Fiscal Q2 2027 Investor Presentation

September 2, 2026

Safe Harbor

This presentation contains forward-looking statements that involve risks and uncertainties. Forward-looking statements contained in this presentation include, but are not limited to, statements regarding our future financial and operating performance, including our GAAP and non-GAAP guidance and financial outlook for the third quarter of fiscal 2027 and full year fiscal 2027, our estimates of market size and opportunity, product introduction and adoption, strategic objectives, sales ramping, impact of AI, demand for AI security, and growth prospects. By their nature, these statements are subject to numerous risks and uncertainties, including factors beyond our control, that could cause actual results, performance or achievement to differ materially and adversely from those anticipated or implied in the statements. Such risks and uncertainties include but are not limited to: macroeconomic influences and instability, geopolitical events, operations and financial results and the economy in general; risks associated with scaling our business and managing our rapid growth; our ability to expand our partner relationships; our ability to identify and effectively implement the necessary changes to address execution challenges; our limited experience with new products and the risks associated with new product offerings, including adoption by customers and 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 as well as existing products including artificial intelligence and machine learning capabilities; rapidly evolving technological developments in the market for AI, security, networking and analytics products and our ability to innovate and remain competitive particularly as a result of artificial intelligence technologies; length of sales cycles; risks related to the use of AI in our platform; and general market, political, economic and business conditions, as well as those risks and uncertainties included in filings we make with the Securities and Exchange Commission from time to time. Recipients are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation and should not be construed as statements of fact. We undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of unanticipated events.

This presentation also contains estimates and other statistical data made by independent parties and by the Company relating to market size and growth and other industry data. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Netskope has not independently verified the statistical and other industry data generated by independent parties and contained in this presentation and, accordingly, it cannot guarantee their accuracy or completeness. In addition, projections, assumptions and estimates of its future performance and the future performance of the industries in which it operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by Netskope.

This presentation includes certain non-GAAP financial measures. Non-GAAP financial measures are presented in addition to, and not as a substitute for, and are not superior to, financial measures calculated in accordance with GAAP. The Company believes these Non-GAAP measures can be useful measures for period-to-period comparisons of our core business and provide useful information to investors and others in understanding and evaluating our operating results. In addition, the non-GAAP measures we use, as presented, may not be comparable to similar measures used by other companies. See the Appendix for a reconciliation of non-GAAP financial measures to the most comparable measure, calculated in accordance with GAAP.

All financial information and other metrics used in this presentation are as of July 31, 2026, unless otherwise noted.

Netskope Q2'27 Financial Highlights

$899M
ARR
27%
ARR Growth Y/Y

$221M
Revenue
29%
Revenue Growth Y/Y

114%
Net Retention Rate

36%
RPO Growth Y/Y

77%
Non-GAAP Gross Margin [1]
+2%
Point Improvement Y/Y

(9%)
Non-GAAP Operating Margin [1]
+11%
Point Improvement Y/Y

1. See Appendix for definitions and reconciliation to the most comparable GAAP measure.

We’ve ReAImagined

Security and Networking for the Cloud & AI Era

Our Customers Include Large and Complex Global Organizations

4,700+
Customers

4 of the **9**
Largest
Healthcare

3 of the **4**
Largest
Telcos

5 of the **7**
Largest
Financial Services

3 of the **4**
Largest
Retailers

>33%
of the **Fortune 100**

~19%
of the **Forbes Global 2000**

Notes:
1. Largest companies across healthcare, telco, financial services, and retailers based on those listed in the Fortune 100.
2. All figures as of January 31, 2026.

The Expanding AI Attack Surface Increases Risk Exposure

3x
YoY increase in GenAI usage

6x
YoY increase in prompt volume

47%
of users leverage personal accounts (Shadow AI)

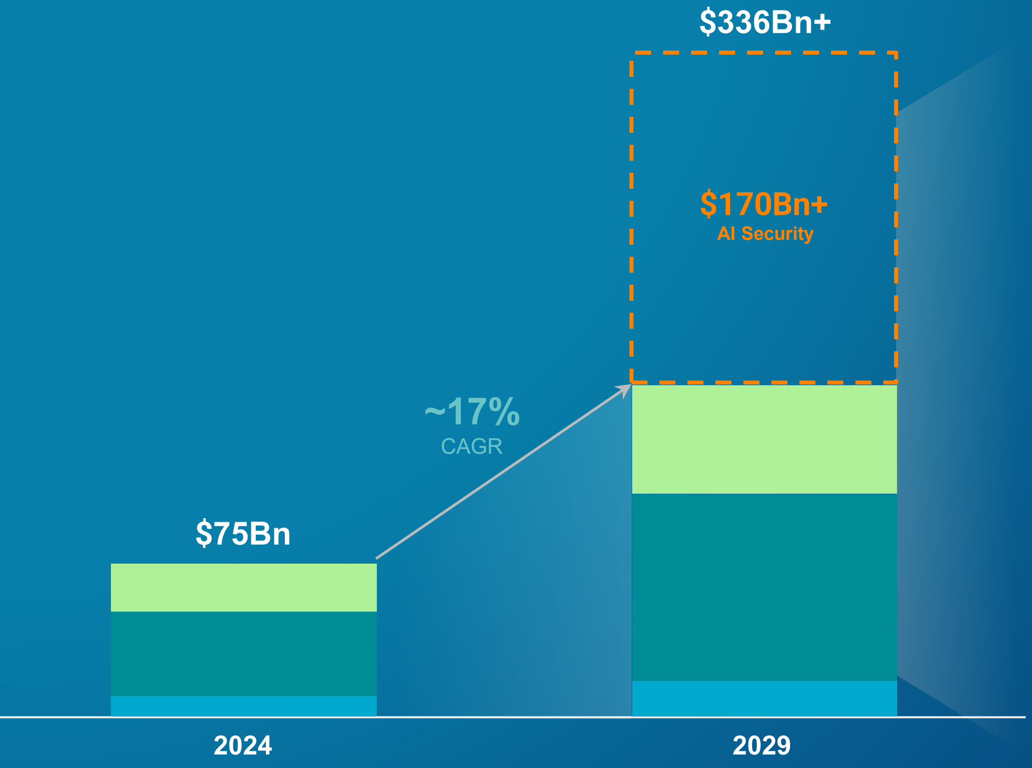
60%
of insider threat incidents involve personal cloud accounts

3-6x
YoY growth in Agentic AI

Data Leakage + **Business Disruption** + **Compliance Violations** + **Security Breaches**

Source: Netskope Cloud and Threat Report, 2026

Our Market Opportunity is Large and Growing



Industry Analyst Categories

AI Security
- Securing AI
- AI-Amplified Security

Rapid innovation for a market that is **in early innings**

Security
- Zero Trust Edge
- VPN / ZTNA
- Messaging Security Software
- Sensitive Data Management and Data Privacy
- Virtual Client Computing

New innovation and **modernization** of first-gen cloud and legacy solutions

Network
- Firewall / UTM
- Voice / Video Optimization
- Secure SD-WAN Infrastructure
- Datacenter and Cloud Interconnection
- 5G and 4G / LTE Enterprise WAN
- Multi-Cloud Networking
- Network Security - Segmentation
- Cloud WAN

Network **modernization** and **replacement** of legacy appliance-based technologies

Analytics
- Enterprise Network Observability
- Tier 2 SOC Analytics and Cloud-Native XDR

New risk intelligence and performance / resilience insights

All data sourced from IDC and Gartner (except as otherwise noted) and represents relevant categories that map to Netskope's current capabilities. Company estimate. Refer to the Appendix for additional information.

Netskope One Platform for Security, Networking, Analytics, and AI Security

AgentSkope AI Agents
DLP Agent | Insider Threat Agent | Private Access Agent | DEM Intelligence Agent | DEM Insights Agent | CCI Insights Agent

Security
Data Security Command Center*
Data Loss Prevention (Inline, Endpoint, Email)
DLP on Demand
Data Security Posture Management
Quantum Encryption
Enterprise Browser
SaaS Security Posture Management
Remote Browser Isolation
Private Access (ZTNA)
Threat Protection
Next-Gen Secure Web Gateway
Cloud Access Security Broker
Cloud Inline Security

Networking
DNSaaS
Cloud TAP (Packet Streaming)
IoT/OT Intelligence
China for Multinationals
Dedicated Egress IP
SD-WAN
Firewall-as-a-Service

Analytics
Data Lineage
Digital Experience Management
User Entity Behavior Analytics
Advanced Analytics

AI Security
AI Command Center
(Incl. Endpoint & Server Discovery)
AI Guardrails
AI Gateway
Agentic Broker
AI Red Teaming

PLATFORM CAPABILITIES

Zero Trust Engine & SkopeAI Models
Context Awareness | Policy Definition | Policy Enforcement

Modern Network Proxy & Common Data Fabric
Proxies AI, Cloud, and Data Traffic at Enterprise Scale

NewEdge Global Private Cloud & Network Software
Infrastructure | Traffic Management | Route Control | Egress IP Management

*New Products

Netskope Redefines Enterprise Security and Networking for the Cloud and AI

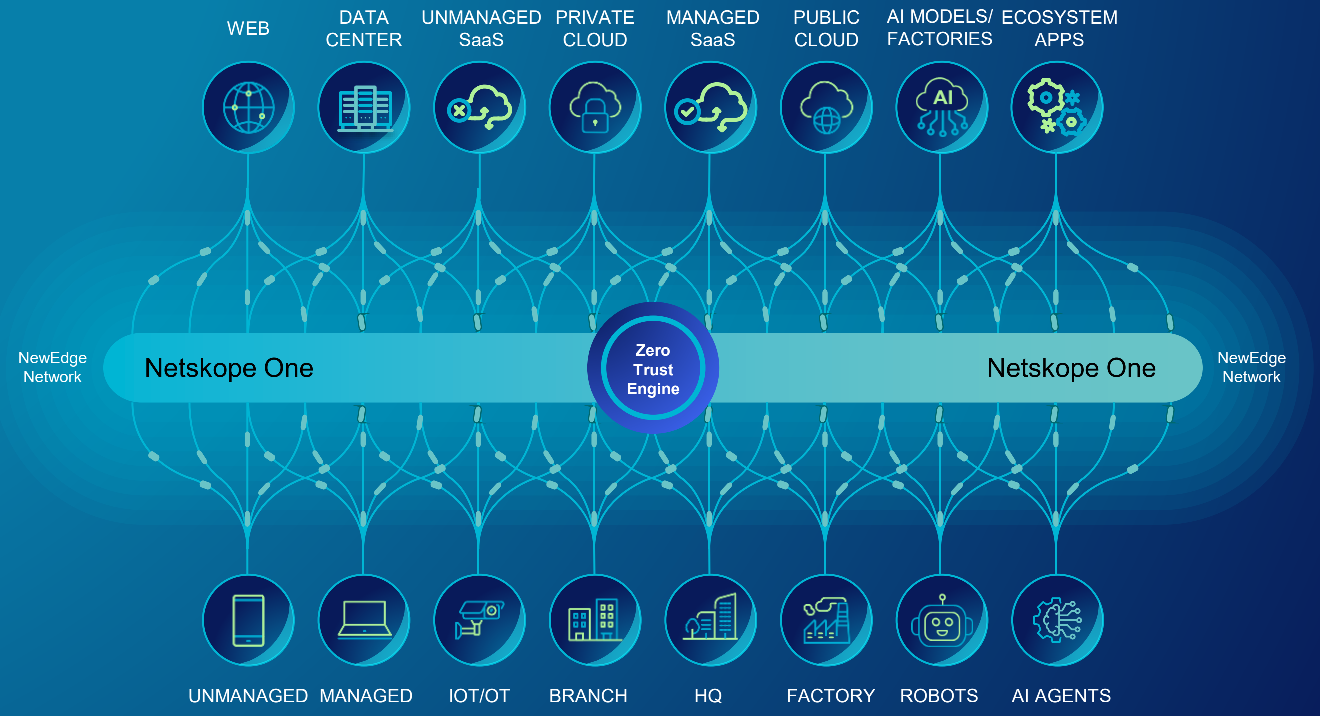
One Engine

One Client

One Network

One Gateway

One Console



AI-Native Architecture Powers Everything We Do

190+ Proprietary Models from Netskope AI Labs

Data Protection

Automatically protect unstructured data with high reliability and speed with pre-trained ML classifiers.

Protect novel data with Train Your Own Classifiers (TYOC).

Threat Protection

Prevent evasive attacks, polymorphic malware, new phishing, zero-day.

Faster detection and categorization of malware, web domains, URLs, and web content.

Generative AI and SaaS

Discover and govern the use of generative AI and novel SaaS apps.

Protect sensitive data across apps like ChatGPT and coach employees in real-time.

User & Entity Behavior

Detect users' unpredictable risky behavior.

Identify insiders' anomalous behavior, compromised accounts, data exfiltration.

SD-WAN Optimization

Optimal network access through enterprise-wide predictive insights.

WAN access anomaly detection, app performance flow analytics.

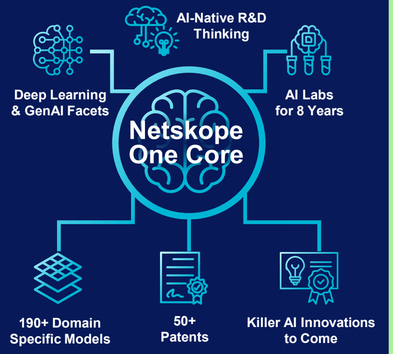
Device Access Intelligence

Discover newly connected devices and gain deeper device context, activities & behavior.

Real-time detection of behavioral anomalies, threats and vulnerabilities.

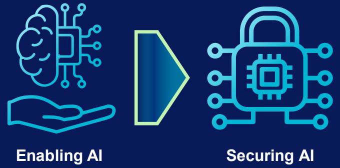
Our AI Strategy is Built on Four Key Pillars

AI Native Platform



Used Throughout Our Products

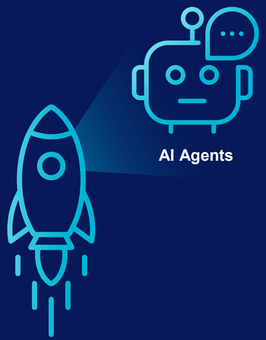
Enabling and Securing AI



NewEdge AI Infrastructure

Best Path for AI Transactions

AI Agents



Netskope One AI Security

AI Command Center: Receive a holistic view of AI usage and risk with centralized AI discovery, risk understanding, and remediation

Agentic Broker

Secure MCP-based agentic communications, giving organizations oversight of non-human AI interactions

AI Gateway

Delivers visibility, access control, and runtime inspection for private AI traffic, deployed on-prem or in your VPC

AI Guardrails

Extends Netskope's data and threat protection to AI-specific risks

AI Red Teaming

Stress-tests your privately hosted AI models with automated adversarial scenarios

New

Data Security Command Center: Unified Data Security Control Plane

Netskope One
DataSec Command Center

- Signal correlation & normalization
- Data inventory & topology
- Security posture and risk insights
- Recommended actions
- Workflows and integrations

Data Security Posture
DSPM, CASB API, Data Lineage

- Data discovery & classification
- Data store posture
- Policy enforcement

Signals

Actions

AI Security
AI Command Center

- AI access to data
- Training data and RAG governance
- Prompt and Response Analysis

Signals

Actions

Identity
IdP integrations, Identity Service

- NHI discovery
- Privilege & access analysis
- Behavioral anomaly detection

Signals

Actions

Real-time Data Security
NGSWG, Endpoint DLP, Email DLP

- App Discovery
- Real-time policy enforcement
- User Behavior Risk

Signals

Actions

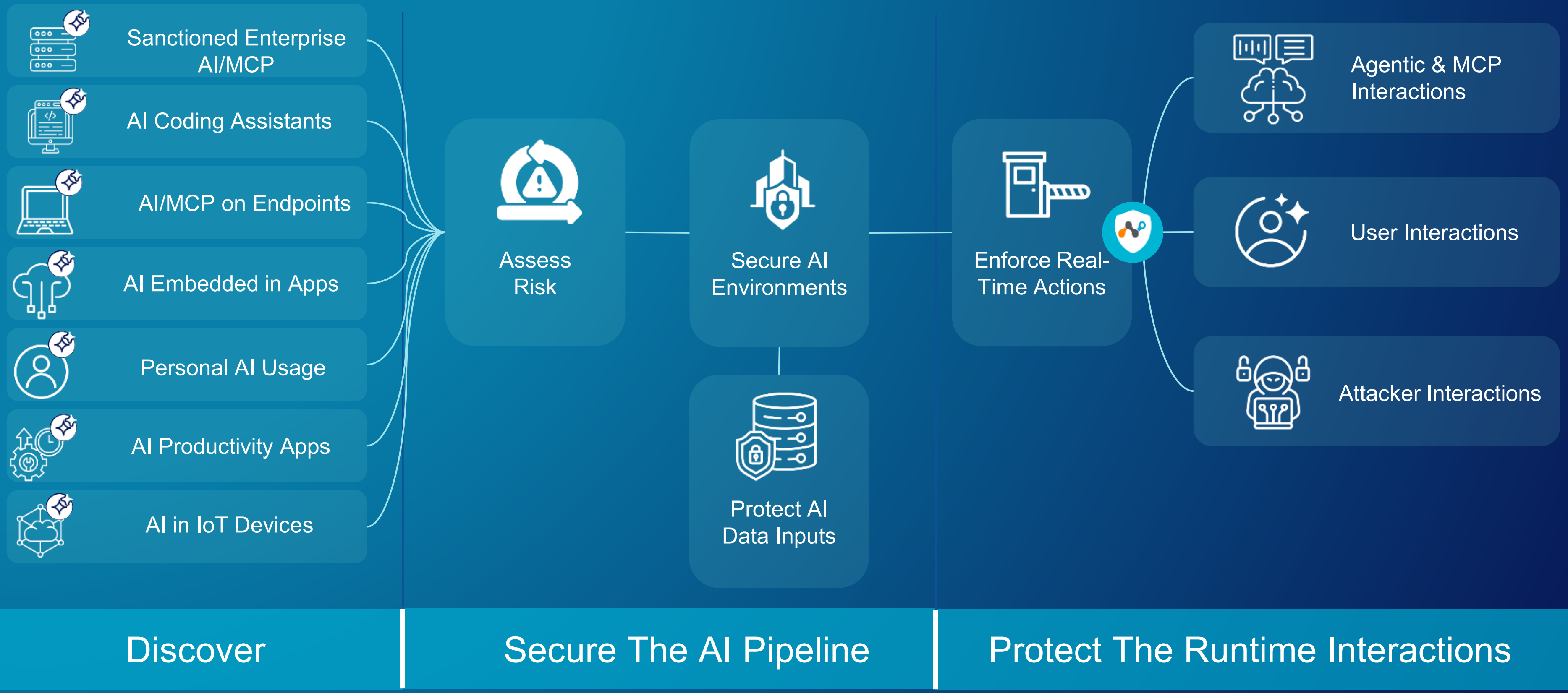
Intel & Response
3rd party security logs, SOAR integrations, AISecOps for AI risk

- Threat feeds & risk insights
- Security playbook execution
- Auto triage, investigation, remediation

Signals

Actions

We Enable Enterprises to Securely Unleash AI Potential



NewEdge Network: High-Performance Infrastructure for the AI Era

- Visibility
- Resilience
- Performance
- Control

~80 Regions

120+ Data Centers *(full compute)*

99.999% Uptime SLA

200+ Localization Zones

10K+ Network Adjacencies

Innovation Drives Our Business Model

Innovate

- **Innovation drives our opportunity**
- 25+ products; >6 new products introduced YTD
- Early in AI security opportunity
- Unified common platform drives innovation velocity, with lower incremental investment to add new products

Land & Expand

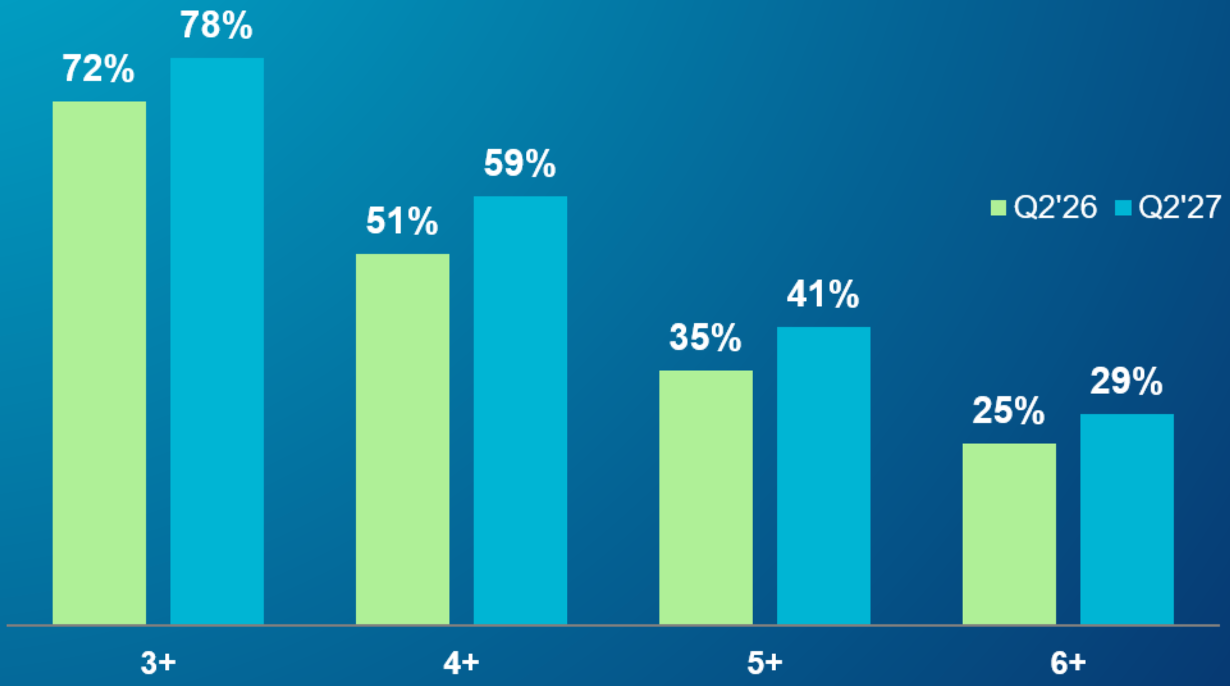
- **Land & Expand model drives our growth**
- More products, users, and use cases drives expansion
- Upsell and cross-sell drives NRR

Monetize

- **Platform monetization drives our margin expansion**
- Lower marginal cost to add more users and products
- High GRR

Netskope One Platform Driving Expansion

Product Adoption Rates



EXPAND

Significant Whitespace

Cross-sell and upsell opportunities with 25+ platform products

INNOVATE

High-Velocity Innovation

Common platform capabilities drive product velocity and efficiency

MONETIZE

Well-Positioned For AI Supercycle

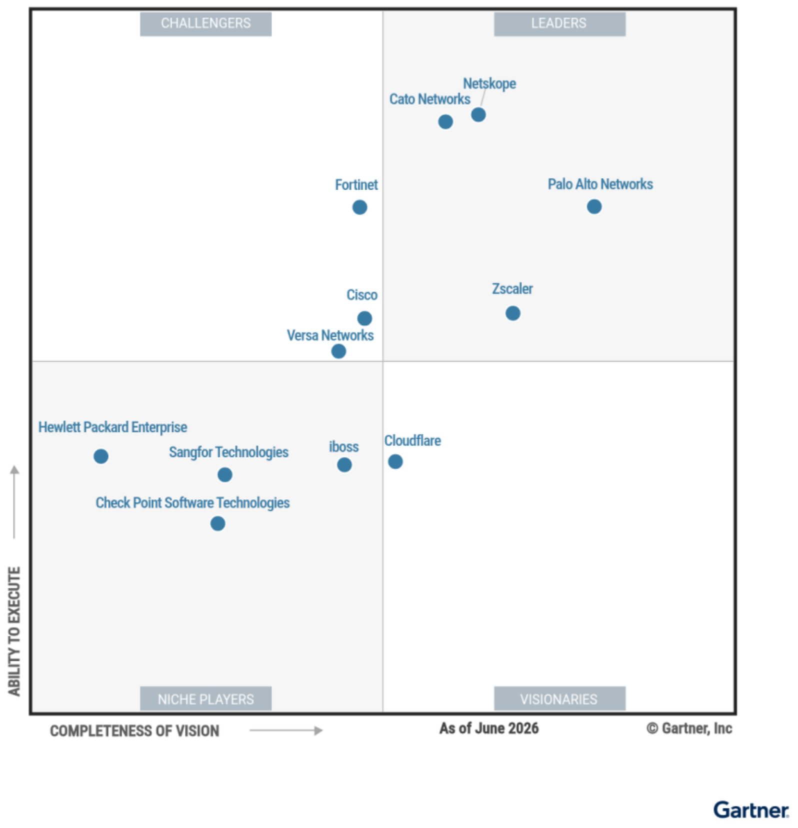
AI Command Center, Agentic Broker, AI Guardrails, AI Gateway, AI Red Teaming

New

netskope | SASE PLATFORMS

Netskope is a Leader in the 2026 Gartner Magic Quadrant for SASE Platforms

- **Highest** Ability to Execute of any vendor evaluated
- **Top product score** in three of the five SASE use cases
- **Rated excellent** in four of the five use cases



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Source: Gartner, Magic Quadrant for SASE Platforms, Jonathan Forest, Andrew Lerner, John Watts, 28 July 2026.

New

netskope | SECURITY SERVICE EDGE

Netskope is a Leader in the 2026 Gartner Magic Quadrant for Security Service Edge

- Named a **Leader** again in 2026
- **Customer experience** rated **above** the SSE market average
- High market visibility, and named often on client shortlists
- AgentSkope called out for its role in agentic operations

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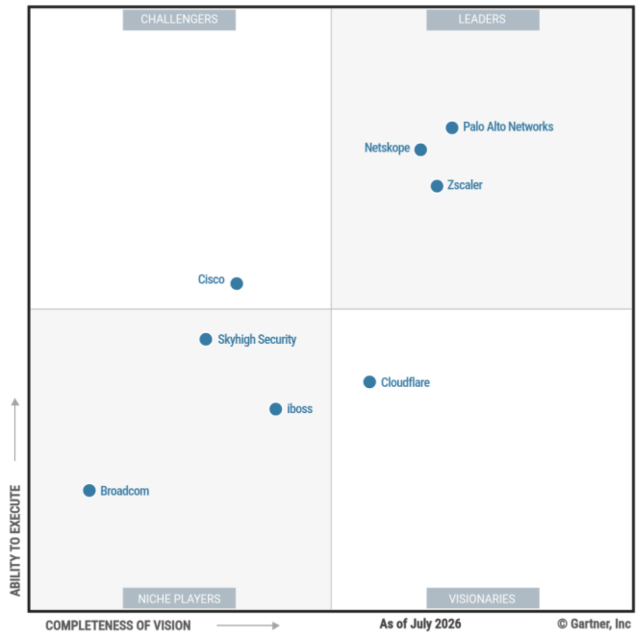
Magic Quadrant for Security Service Edge



Gartner

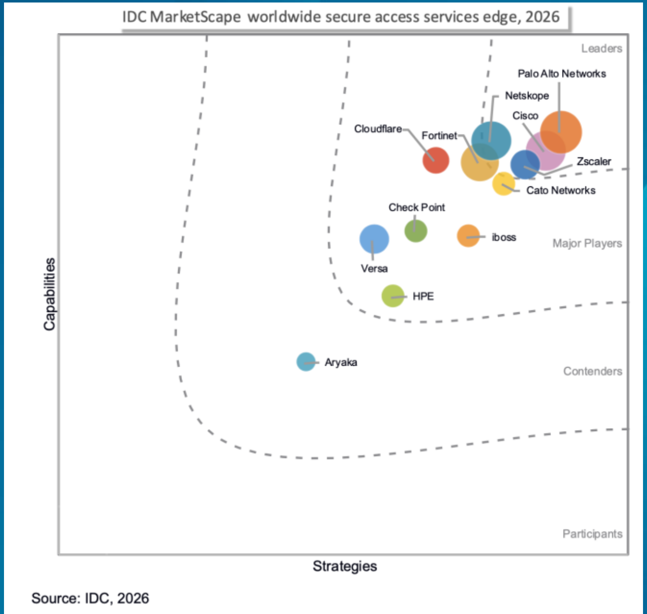
Source: Gartner, Magic Quadrant for Security Service Edge, John Watts, Thomas Lintemuth, Theo de Feligonde, Jonathan Forest, 29 July 2026.

New

netskope | IDC MARKETSCAPE · WORLDWIDE SASE

A Leader in the 2026 IDC MarketScape for worldwide SASE

- Unified architecture: one policy engine, one client, one console
- NewEdge called a foundational component, with full compute in every location
- Depth in data and AI security, and application visibility down to user actions



Source: IDC MarketScape: Worldwide Secure Access Services Edge 2026 Vendor Assessment, doc #US52978425, July 2026.

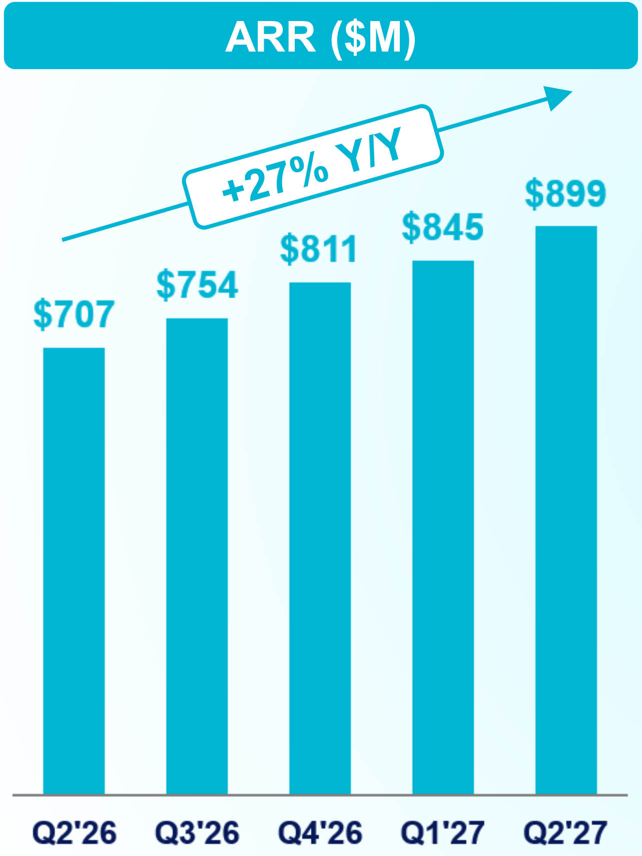
Financial Highlights

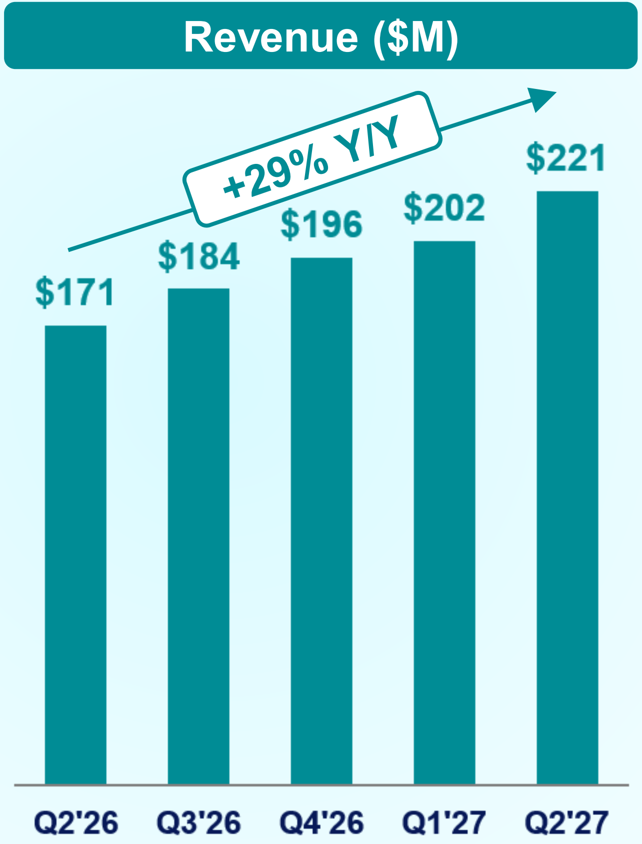
Q2'27 Financial Results

	Q2'27 Guidance	Q2'27 Results	Q2'27 Results vs. Guidance
Revenue	$213M – $215M	$221M	Exceeded
Y/Y Growth %	*25-26%*	*29%*	
Operating Margin	(14%) – (15%)	(9%)	Exceeded
EPS	($0.06) – ($0.07)	($0.03)	Exceeded
Free Cash Flow	($30M) – ($40M)	($29.8M)	Exceeded

Note: All metrics represent non-GAAP (except revenue). See Appendix for definition and reconciliation to the most comparable GAAP measure.

Durable Growth At Scale





Sustained High Growth at Scale

Globally balanced with all geos growing 25%+

High Visibility

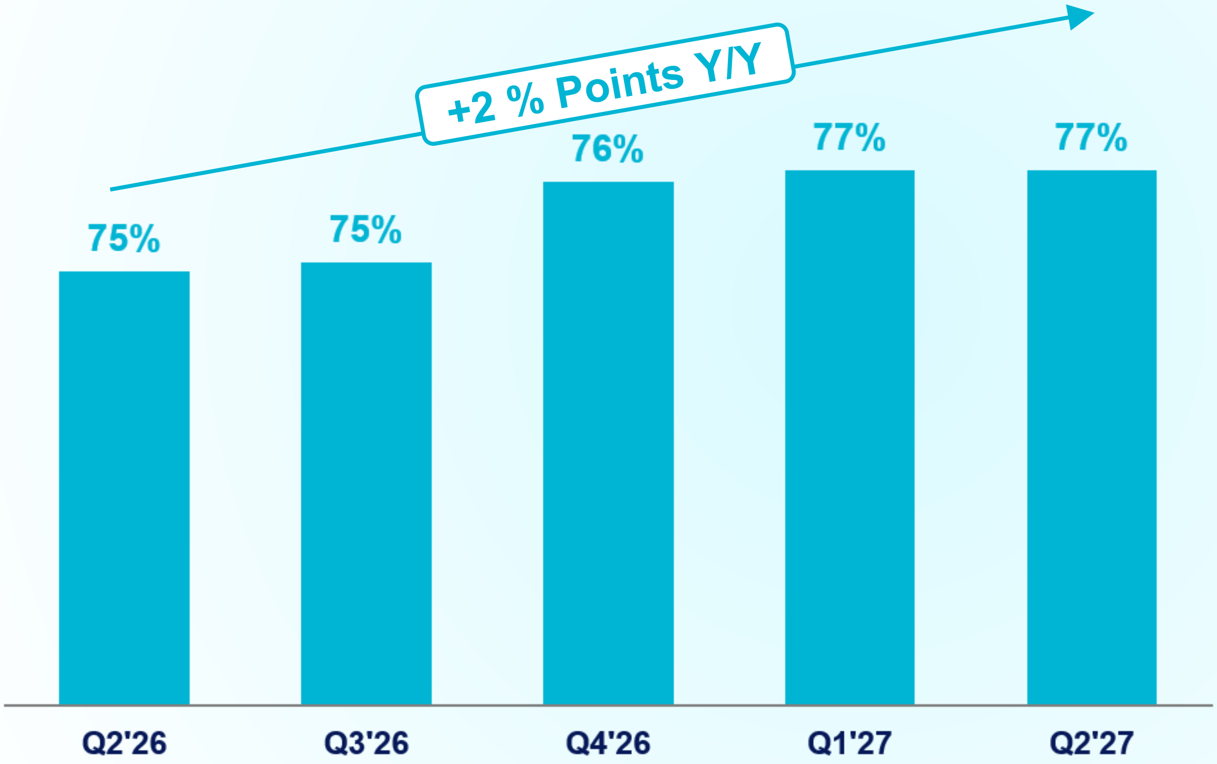
RPO grew 36% Y/Y to $1.35B+ illustrates customer commitment and provides future revenue visibility

Enterprise Adoption

$100K+ ARR customers grew 23% Y/Y to 1,686

Continued Gross Margin Expansion

Non-GAAP Gross Margin



Built To Scale

Better unit economics at scale, lowering the marginal cost to serve each incremental customer

Gaining Leverage

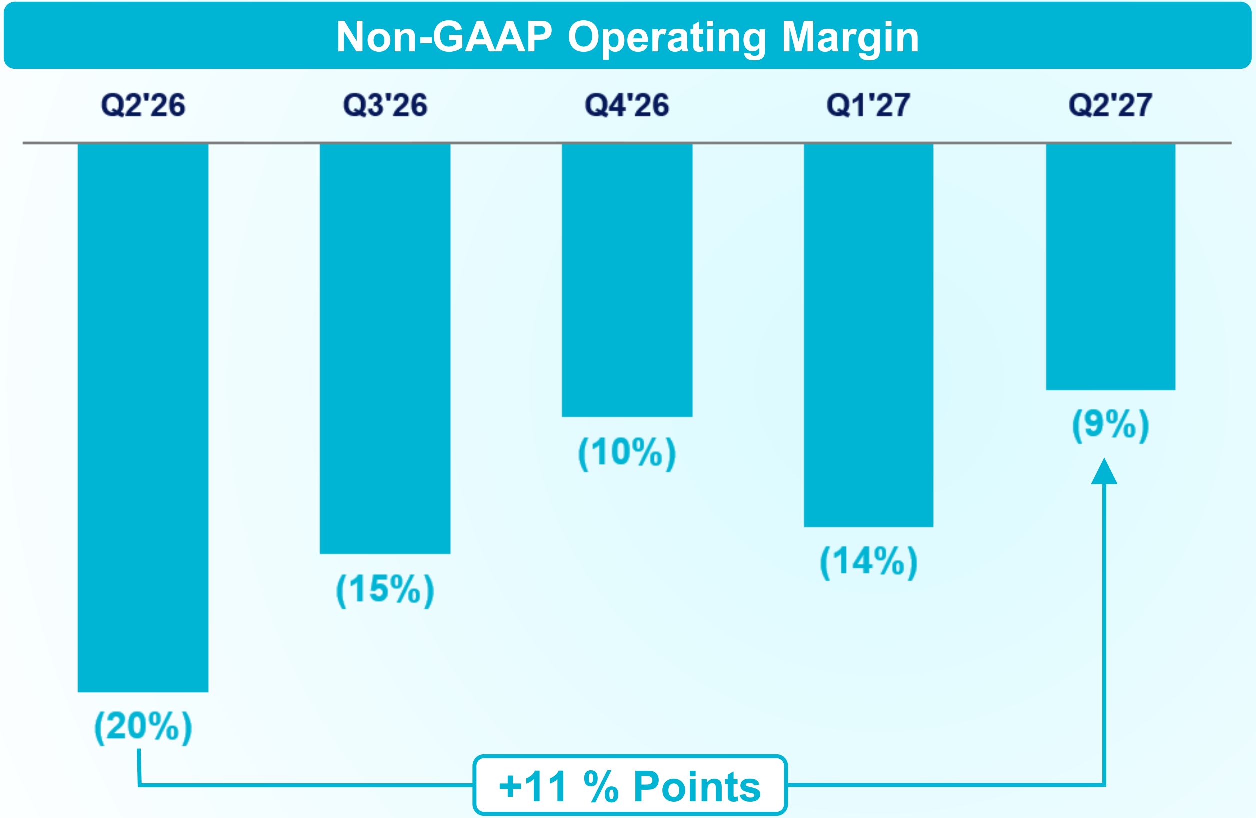
NewEdge upfront prior investments driving margin expansion

NewEdge AI Fast Path

Eliminates "Security vs. Speed" dilemma by efficiently optimizing network paths to AI apps

See Appendix for definitions and reconciliation to the most comparable GAAP measure.

Driving Operating Leverage



Investing In Future Growth

Continued path towards profitability, with ongoing innovation and GTM investments

Strong Margin Expansion

Realizing the benefit of Netskope being built to scale

See Appendix for definitions and reconciliation to the most comparable GAAP measure.

Q3’27 Financial Guidance

	Q3’27 Guidance	FY’27 Guidance
Revenue	**$227M – $229M**	**$888M – $892M**
Y/Y Growth % at Midpoint	*~24%*	*~26%*
Gross Margin		**~77%**
Operating Margin	**(8.0%)**	**(9.0%)**
EPS[1]	**($0.03) – ($0.04)**	**($0.15)**
Free Cash Flow Margin		**2%**

Note: All metrics represent non-GAAP (except revenue). A reconciliation of non-GAAP guidance measures to corresponding GAAP measures is not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, reconciling items that may be incurred in the future, such as stock-based compensation and related employer payroll taxes, the effect of which may be significant.
1. Assumes weighted-average shares outstanding of approximately 415M for Q3’27 and 415M for FY’27.

Netskope Key Takeaways

- **Broadly recognized Market Leader in SSE, SASE and AI Security with large $336B+ TAM[1] opportunity across security and networking for the cloud and AI era**
- **Expanding Netskope One platform with 25+ products driving expansion in large and growing installed base**
- **Uniquely positioned for the AI Supercycle with a unified, AI-native platform that eliminates trade-off between performance and security**
- **Durable growth at scale, with 27% Y/Y ARR growth to $899M as of July 31, 2026; Net Retention Rate (NRR) of 114% with record-high Gross Retention Rate (GRR)**
- **Platform momentum demonstrated by 23% growth in $100K+ ARR customers; 59% of our customers using 4 or more Netskope One products**
- **Driving leverage in our model, delivering gross margin and operating margin expansion and attractive unit economics**

1. Projection based on our analysis of IDC estimates of $166 billion of security, networking, and analytics spending in 2029, plus company estimate based on Gartner estimates for AI Security, which we project to grow to $170+ billion by 2029.
See Appendix for definitions and reconciliation to the most comparable GAAP measure.

APPENDIX

Additional FY'27 Modeling Points

Net New ARR	• Expected to grow YoY in H2'27 compared to prior year period • Expected to follow typical quarterly seasonality with a seasonally strong Q4
Gross Margin	• Q3'27 Gross Margin of approximately 77% • FY'27 Gross Margin of approximately 77%
Capital Expenditures	• FY'27 Capex expected to be approximately 4 - 5% of revenue
Free Cash Flow	• Q3'27 FCF expected to be $10M to $20M • FY'27 FCF expected to be approximately 2% of revenue

See Appendix for definitions and reconciliation to the most comparable GAAP measure.

Fully Diluted Share Count Calculation

	Shares (M)
(+) Class A Common	265.4
(+) Class B Common	142.6
Basic Shares Outstanding [1]	**408.0**
(+) Options Outstanding	47.0
(-) TSM Options Repurchased [2]	(21.8)
(+) RSUs Outstanding	53.0
(+) Convertible Notes [3]	24.6
Fully Diluted Shares Outstanding	**510.8**

1. Basic shares outstanding as of July 31, 2026. See 10-Q for details.
2. Treasury Stock Method assumes NTSK price as of July 31, 2026.
3. Based on maximum potential PIK value of Convertible Notes at maturity. Assuming PIK value as of July 31, 2026, represents 22.5M potential dilution.
Totals may not sum due to rounding

GAAP to Non-GAAP Reconciliations

	FY'25	FY'26	Q2'26	Q2'27
	January 31, 2025	*January 31, 2026*	*July 31, 2025*	*July 31, 2026*
Revenue	**$538,268**	**$708,997**	**$170,758**	**$220,541**
GAAP gross profit	347,899	482,669	123,244	163,018
Add: Stock-based compensation expense and related taxes	2,478	34,037	421	3,581
Add: Amortization of acquired intangible assets	20,965	14,358	3,593	2,534
Non-GAAP gross profit	**$371,342**	**$531,064**	**$127,258**	**$169,133**
GAAP gross margin	*65%*	*68%*	*72%*	*74%*
Non-GAAP gross margin	*69%*	*75%*	*75%*	*77%*
GAAP loss from operations	(255,741)	(652,579)	(45,965)	(89,799)
Add: Stock-based compensation expense and related taxes	51,139	525,601	7,869	64,295
Add: Acquisition-related expense	459	-	-	-
Add: Amortization of acquired intangible assets	22,747	15,839	4,127	2,685
Add: Restructuring costs	-	-	-	3,500
Non-GAAP loss from operations	**($181,396)**	**($111,139)**	**($33,969)**	**($19,319)**
GAAP operating margin	*(48%)*	*(92%)*	*(27%)*	*(41%)*
Non-GAAP operating margin	*(34%)*	*(16%)*	*(20%)*	*(9%)*

Note: $ figures in thousands (other than %s).
Certain figures may not sum due to rounding.

GAAP to Non-GAAP Reconciliations

	FY'25	FY'26	Q2'26	Q2'27
	January 31, 2025	*January 31, 2026*	*July 31, 2025*	*July 31, 2026*
GAAP S&M expense	280,828	393,742	78,050	105,916
Less: Stock-based compensation expense and related taxes	(18,597)	(97,567)	(3,378)	(11,348)
Less: Amortization of acquired intangible assets	(1,712)	(1,481)	(534)	(151)
Less: Restructuring costs	-	-	-	(382)
Non-GAAP S&M expense	**$260,519**	**$294,694**	**$74,138**	**$94,035**
GAAP S&M expense % of revenue	*52%*	*56%*	*46%*	*48%*
Non-GAAP S&M expense % of revenue	*48%*	*42%*	*43%*	*43%*
GAAP R&D expense	254,189	509,029	72,856	101,787
Less: Stock-based compensation expense and related taxes	(24,746)	(236,498)	(3,517)	(25,587)
Less: Amortization of acquired intangible assets	(70)	-	-	-
Less: Restructuring costs	-	-	-	(2,334)
Non-GAAP R&D expense	**$229,373**	**$272,531**	**$69,339**	**$73,866**
GAAP R&D expense % of revenue	*47%*	*72%*	*43%*	*46%*
Non-GAAP R&D expense % of revenue	*43%*	*38%*	*41%*	*33%*
GAAP G&A expense	68,623	232,477	18,303	45,114
Less: Stock-based compensation expense and related taxes	(5,318)	(157,499)	(553)	(23,779)
Less: Acquisition-related expenses	(459)	-	-	-
Less: Restructuring costs	-	-	-	(784)
Non-GAAP G&A expense	**$62,846**	**$74,978**	**$17,750**	**$20,551**
GAAP G&A expense % of revenue	*13%*	*33%*	*11%*	*20%*
Non-GAAP G&A expense % of revenue	*12%*	*11%*	*10%*	*9%*

Note: $ figures in thousands (other than %s).
Certain figures may not sum due to rounding.

GAAP to Non-GAAP Reconciliations

	FY'25	FY'26	Q2'26	Q2'27
	January 31, 2025	*January 31, 2026*	*July 31, 2025*	*July 31, 2026*
GAAP net loss	(354,510)	(679,388)	(90,301)	(110,817)
Add: Stock-based compensation expense and related taxes	51,139	525,601	7,869	64,295
Add: Acquisition-related expense	459	-	-	-
Add: Amortization of acquired intangible assets	22,747	15,839	4,127	2,685
Add: Restructuring costs	-	-	-	3,500
Add: Loss on fair value change in convertible notes	98,627	34,256	43,973	26,528
Add: Provision for (benefit from) income taxes	(2,587)	638	-	150
Non-GAAP net loss	**($184,125)**	**($103,054)**	**($34,332)**	**($13,659)**
GAAP net loss per share, basic and diluted	($3.64)	($3.18)	($0.84)	($0.27)
Add: Stock-based compensation expense and related taxes	0.52	2.46	0.07	0.16
Add: Acquisition-related expense	-	-	-	-
Add: Amortization of acquired intangible assets	0.23	0.07	0.04	0.01
Add: Restructuring costs	-	-	-	0.01
Add: Loss on fair value change in convertible notes	1.01	0.16	0.41	0.07
Add: Provision for (benefit from) income taxes	(0.03)	-	-	-
Non-GAAP net loss per share, basic and diluted	**($1.89)**	**($0.48)**	**($0.32)**	**($0.03)**
Weighted-average shares used in net loss per share	*97.5M*	*213.9M*	*108.1M*	*405.0M*

Note: $ figures in thousands (other than %s and per share amounts), except number of shares in millions.
Certain figures may not sum due to rounding.

GAAP to Non-GAAP Reconciliations

	FY'25	FY'26	Q2'26	Q2'27
	January 31, 2025	*January 31, 2026*	*July 31, 2025*	*July 31, 2026*
Net cash (used in) provided by operating activities	(110,678)	38,073	(16,878)	(16,539)
Less: Purchase of property and equipment	(37,032)	(22,920)	(1,628)	(13,003)
Less: Capitalized internal-use software	(3,390)	(2,780)	(1,147)	(255)
Free cash flow	**($151,100)**	**$12,373**	**($19,653)**	**($29,797)**
Operating cash flow margin	*(21%)*	*5%*	*(10%)*	*(7%)*
Free cash flow margin	*(28%)*	*2%*	*(12%)*	*(14%)*
Annual Recurring Revenue (ARR in $Ms)	**$618M**	**$811M**	**$707M**	**$899M**
Y/Y Growth %	*30%*	*31%*	*33%*	*27%*
Net Retention Rate (NRR)	113%	116%	118%	114%
Remaining Performance Obligations (RPO)	$885M	$1,202M	$995M	$1,352M
Current RPO (cRPO)	$503M	$651M	$552M	$719M
Contracted Future Billings	$295M	$526M	$388M	$681M

Note: $ figures in thousands (other than %s), except ARR, RPO, cRPO, and Contracted Future Billings in millions.
Contracted Future Billings equals RPO minus Deferred Revenue and represents the amount of contractually obligated backlog in RPO yet to be invoiced in future periods.

Definitions

Total Addressable Market ("TAM"): Total Addressable Market figures are estimates based on IDC and Gartner market forecasts from 2024-2029. Figures reflect the markets addressed by Netskope's current offerings which include the following: Zero Trust Edge, VPN (Virtual Private Network)/ZTNA (Zero Trust Network Access), Public Cloud Portion of Firewall/UTM (Unified Threat Management), Messaging Security Software, Sensitive Data Management and Data Privacy, Physical and Virtual Computing Software, SSPM, IoT Spend, Internet Video, SD-WAN (Software-Defined Wide Area Network), Datacenter Interconnection Services, 5G and 4G/LTE Enterprise Wireless WAN, Multi-Cloud Networking, Segmentation, Cloud WAN, Endpoint SD-WAN, Enterprise Network Observability, Tier 2 SOC Analytics, Cloud-Native XDR and AI Security.

The IDC forecasts used are the following: (1) Forecast: IDC Semiannual Security Products Tracker, Worldwide, 2019-2028, 2024H1 Forecast, Rasmus Andsbjerg, et al., 11/19/2024; (2) Forecast: IDC Semiannual Software Tracker, Worldwide, 2019-2028, 2024H1 Forecast Release, Julie Ross, et al., 11/14/2024; (3) IDC Quarterly Network Infrastructure Tracker, Worldwide, 2019-2028, 2024Q3 Release, Petr Jirovsky, et al., 12/20/2024; (4) IDC Worldwide Datacenter Interconnection Services Forecast, 2024-2028, Courtney Monroe, Avinash Naga, 05/2024; (5) IDC Worldwide SD-WAN Infrastructure Forecast, 2024-2028, Brandon Butler, et al., 07/2024; (6) IDC Worldwide Multicloud Networking Forecast, 2024-2028, Vijay Bhagavath, et al., 05/2024; (7) IDC Worldwide 5G and 4G/LTE Enterprise Wireless WAN Forecast, 2024-2028: 5G FWA Reignites Branch Opportunities, Patrick Filkins, et al., 07/2024; (8) IDC Worldwide IaaS Networking Forecast, 2024-2028, Taranvir Singh, et al., 09/2024; (9) IDC Worldwide Network Observability Forecast, 2024-2028, Mark Leary, 12/2024; (10) IDC Worldwide Black Book: Live Edition, 2023-2028, Stephen Minton et al., 03/2025; (11) IDC's Worldwide AI and Generative AI Spending Guide, 2023-2028, Karen Massey et. al, 02/2025.

The Gartner forecasts used are the following: Forecast: AI Spending, Worldwide, 2024-2029, 4Q25, Kay Arnott et al.

Annual Recurring Revenue ("ARR"): We define Annual Recurring Revenue as the annualized value of our cloud subscription contracts that are active as of the measurement date, assuming any contract that expires during the next 12 months is renewed on its existing terms. Provided that we are actively negotiating a renewal or new agreement with a customer after the expiration of a contract, we continue to include that contract's annualized value in ARR until the customer notifies us of their decision not to renew. ARR excludes non-recurring components of revenue such as professional services, training, sales of hardware, and other non-recurring revenue.

Net Retention Rate ("NRR"): Our dollar-based Net Retention Rate reflects the percentage of our ARR from existing customers, inclusive of the effects of upsell, cross-sell, contraction, and churn. We calculate this by first determining the ARR of the cohort of customers established on the same date of the prior fiscal year (the "Prior Period ARR"). We then calculate the ARR from these same subscription customers as of the current period end (the "Current Period ARR"). Current Period ARR includes any expansion and is net of contraction and churn over the trailing 12 months but excludes ARR from new customers. We then divide the Current Period ARR by the Prior Period ARR to arrive at our NRR.

Free Cash Flow ("FCF") and Free Cash Flow Margin: Free cash flow is defined as net cash used in operating activities less purchases of property and equipment and capitalized internal-use software. Free cash flow margin is determined by dividing free cash flow by revenue.

