are based on information available to us as of the date hereof, and we do not assume any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made.

Zscaler highlights

Pioneer and leader in cloud security

Founded in 2007 – Redefining network security, with the world's largest in-line security cloud platform and a scalable cloud architecture.

$72B Serviceable market opportunity (1)

Opportunity to secure hundreds of millions of users and workloads, plus billions of IoT/OT devices.

Long-term secular tailwinds

Secure digital transformation is accelerating and top of mind in C-Suite.
Key trends: Cloud shift, mobility, IoT, rising threats, legacy phase-out.

Sustainable competitive advantage

First mover at massive scale, delivering measurable customer value.
Virtuous cycle of growing scale, focused innovation, and data / insight.

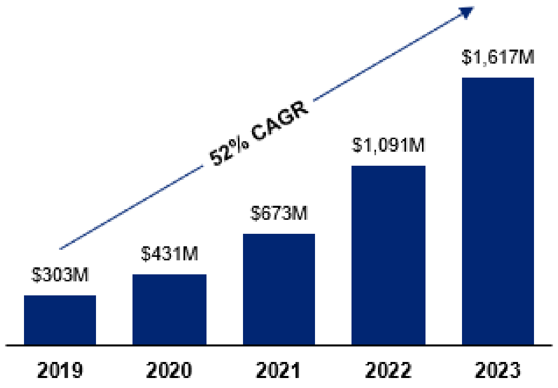
Attractive financial profile

- >$2B recurring revenue (2)
- >120% Dollar-based Net Retention Rate ("NRR") (2)
- 81% gross profit margin, 21% free cash flow ("FCF") margin (2)

Experienced, founder-led team

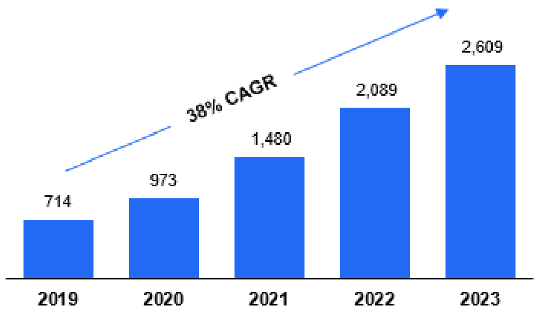
Conviction to build a lasting company with sustainable long-term growth, with world-class sales execution and a high-performing culture.

Total revenue



Fiscal year ending July 31

$100K+ ARR customers



Fiscal year ending July 31

1) Based on our analysis of ZoomInfo worldwide workforce data for organizations with 2k+ employees and 650 Group's workload market forecast for 2020.
2) Recurring Revenue, Dollar-based NRR, Non-GAAP gross profit margin and FCF margins for FY'23.

Zscaler: The leader in secure digital transformation

Transformational zero trust platform

Any-to-any connectivity

Pioneer and Market leader

12 Consecutive years of Gartner MQ leadership

Largest security cloud (150 DCs)

320B+ Daily requests
>20x Google searches (1)

Highly rated

>80 Net Promoter Score
(Avg SaaS NPS is 30)

Company highlights

NASDAQ-listed: **ZS**
Member of NASDAQ-100 index

$2+ billion annual recurring revenue

43% growth y/y in revenue Q4'23

Nearly 6,000 employees

AA MSCI ESG rating

Market leader across verticals — 40%+ of Fortune 500 and 30%+ of Global 2000

Capital Goods	Household & Personal Products	Banking (outside of China)	Transportation	Utilities	Drugs & Biotechnology
8 OF THE TOP 10	9 OF THE TOP 10	8 OF THE TOP 10	6 OF THE TOP 10	6 OF THE TOP 10	6 OF THE TOP 10

(1) Google's daily search requests based on estimates from ardorseo.com and internetlivestats.com

*Customers by vertical are based on the 2023 Forbes Global 2000

New category leaders are born when megashifts take place

Zscaler's vision: A new world of cloud and mobility, secured.

Data center and hardware » amazon web services™ · Microsoft Azure

Applications in the data center » salesforce · workday. · servicenow

On-Premises security » zscaler™

Secular tailwinds powering adoption

Internet / SaaS Office 365	Secure & fast access
Direct-to-Cloud Network Transformation	Secures local breakouts that SD-WAN provides
Work from Anywhere	Fast and secure access to applications
IaaS/ Public Cloud (Azure / AWS)	Secure cloud workload, app-to-app communication
IoT/OT	Bring zero-trust to IoT/OT
5G	Enabling safe edge computing

Operational excellence

Global footprint delivers better security & user experience

150+ Data Centers

320B+ Transactions / Day

9B+ Enforcements / Day

250K+ Security Updates / Day

Availability SLA 99.999%

100% Renewable Energy

Proven Elasticity & Scale

Security Hardened

Operational Compliance

*Map shows major cities where Zscaler has data center. This map does not show a comprehensive list of Zscaler's total global footprint of over 150 data center locations.

Focused innovation engine and extensible platform

Proven history of rapid innovations & growth

2007
FOUNDED

2008
INDUSTRY'S 1ST
Multi-Tenant Cloud Security Platform
25th Patent Filed

2009
Inline DLP
CSA Founder

2010
SSO Integration
Gartner Visionary SWG MQ

2011
Mobile Security
1B Transactions Per Day
Gartner LEADER SWG MQ

2012
Inline CASB

2013
Cloud Sandbox

2014
DNS Security
10B
ISO 27001 Information Security Management Certified

2015
Cloud Firewall

2016
Zscaler Private Access

2017
Office365 Integration
100th Patent Filed

2018
AI/ML
Partner APIs
IPO
50B

2019
ZIA Browser Isolation
API CASB
ZB2B
FedRAMP

2020
Zscaler Cloud Protection
Zscaler Digital Experience
200th Patent Filed

2021
CSPM / CIEM
Zero Trust Workload
UCaaS App Monitoring
NASDAQ-100 Index
200B
$1B ARR
StateRAMP
DoD IL5
100% Renewable Energy

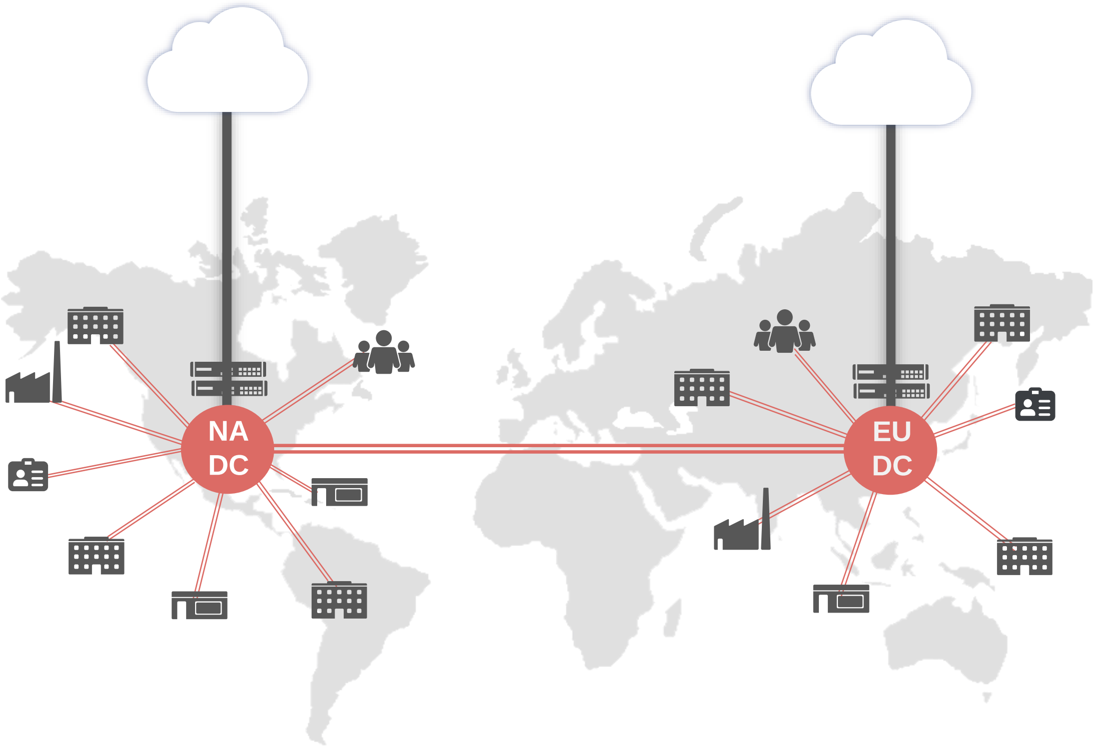
2022
Deception Integration
Web App Protection
Private app Browser Isolation
CNAPP
300th Patent Filed

2023
Workflow automation
Risk360 (BI)
Zero Trust Branch Connector
ITDR (Identity)
BDSP
300B
$2B ARR
400th Patent Filed
Gartner LEADER SSE MQ
12th Year as Leader

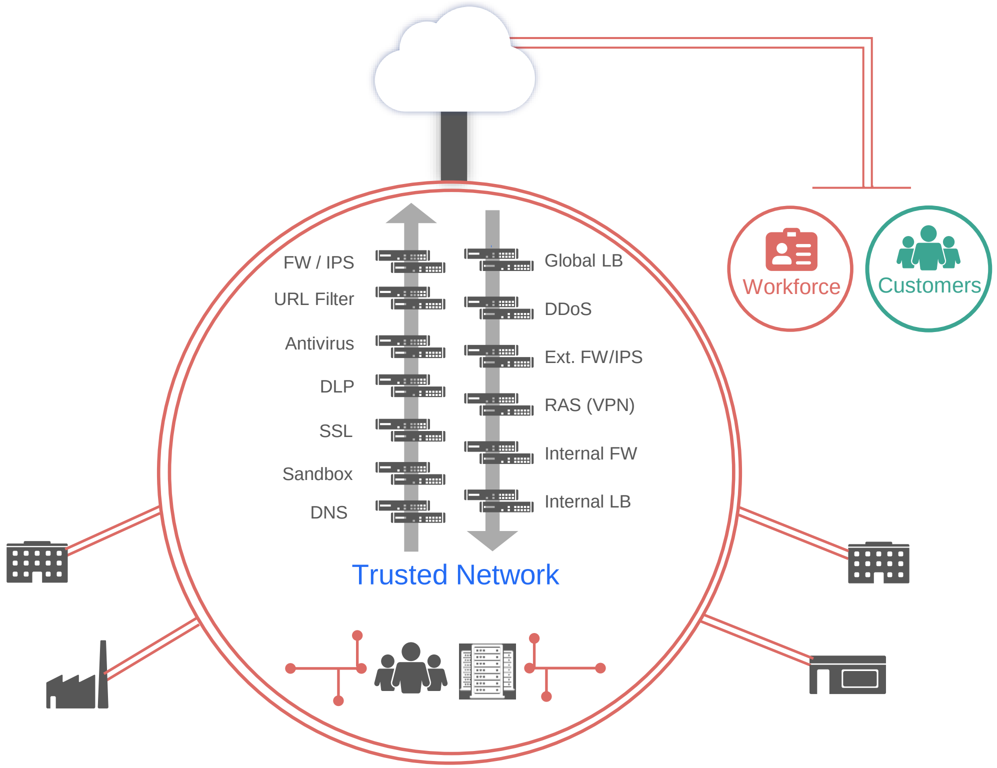
Based on Calendar year events and product milestones

Traditional IT: Worked well when apps resided in the data center, and employees showed up to the office

Hub & spoke networks
Optimized to connect users to apps in the data center



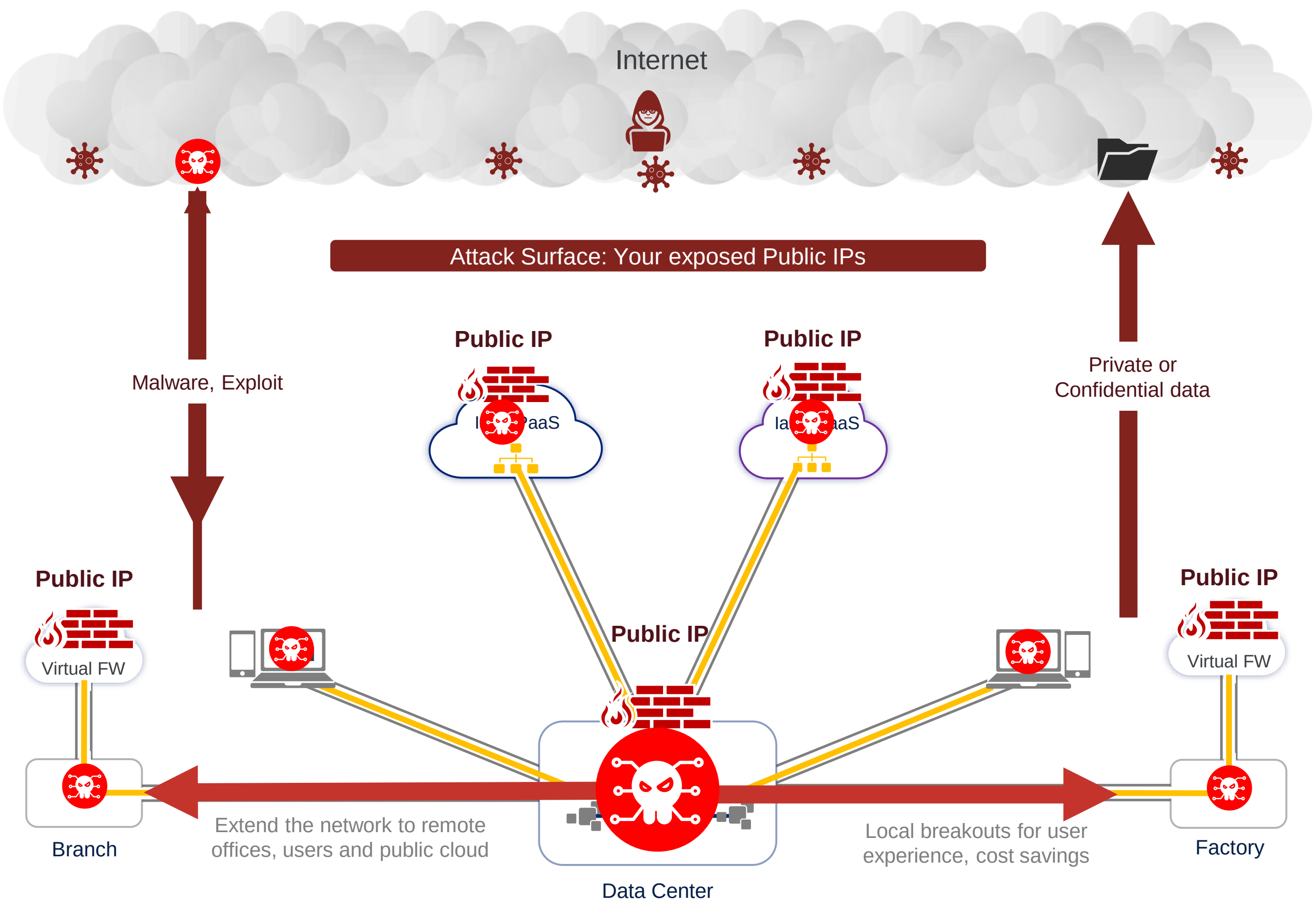
Castle & moat security
Perimeter security appliances to protect the network



Corporate network
Public Internet

Why hub-n-spoke network and castle-n-moat security create issues

1 **They find you** Everything exposed to the internet is your attack surface
[Attack Surface Example](#)



2 They compromise you

Infect users, devices, workloads

- Phishing, malicious content
- Misconfigurations, vulnerabilities
- Supply chain

[How secure are you?](#)

4 They steal your data

Avoid firewall detection

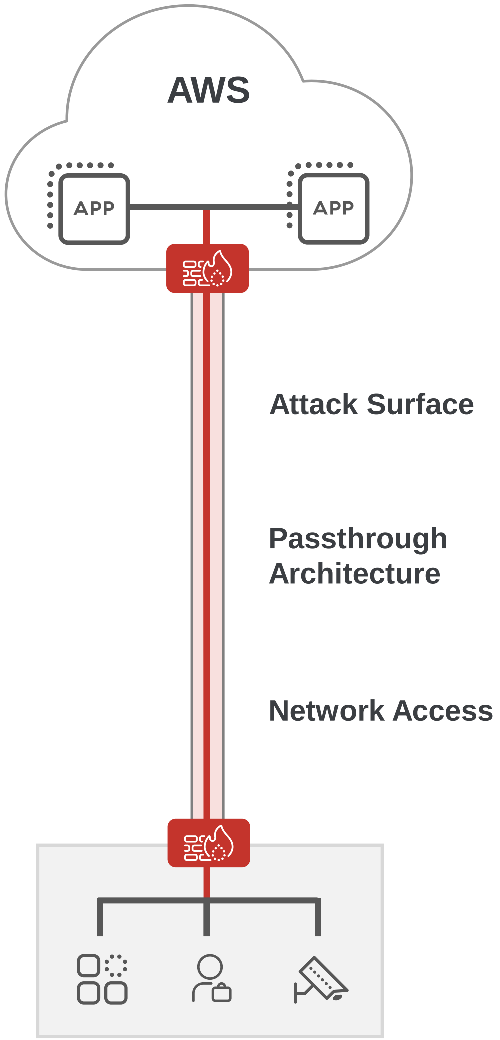
- Data is encrypted, compressed
- Sent to authorized SaaS, IaaS/PaaS
- Protocol tunneling

3 **They move laterally** Find high-value targets for ransomware or other attacks

Perimeter-based firewalls/VPN based security exploited by attackers and is not relevant for the cloud and mobile world

Breaches continue to drive enterprises to Zero Trust

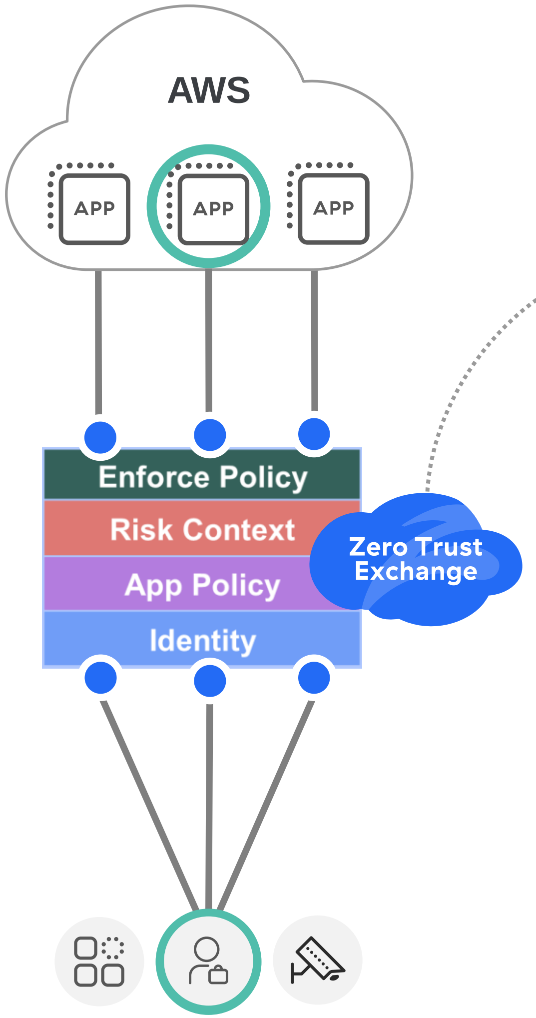
Firewall / VPN



Firewalls and VPNs – whether as appliances or VMs – connect users to the network

True Zero Trust security cannot be built on firewalls and VPNs in the public cloud

Zero Trust



Policy enforcement across 150+ data centers worldwide

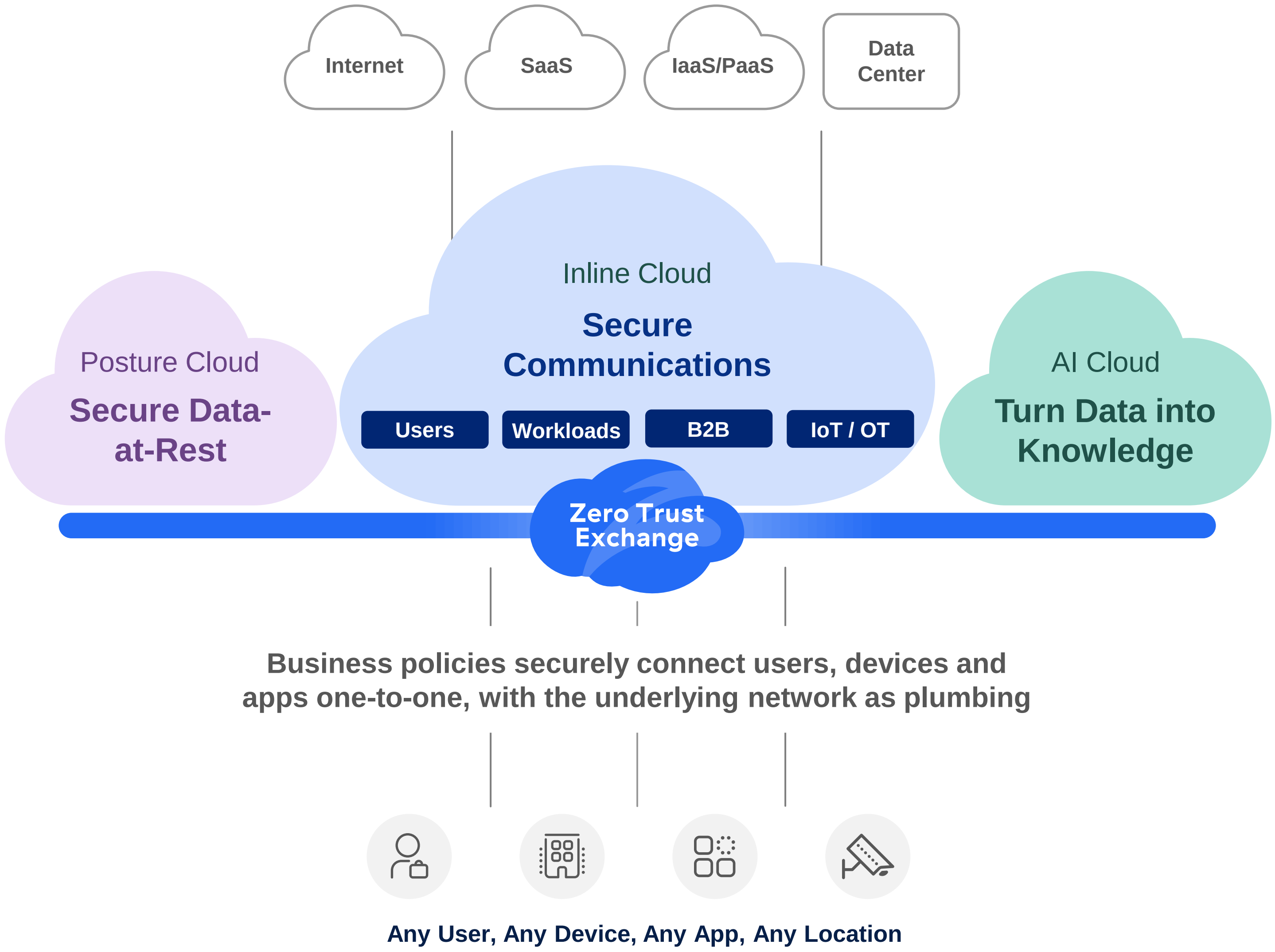
Connects one-to-one, not the network – a core principle of zero trust architecture

This architectural differentiation gives us long-term advantage

The Zscaler Zero Trust Exchange™ Platform

Secures SaaS, Public Cloud and Endpoint Data

Discovery, Classification, Posture Assessment (API)



Delivers Business and Cyber Insights

Leverage telemetry from trillions of daily transactions

Zscaler platform consolidates point products and simplifies IT

Design once and solve for many things in operations and business

Outbound DMZ

Firewall / IPS
Proxy/URL filter
Anti-virus
DLP
SSL inspection
Sandbox

Cloud firewalls
Cloud proxies

Inbound DMZ

Global load balancing
VPN concentrators
DDoS
Internal load balancer
Internal firewalls
External firewall / IPS
VDIs

Load balancing
VPN concentrators

Network

MPLS (SD-WAN)

Microsegmentation

Network and endpoint monitoring tools

Site-to-Site VPN (cloud-to-cloud, cloud-to-DC)

Security Point Products

CASB
SSPM
CSPM
CIEM
CWPP
IaC
Virtual firewalls

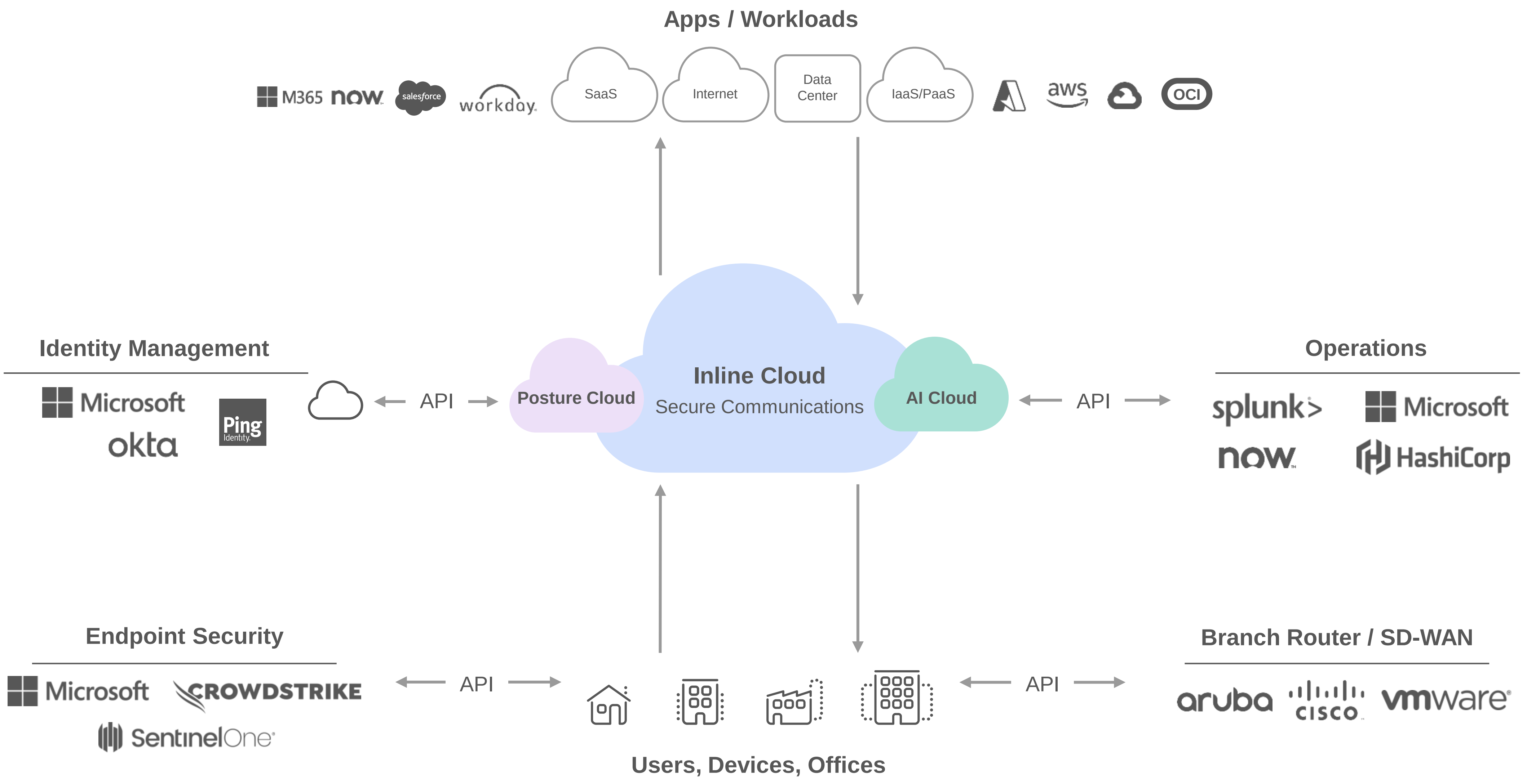
Zero Trust Exchange

Business benefits beyond ROI

- Standardize and simplify operations globally
- Automate security and IT operations
- Adapt rapidly
- Accelerate application and cloud transformation
- Improve visibility
- Accelerate M&A integration
- Better user experience
- Increased user productivity
- Reduce carbon footprint

On vendor consolidation and operational savings alone,
Zscaler typically provides customers a 200%+ ROI and <12-month payback period

Ecosystem of best-of-breed platforms



The Network Effects of a Disruptive Platform Drives **Customer Value at Scale**

320B+	40+
Daily transactions	Threat intel partners

More Data

Sitting inline is a big advantage

$2B+	81%
Annual Recurring Revenue	Gross Margins

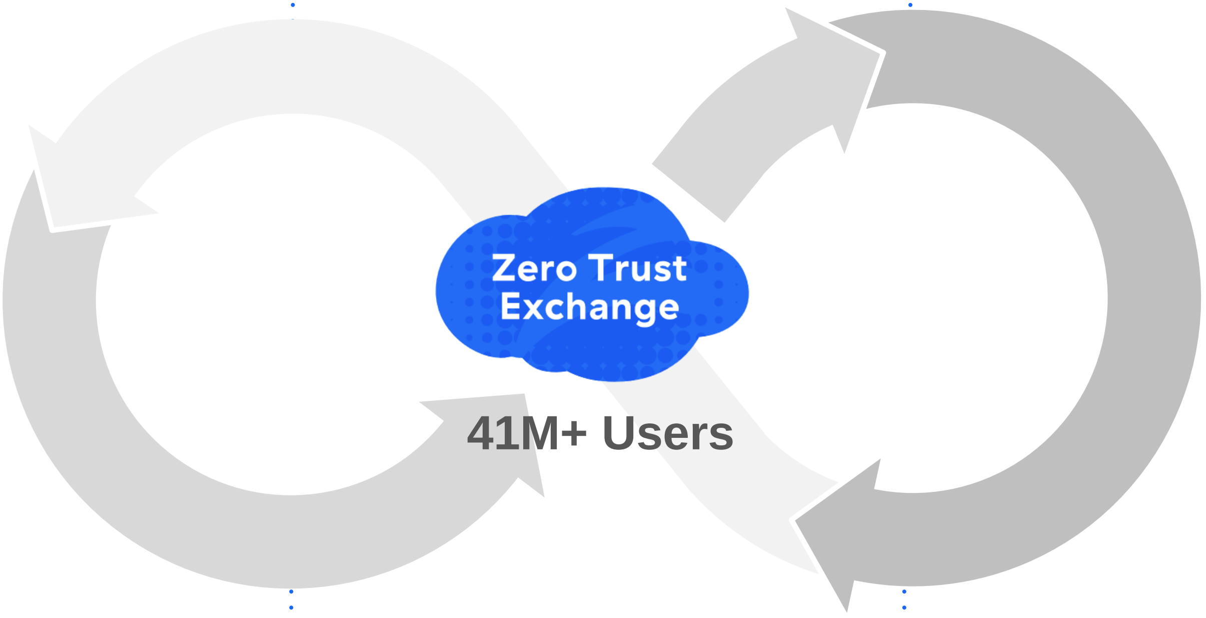
More Customers

Repeatable blueprint for delivering value

Deeper Insights

Full inline logs, trillions of signals daily

Scaled across an integrated, cloud-native platform



Extensible Innovation

Design once, solve for many

Expanding the platform to new use cases

Cloud Network Effect

Find once, block for all

9B+	250K+
Daily security / policy violations prevented	Daily cloud updates

Platform Value

Disruptive architecture, comprehensive security at scale, high customer ROI

>80	>120%
Net Promoter Score (SaaS Avg: 30)	Dollar-Based Net Retention Rate

Gross Margin and Dollar-Based Net Retention for Fiscal Q4 2023.
ARR, Net Promoter Score, and cloud stats as of July 31, 2023.

Enabling digital transformation requires a unique sales process

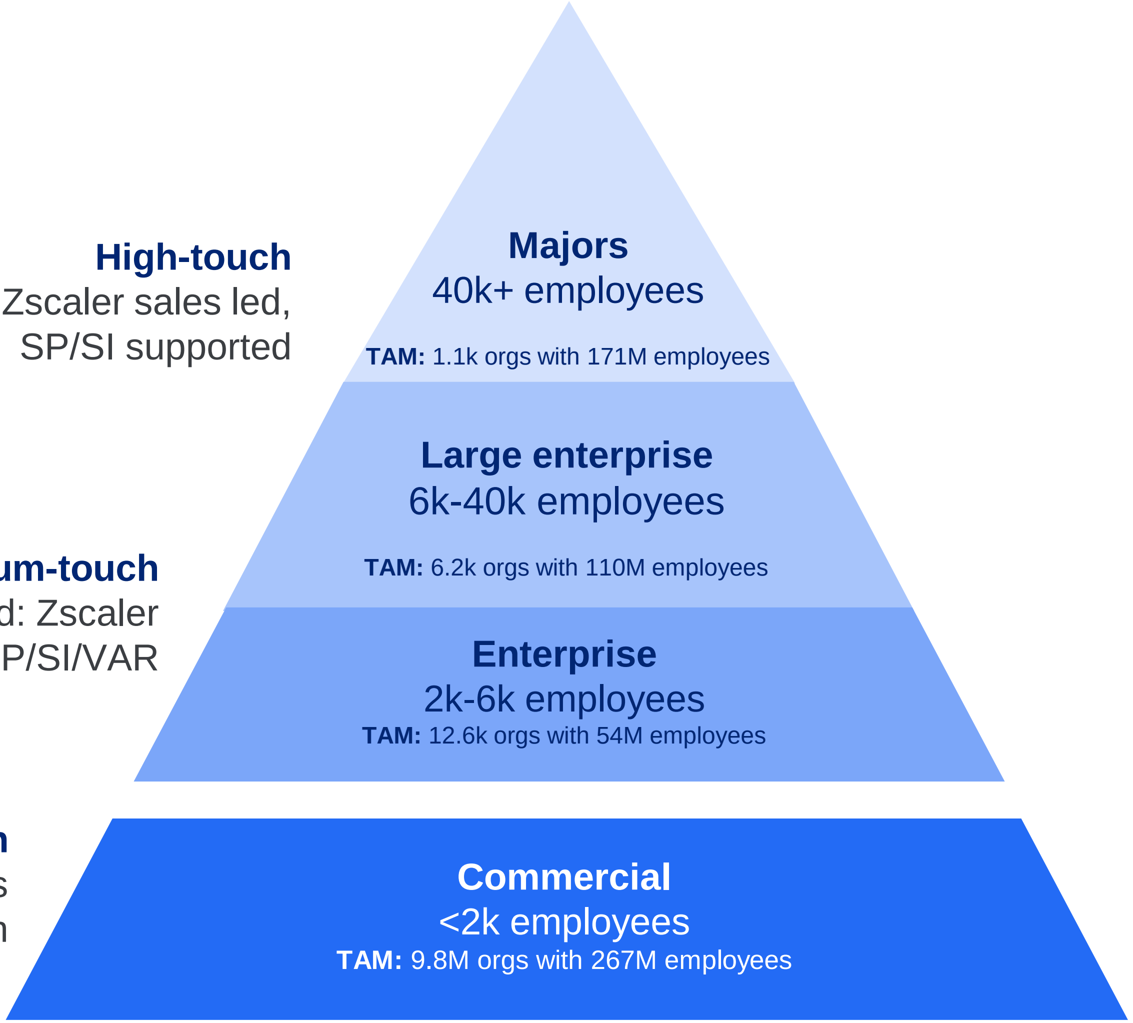
Driving Value Through High-Touch Engagement With Customers

Scaling with majors & large enterprises, while expanding to smaller enterprises

High-touch
Zscaler sales led,
SP/SI supported

Medium-touch
Jointly led: Zscaler
sales and SP/SI/VAR

Low-touch
Inside sales
+ VAR driven



Targeted account-based sale with focus on enterprises

Winning with majors & large enterprises

Expanding to enterprise segment
New investment:
- Specific marketing program dollars towards <6k employee companies.
- Specific Strategy & Enablement programs/playbooks for this segment

Attractive market segment:
- Expands TAM significantly
- Shorter sales cycle
- Leverage: Channel plays a bigger role in the segment

Exploring opportunities in commercial:
via Distribution/MSP models, which are zero to low touch
- Partners asking for our help to service this market

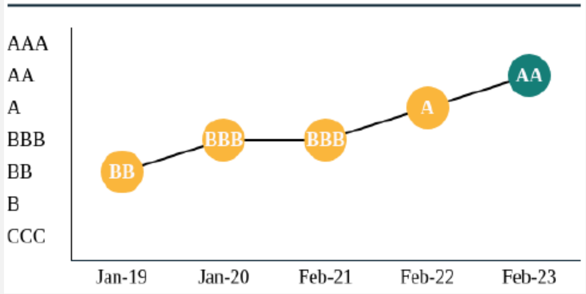
Total Addressable Market (TAM) for Majors, Large enterprise, Enterprise and Commercial segments are based on data from ZoomInfo for total Global Parent Companies and their Total Employees, rounded to nearest digit, as of December 23, 2020.

Environmental, Social, and Governance Highlights

ESG Performance

MSCI ESG RATINGS AA

Leader for ability to manage ESG Risk



Environmental

Carbon Neutral

- 100% renewable energy for data centers and offices
- Scope 3 emissions are offset
- Net Zero by 2025
- Climate risk assessment
- Cloud-native solution is more efficient than legacy solutions
- Commitment to set science-based emissions target with SBTi

External Platform and Security Certifications

ISO 27001, 27701, 27018, 27017 certified

FedRAMP moderate and high authorization[1]

DoD Impact Level 5 provisional authorization[1]

1. *ZIA, ZPA, and ZDX are FedRAMP authorized at moderate and high levels. ZPA is Department of Defense IL5 authorized.*

Governance

Board

oversight of ESG and cybersecurity

Employees

+20%

growth in employees, 61% outside US

Workplace Awards

Strategic Alignment

92%

employees aligned to strategic direction

Employee Engagement

88%

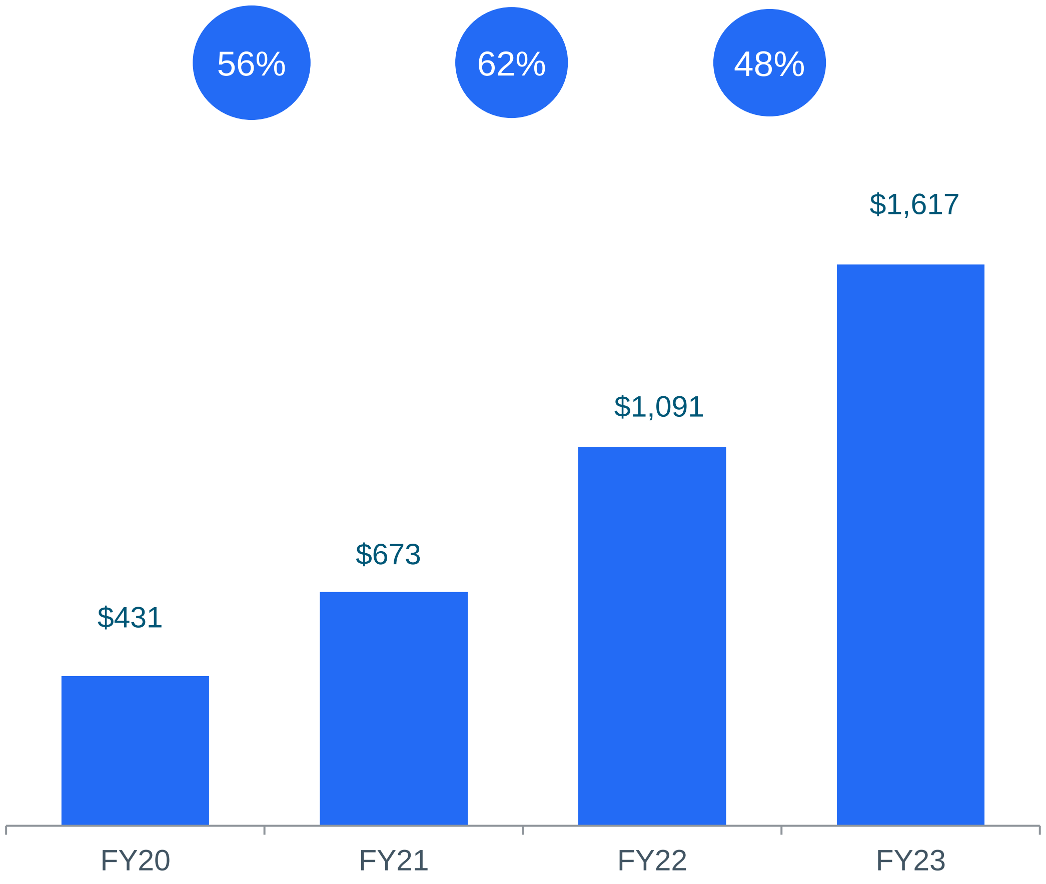
employees are highly engaged

Financial overview

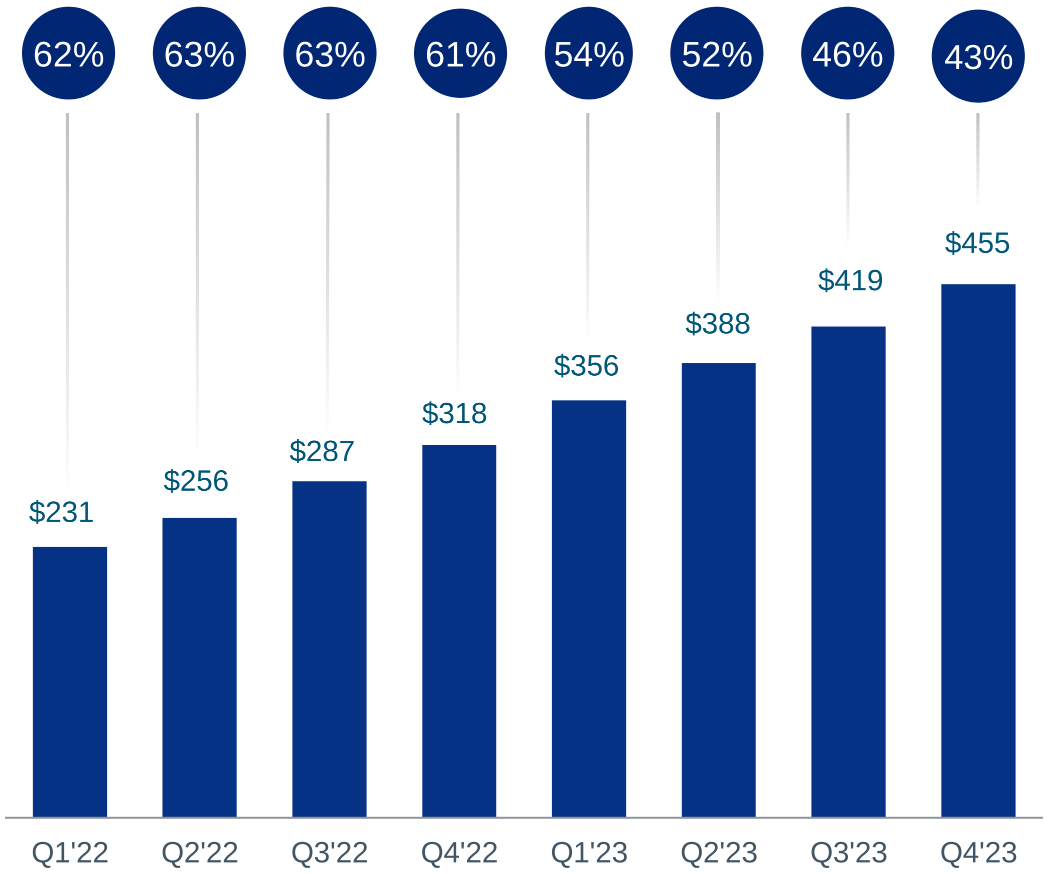
Consistent and strong revenue growth

($ in millions)

Annual revenue / YoY growth



Quarterly revenue / YoY growth

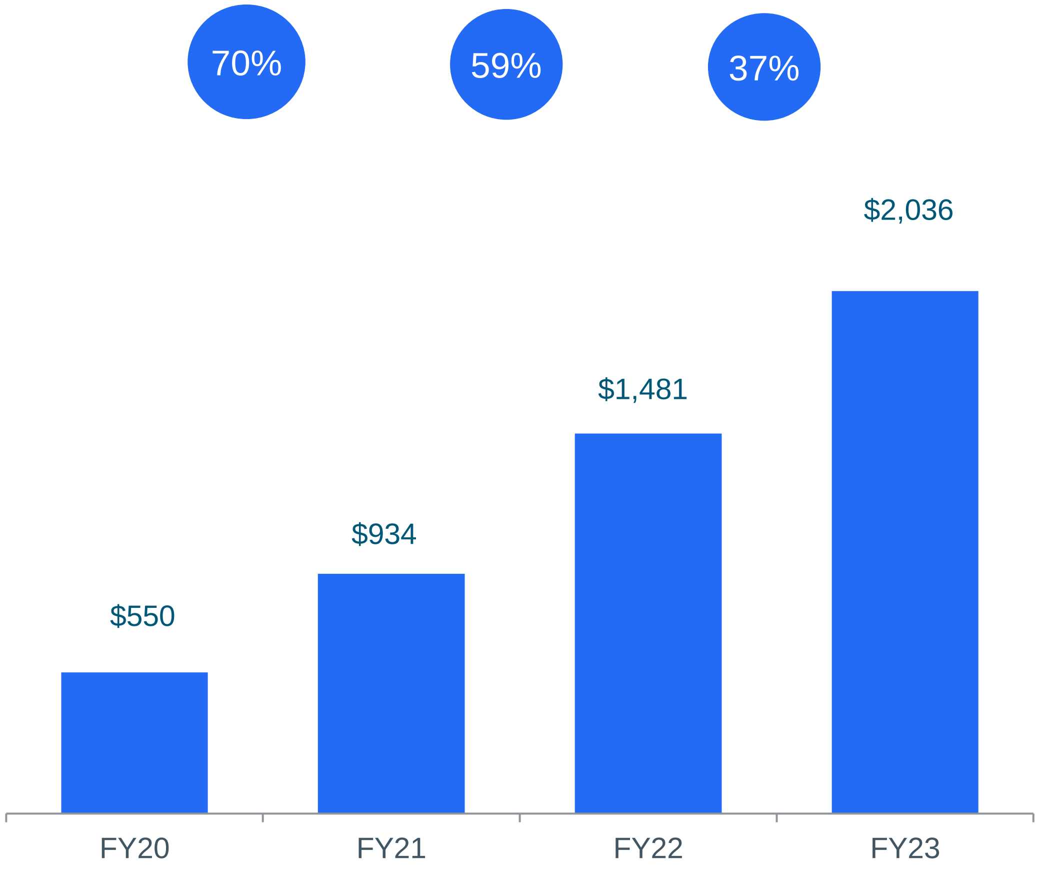


Note: Fiscal year ended July 31.

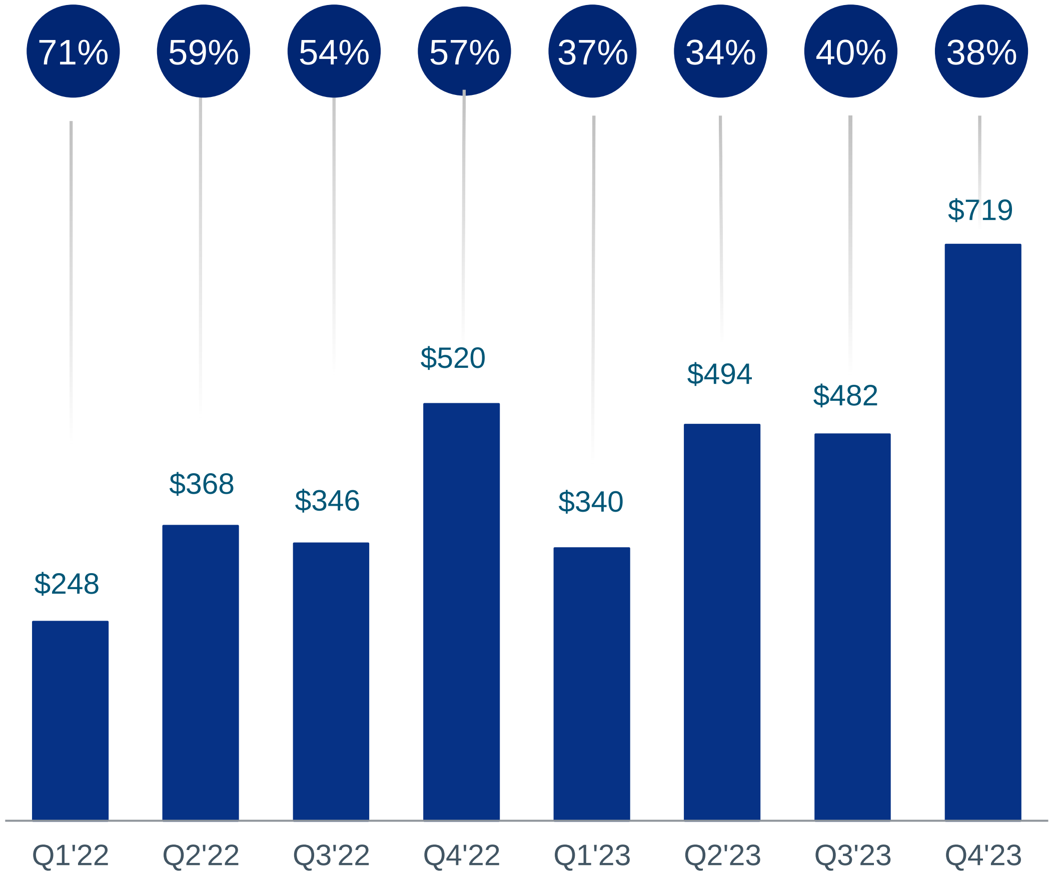
Strong YoY growth in calculated billings

($ in millions)

Annual billings / growth



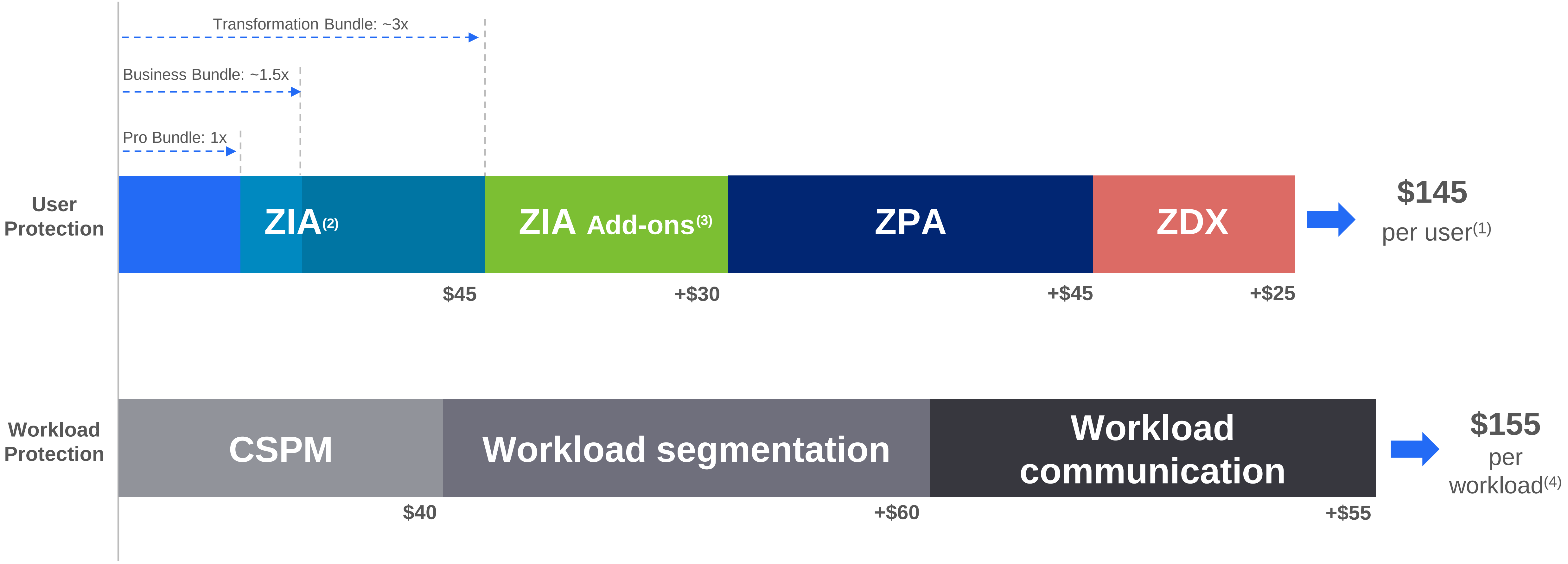
Quarterly billings / YoY growth



Note: Fiscal year ended July 31.

Annual pricing model provides significant expansion opportunities

Presented at Zscaler Analyst Day 2021 (January 11, 2021)



1) Per user pricing for individual products is effective annual prices to Zscaler for customers of 5,000 seats (also referred to as ARPU, or average revenue per user), except for new products including API CASB, Browser Isolation and ZDX, where we calculate ARPU based on closed deals with high volume purchases.
2) ZIA Professional Bundle includes Secure Web Gateway. Business Bundle includes all Professional Bundle functionality, plus SSL inspection, Advanced Threat Protection, inline Cloud Application Control, Bandwidth Control, and more. Transformation Bundle includes all Business Bundle functionality, plus Cloud Sandbox and Cloud Firewall.
3) ZIA Add-ons include Data Loss Prevention, Exact Data Match, API CASB and Browser Isolation.
4) Per workload pricing applies to Zscaler Cloud Protection (ZCP) products, including CSPM, Workload Segmentation and Workload Communication. As ZCP products have been available for a short period of time, pricing per workload is effective annual prices to Zscaler in closed deals with high volume purchases, as well as Zscaler's estimate for current deals in progress.

Serviceable users of 335M and serviceable workloads of 150M

Users

>600M potential B2B users[2]
(3rd party vendors and customers of customers)

267M incremental users[1]
(Commercial <2k employees)

335M serviceable users[1]
(current target market of ~20k organizations with 2k+ employees)

Workloads & OT/IOT devices

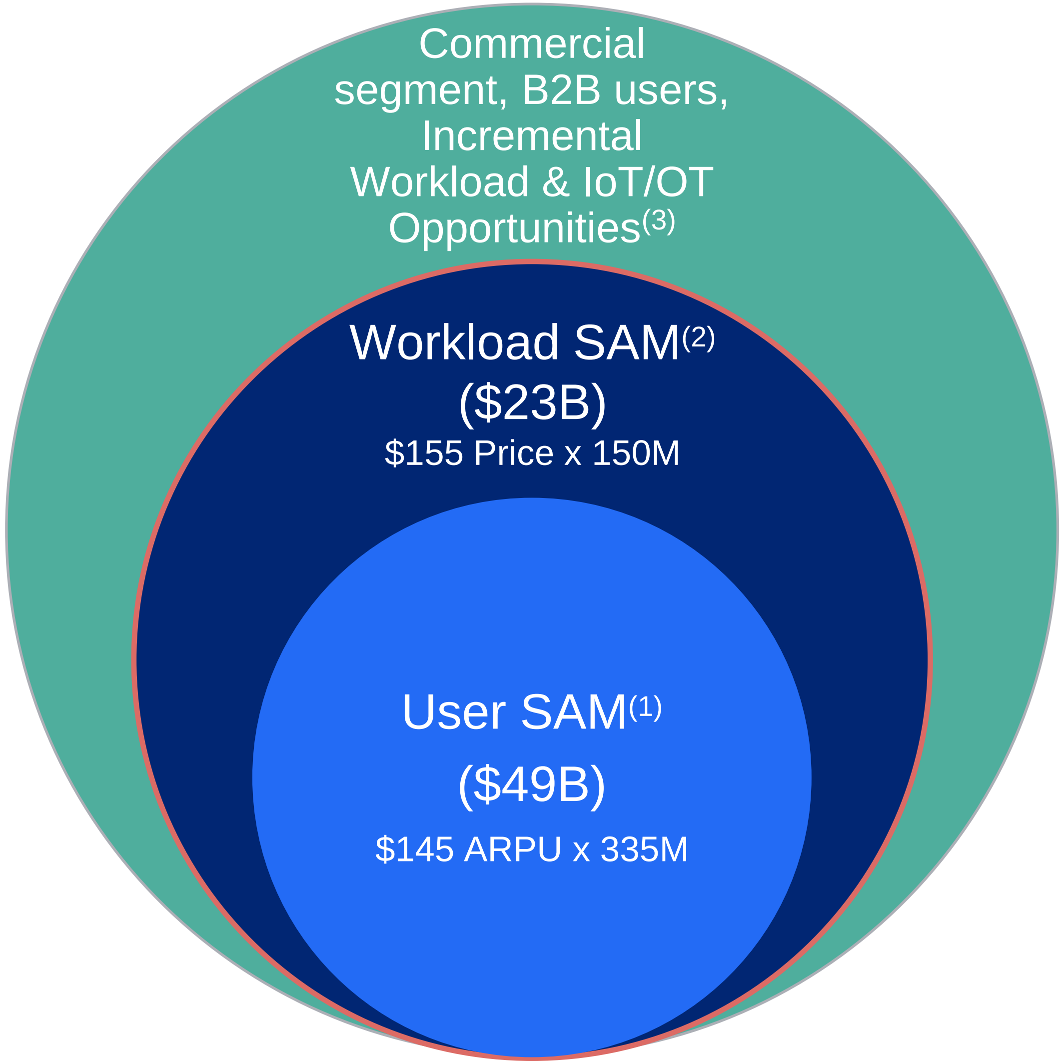
Billions of OT/IoT

338M incremental workloads[3]

150M serviceable workloads[3]
(current target of workloads at top public clouds)

1) Based on Zscaler's analysis of worldwide organization and employee data from ZoomInfo.
2) Zscaler's estimate of potential B2B Users is based on assuming a similar number of users as total worldwide workforce. We consider B2B users to include third-party vendors and customers of our customer.
3) Based on Zscaler's analysis of workload market forecast for 2020 from 650 Research.

Serviceable market of $72 billion, plus bigger long-term opportunity



Our $72 billion core serviceable opportunity, comprised of:

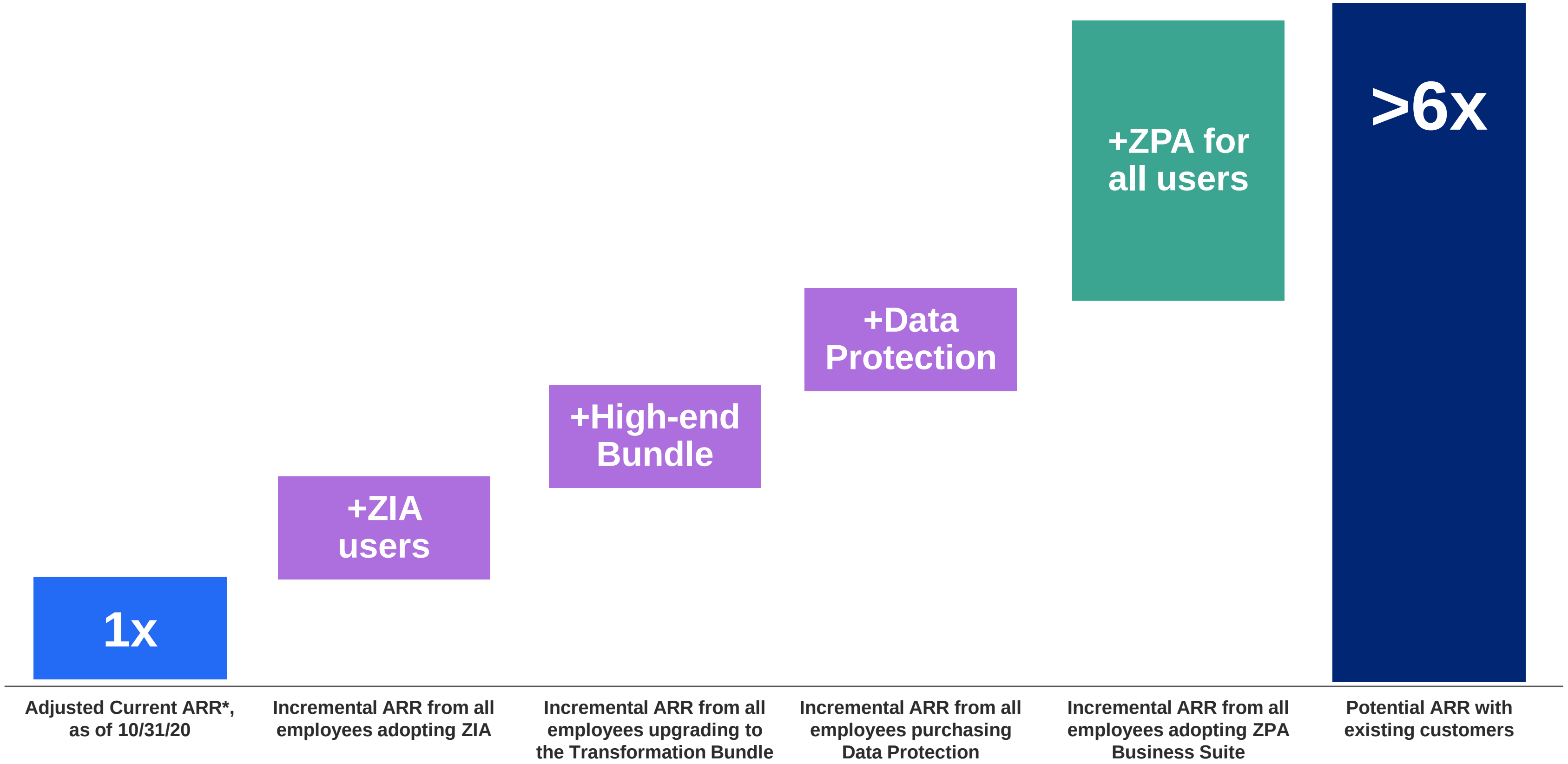
- $49 billion user SAM focused on enterprises with 2k+ employees
- $23 billion workload SAM for workloads in top public clouds

1) User SAM is based on Zscaler's analysis of ZoomInfo worldwide workforce data for organizations with 2k+ employees, multiplied by Zscaler's aggregate average revenue per user (ARPU) of approximately $45 for ZIA Transformation bundle, $30 for ZIA add-ons, $45 for ZPA and $25 for ZDX from customers purchasing 5,000 seats.
2) Workload SAM is based on Zscaler's analysis of 650 Research's workload market forecast for 2020, multiplied by Zscaler's aggregate average revenue per workload of approximately $40 for CSPM, $60 for Workload segmentation and $55 for Workload Communication solutions in the ZCP family.
3) Additional future opportunity available in securing the worldwide workforce of commercial businesses with <2k employees, users of B2B third-parties and customers of customers, Incremental workloads in hybrid/private cloud and other environments, and number of connected OT/IOT devices.

>6x

Upsell opportunity

on ZIA and ZPA alone
with existing customers*



*Upsell opportunity analysis based on Annual Recurring Revenue (ARR) of customers with 100 ZIA seats or more, as of Q1'21 ending October 31, 2020; this process eliminates paid trials and other smaller deployments, which if included would increase upsell potential further. Our analysis also excludes OEM agreements and end customers with deals primarily based on traffic/usage. Including all adjustments as noted, Adjusted ARR represents over 95% of Total ARR.

We calculate total Upsell Opportunity as total incremental ARR from selling additional seats to cover total employees and additional ZIA and ZPA product functionality at their existing subscription prices, and then applying an incremental discount of 35% on the upsell. Our analysis excludes newly introduced products, including ZB2B, API CASB, Browser Isolation, ZDX and ZCP.

We determine *Incremental ARR* by calculating the potential value of: 1) additional ZIA seat subscriptions for customers that have purchased ZIA for none or for a subset of total employees, assuming purchase of equivalent product functionality/bundles as existing ZIA subscription, or ZIA Transformation Bundle where no prior ZIA subscription was purchased, for remaining employees, 2) additional product functionality in high-end Transformation Bundle, where customers purchased Professional or Business Bundles, 3) add-on subscriptions for Data Protection products, including DLP and Exact Data Match, and 4) additional ZPA seat subscription for customers that have purchased ZPA for none or for a subset of total employees, assuming purchase of equivalent product functionality/bundles as existing ZPA subscription, or ZPA Business Suite where no prior ZPA subscription was purchased, for remaining employees.

Total employee count for existing customers is Zscaler internal data based on various sources including customer-supplied information, public filings with SEC, Hoover's, Dun & Bradstreet, Discover.org and ZoomInfo.

Significant international revenue

Historically, approximately 50% of our revenue has come from outside Americas

Early big wins in Europe

Continued investment after early success with G2000 customers including Siemens and Schneider Electric

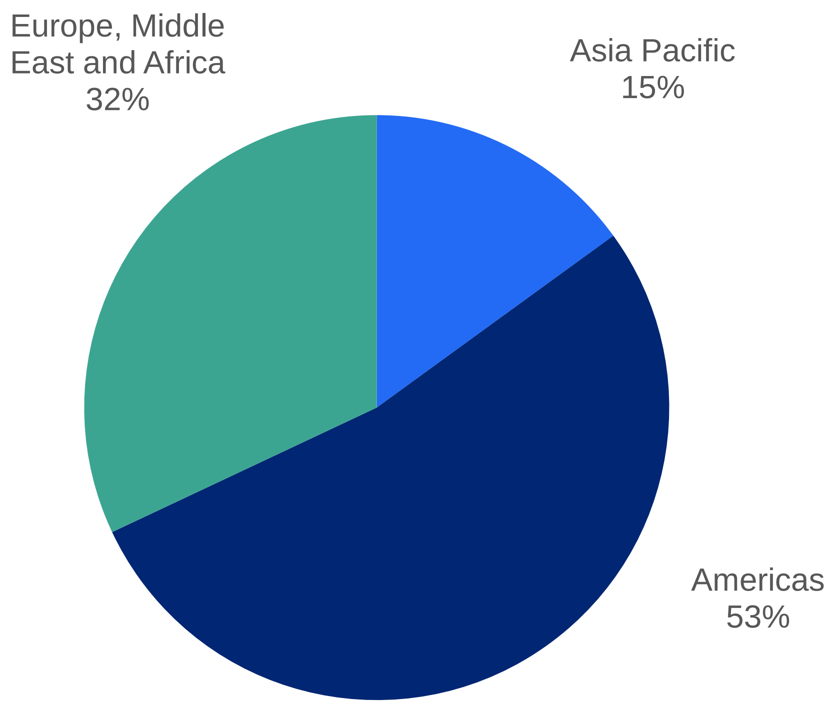
Early investment in international sales

Replicated size of U.S. sales team internationally

Global SP partners

Focused on partnering with global service providers including BT, OBS, others to efficiently expand our reach

Revenue by geography



Based on Q4'23 revenue

Attractive cloud gross margins

Purpose-built, multi-tenant architecture

Each subsystem optimized for high throughput, reducing the number of servers needed

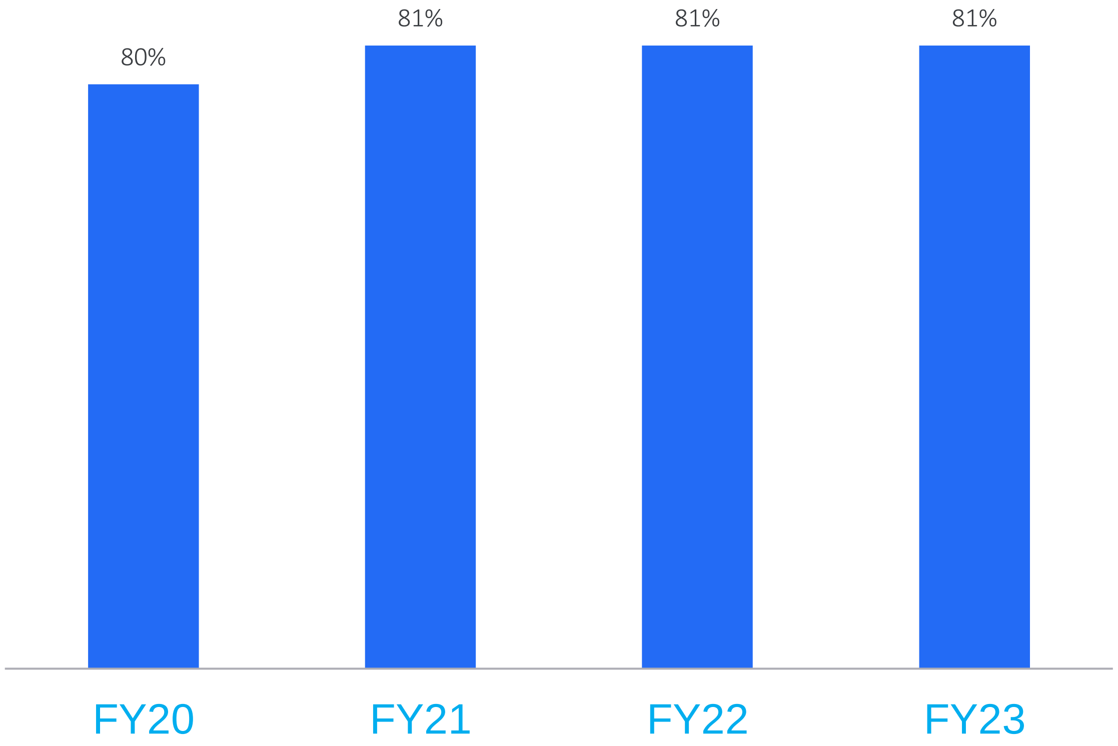
Cloud operations

Highly automated, which requires lower head count to operate the cloud

Peering with content and service providers at internet exchanges

Reduces bandwidth cost

Non-GAAP gross margin[1]



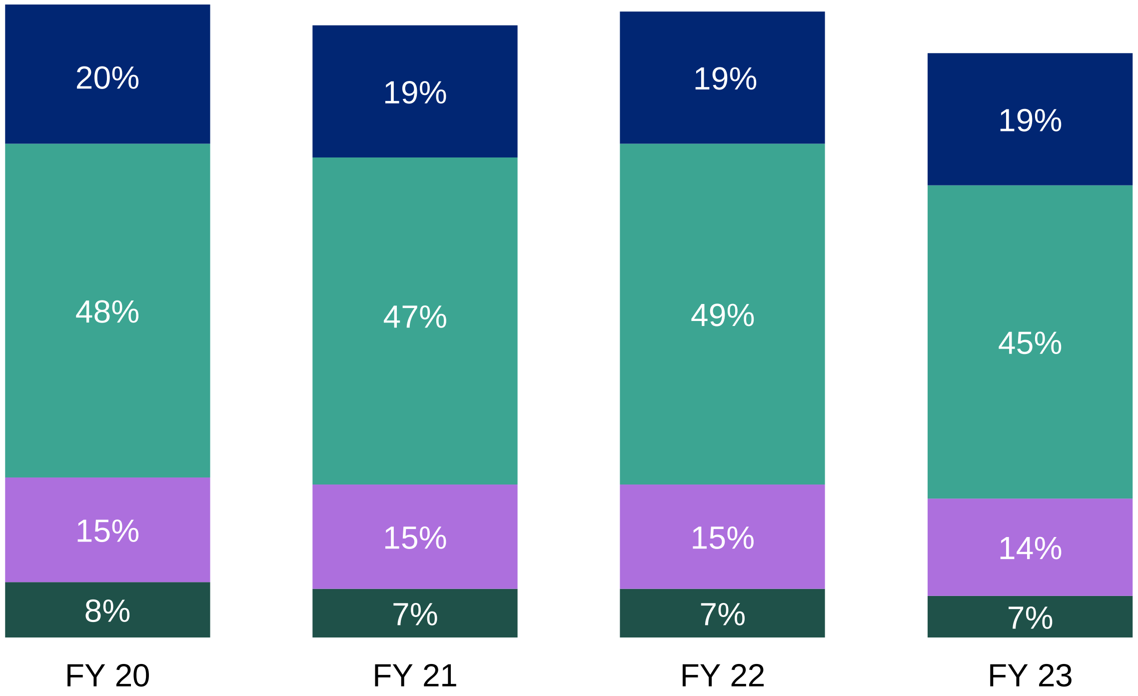
Note: Financials presented are non-GAAP; refer to the non-GAAP to GAAP reconciliation in Appendix.

1) Non-GAAP gross margin is defined as GAAP gross margin, excluding stock-based compensation expense and related payroll taxes and amortization expense of acquired intangible assets.

Investing for growth to capture large opportunity

Non-GAAP expenses (1) and non-GAAP operating margin (1) as % of revenue

+9%	+12%	+10%	+15%	Non-GAAP operating margin



Key factors

COGS	Scale of our multi-tenant cloud benefits COGS
Sales & Marketing	Accelerated investments for long-term leverage
R&D	Global centers in Silicon Valley & India
G&A	Significant presence in India

Building sales team to drive growth and penetration

Ramping marketing efforts to build brand and create demand

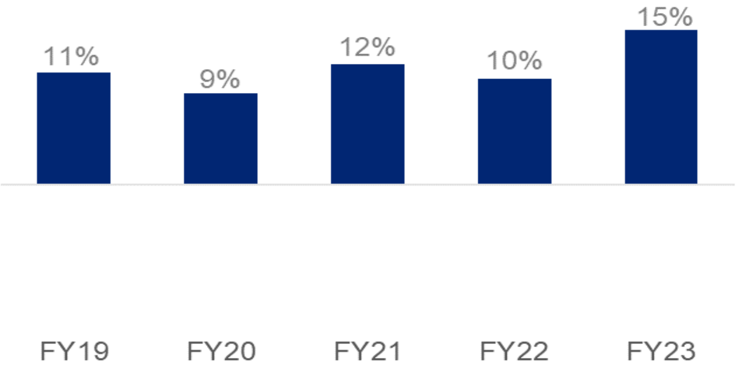
Investing in R&D to enhance functionality

1) Non-GAAP expenses exclude stock-based compensation expenses and related payroll taxes, litigation-related expenses, amortization expense of acquired intangible assets, asset impairment related to facility exit, restructuring and other charges and amortization of debt discount and issuance costs. Refer to the GAAP to non-GAAP reconciliation in Appendix A.

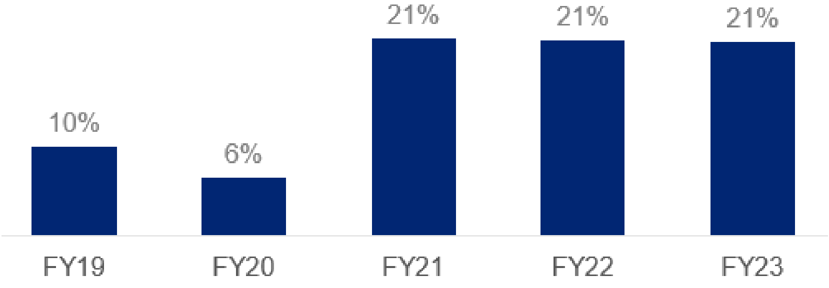
Long-term model (Non-GAAP)

	FY19	FY20	FY21	FY22	FY23	FY24 Guidance	Long-Term Targets
Non-GAAP gross margin (1)	82%	80%	81%	81%	81%		78% – 82%
Non-GAAP operating margin	11%	9%	12%	10%	15%	16.0%-16.5%	20% – 22%
Non-GAAP free cash flow margin	10%	6%	21%	21%	21%		22% - 25%

Non-GAAP operating margin



Non-GAAP free cash flow margin



1) Non-GAAP gross margin is defined as GAAP gross margin, excluding stock-based compensation expense and amortization of acquired intangible assets.
Starting in FY21, payroll taxes related to stock-based compensation are excluded from non-GAAP. Refer to the GAAP to non-GAAP reconciliation in Appendix A. Prior periods amounts have been recasted to conform to this presentation.

Financial Appendix

Explanation of Non-GAAP Financial Measures

In addition to our results determined in accordance with generally accepted accounting principles in the United States of America (“GAAP”), we believe that the presentation of non-GAAP financial information provides important supplemental information to management and investors regarding financial and business trends relating to our financial condition and results of operations. However, non-GAAP financial information is presented for supplemental informational purposes only and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. Investors are cautioned that there are a number of limitations associated with the use of non-GAAP financial measures and key metrics as analytical tools. Investors are encouraged to review these reconciliations, and not to rely on any single financial measure to evaluate our business.

Expenses Excluded from Non-GAAP Measures

Stock-based compensation expense is excluded primarily because it is a non-cash expense that management believes is not reflective of our ongoing operational performance. Employer payroll taxes related to stock-based compensation, which is a cash expense, are excluded because these are tied to the timing and size of the exercise or vesting of the underlying equity awards and the price of our common stock at the time of vesting or exercise, which may vary from period to period independent of the operating performance of our business. Amortization expense of intangible assets acquired in business acquisitions and related income tax effects, if applicable, are excluded because these are considered by management to be outside of our core business operating performance. Asset impairments related to facility exit costs are excluded because such charges are not reflective of our ongoing operational performance. Amortization of debt discount and issuance costs from our convertible senior notes are excluded because these are non-cash expenses and are not reflective of our ongoing operational performance. We also exclude certain litigation-related expenses consisting of professional fees and related costs incurred by us in defending against significant claims that we deem not to be in the ordinary course of our business and, if applicable, actual losses and accruals related to estimated losses in connection with these claims. There are many uncertainties and potential outcomes associated with any litigation, including the expense of litigation, timing of such expenses, court rulings, unforeseen developments, complications and delays, each of which may affect our results of operations from period to period, as well as the unknown magnitude of the potential loss relating to any lawsuit, all of which are inherently subject to change, difficult to predict and could adversely affect our results of operations. We estimate the tax effect of these items on our non-GAAP results and may adjust our GAAP provision for income taxes, if such effects have a material impact to our non-GAAP results.

Key Non-GAAP Financial Measures Included within this Presentation:

- Non-GAAP Gross Profit and Non-GAAP Gross Margin (*)
- Non-GAAP Income (Loss) from Operations and Non-GAAP Operating Margin (*)
- Non-GAAP Net Income (Loss) and Non-GAAP Net Income (Loss) per Share Attributable to Common Stockholders
- Free Cash Flow and Free Cash Flow Margin (*)

(*) Non-GAAP to GAAP reconciliations shown on the following slides.

Appendix A: Non-GAAP to GAAP Reconciliation

($ in thousands)

	FY'19	FY'20	FY'21	FY'22	FY'23
Revenue	$ 302,836	$ 431,269	$ 673,100	$ 1,090,946	$ 1,616,952
GAAP Gross Profit	$ 243,167	$ 335,536	$ 522,783	$ 848,664	$ 1,254,120
Stock-based compensation expense and related payroll taxes	3,453	7,851	15,272	25,292	40,297
Amortization expense of acquired intangible assets	512	2,030	6,468	7,975	9,574
Non-GAAP Gross profit	$ 247,132	$ 345,417	$ 544,523	$ 881,931	$ 1,303,991
GAAP Gross Margin	80 %	78 %	78 %	78 %	78 %
Non-GAAP gross margin	82 %	80 %	81 %	81 %	81 %
GAAP Sales and marketing expense	$ 169,913	$ 277,981	$ 459,407	$ 735,219	$ 953,864
Stock-based compensation expense and related payroll taxes	29,211	71,468	144,273	202,211	222,280
Amortization expense of acquired intangible assets	10	74	327	704	773
Non-GAAP sales and marketing expense	$ 140,692	$ 206,439	$ 314,807	$ 532,304	$ 730,811
GAAP sales and marketing expense as a percentage of revenue	56 %	64 %	68 %	67 %	59 %
Non-GAAP sales and marketing expense as a percentage of revenue	47 %	48 %	47 %	49 %	45 %
GAAP research and development expense	$ 61,969	$ 97,879	$ 174,653	$ 289,139	$ 349,735
Stock-based compensation expense and related payroll taxes	15,565	31,937	73,238	123,422	121,151
Amortization expense of acquired intangible assets	386	1,280	—	331	713
Non-GAAP research and development expense	$ 46,018	$ 64,662	$ 101,415	$ 165,386	$ 227,871
GAAP research and development expense as a percentage of revenue	20 %	23 %	26 %	27 %	22 %
Non-GAAP research and development expense as a percentage of revenue	15 %	15 %	15 %	15 %	14 %
GAAP general and administrative expense	$ 46,598	$ 73,632	$ 96,535	$ 151,735	$ 177,544
Stock-based compensation expense and related payroll taxes	5,928	18,380	45,779	79,095	73,051
Litigation related expenses	13,079	18,356	—	—	—
Asset impairment related to facility exit	—	746	416	—	—
Non-GAAP general and administrative expense	$ 27,591	$ 36,150	$ 50,340	$ 72,640	$ 104,493
GAAP general and administrative expense as a percentage of revenue	15 %	17 %	14 %	14 %	11 %
Non-GAAP general and administrative expense as a percentage of revenue	9 %	8 %	7 %	7 %	6 %
GAAP restructuring and other charges	$ —	$ —	$ —	$ —	$ 7,600
Stock-based compensation expense and related payroll taxes	—	—	—	—	1,036
Restructuring and other charges, excluding stock-based compensation expense	—	—	—	—	6,564
Non-GAAP restructuring and other charges	$ —	$ —	$ —	$ —	$ —
GAAP restructuring and other charges as a percentage of revenue	— %	— %	— %	— %	— %
Non-GAAP restructuring and other charges as a percentage of revenue	— %	— %	— %	— %	— %

Appendix A: Non-GAAP to GAAP Reconciliation (cont.)

($ in thousands)

	FY'19	FY'20	FY'21	FY'22	FY'23
GAAP total operating expenses	$ 278,480	$ 449,492	$ 730,595	$ 1,176,093	$ 1,488,743
Stock-based compensation expense and related payroll taxes	50,704	121,785	263,290	404,728	417,518
Litigation related expenses	13,079	18,356	—	—	—
Amortization expense of acquired intangible assets	396	1,354	327	1,035	1,486
Asset impairment related to facility exit	—	746	416	—	—
Restructuring and other charges, excluding stock-based compensation expense	—	—	—	—	6,564
Non-GAAP total operating expenses	$ 214,301	$ 307,251	$ 466,562	$ 770,330	$ 1,063,175
GAAP total operating expenses as a percentage of revenue	92 %	104 %	109 %	108 %	92 %
Non-GAAP total operating expenses as a percentage of revenue	71 %	71 %	69 %	71 %	66 %
GAAP loss from operations	$ (35,313)	$ (113,956)	$ (207,812)	$ (327,429)	$ (234,623)
Stock-based compensation expense and related payroll taxes	54,157	129,636	278,562	430,020	457,815
Litigation related expenses	13,079	18,356	—	—	—
Amortization expense of acquired intangible assets	908	3,384	6,795	9,010	11,060
Asset impairment related to facility exit	—	746	416	—	
Restructuring and other charges, excluding stock-based compensation expense	—	—	—	—	6,564
Non-GAAP income from operations	$ 32,831	$ 38,166	$ 77,961	$ 111,601	$ 240,816
GAAP operating margin	(12)%	(26)%	(31)%	(30)%	(15)%
Non-GAAP operating margin	11 %	9 %	12 %	10 %	15 %
GAAP interest expense	$ —	$ (5,025)	$ (53,364)	$ (56,579)	$ (6,541)
Amortization of debt discount and issuance costs	—	4,885	51,923	55,141	3,894
Non-GAAP interest expense	$ —	$ (140)	$ (1,441)	$ (1,438)	$ (2,647)
GAAP net loss	$ (28,655)	$ (115,116)	$ (262,029)	$ (390,278)	$ (202,335)
Stock-based compensation expense and related payroll taxes	54,157	129,636	278,562	430,020	457,815
Litigation related expenses	13,079	18,356	—	—	—
Amortization expense of acquired intangible assets	908	3,384	6,795	9,010	11,060
Asset impairment related to facility exit	—	746	416	—	—
Restructuring and other charges, excluding stock-based compensation expense	—	—	—	—	6,564
Amortization of debt discount and issuance costs	—	4,885	51,923	55,141	3,894
Benefit for income taxes	(1,422)	(1,110)	—	(2,597)	—
Non-GAAP net income	$ 38,067	$ 40,781	$ 75,667	$ 101,296	$ 276,998

Appendix A: Non-GAAP to GAAP Reconciliation

($ in thousands)

	FY'19	FY'20	FY'21	FY'22	FY'23
Free cash flow	$ 29,345	$ 27,508	$ 143,743	$ 231,332	$ 333,619
Revenue	302,836	431,269	673,100	1,090,946	1,616,952
Free cash flow margin	10 %	6 %	21 %	21 %	21 %

	FY'19	FY'20	FY'21	FY'22	FY'23
Net cash provided by operating activities	$ 58,027	$ 79,317	$ 202,040	$ 321,912	$ 462,343
Less: Purchases of property, equipment and other assets	(25,520)	(43,072)	(48,165)	(69,296)	(97,197)
Less: Capitalized internal-use software costs	(3,162)	(8,737)	(10,132)	(21,284)	(31,527)
Free cash flow	$ 29,345	$ 27,508	$ 143,743	$ 231,332	$ 333,619
Net cash provided by operating activities, as a percentage of revenue	19 %	18 %	30 %	30 %	29 %
Less: Purchases of property, equipment and other assets, as a percentage of revenue	(8)%	(10)%	(7)%	(7)%	(6)%
Less: Capitalized internal-use software costs, as a percentage of revenue	(1)%	(2)%	(2)%	(2)%	(2)%
Free cash flow margin	10 %	6 %	21 %	21 %	21 %

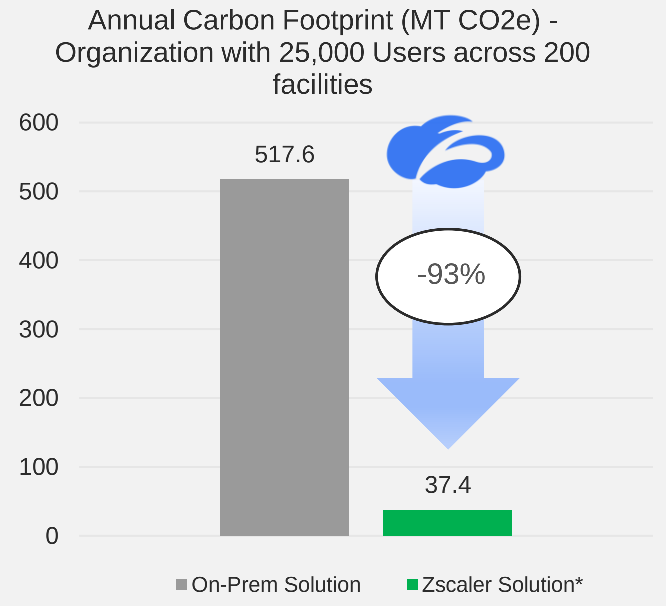
Appendix

Reduce your carbon footprint with the Zscaler Zero Trust Exchange

Zscaler is carbon neutral since 2022 and has set a goal to reach net zero by 2025

Environmental Benefit	Potential Impact (case for org with 25,000 users across 200 facilities)
Decrease IT waste Security appliances, servers, and other on-premises hardware can be retired	4,200 KILOGRAMS IT EQUIPMENT RETIRED
Reduce energy consumption Optimized cloud native architecture uses less energy than on-premises solutions	893 MEGAWATT HOURS ANNUAL ENERGY SAVINGS
Run on 100% renewable energy Zscaler is committed to efficiency and renewable energy for our security cloud	518 METRIC TONS of CO_2e ANNUAL CARBON SAVINGS

Efficient architecture with dramatically less environmental impact



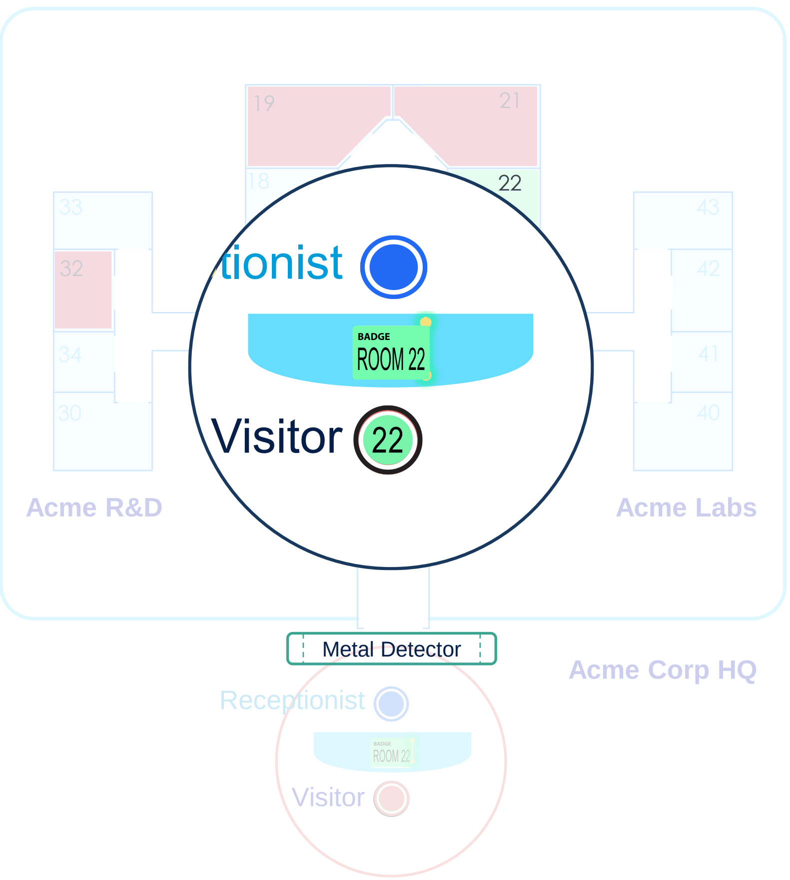
* Before offsets applied

Secure your digital transformation while lowering your environmental impact

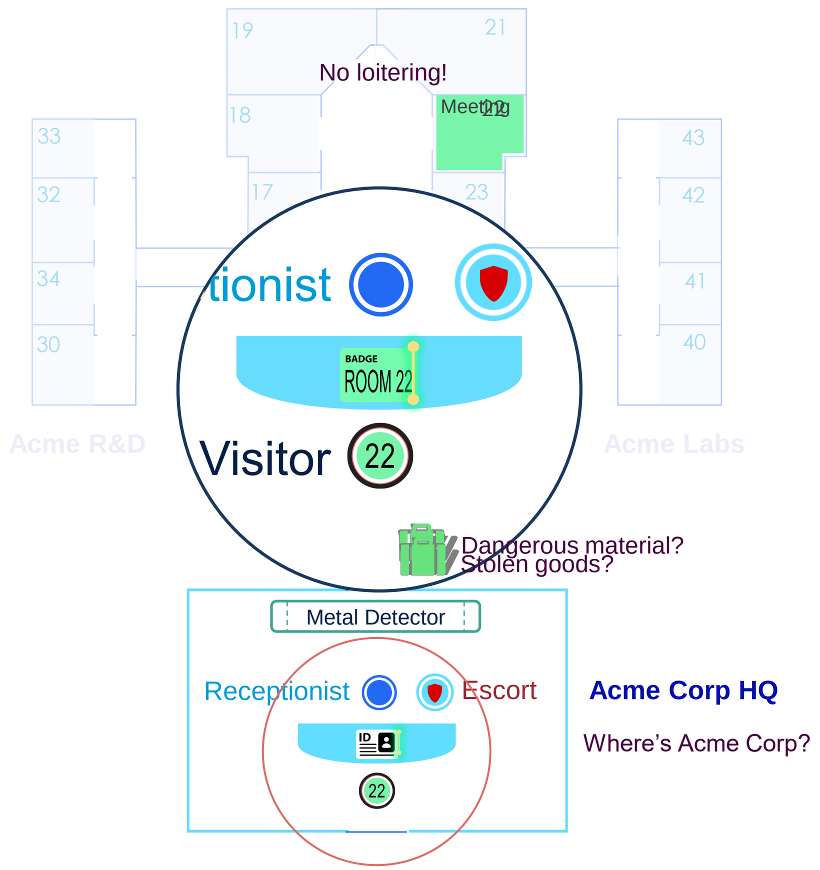
Legacy network security versus Zscaler Zero Trust Architecture

Comparing connecting users to networks versus users to apps with Zscaler

**Firewalls and VPN put users on your network.
That is like allowing unescorted visitors at HQ**



**Zero Trust access is like escorting a visitor to a
meeting and then out. Plus hide your building (apps).**



User experience challenges in a cloud & mobile first world