

Varonis Overview

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Company Overview

The background of the slide features a blue gradient that transitions from a lighter blue at the top to a darker blue at the bottom. At the very bottom, there is a dark, textured area resembling a rocky or cratered surface, possibly representing a celestial body like the moon or a planet's surface. The title "Company Overview" is centered in the upper half of the slide in a large, white, sans-serif font.

Varonis at a glance

The leader in data and AI security



VRNS

Founded in 2004
IPO in 2014



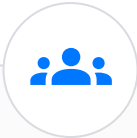
\$726.0MM

SaaS Annual Recurring Revenues
52% YoY Growth



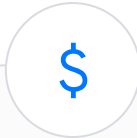
\$598.1MM

SaaS ARR Ex. Conversions
25% YoY Growth



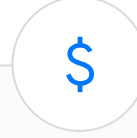
~2,700

Employees Worldwide



\$80.1MM

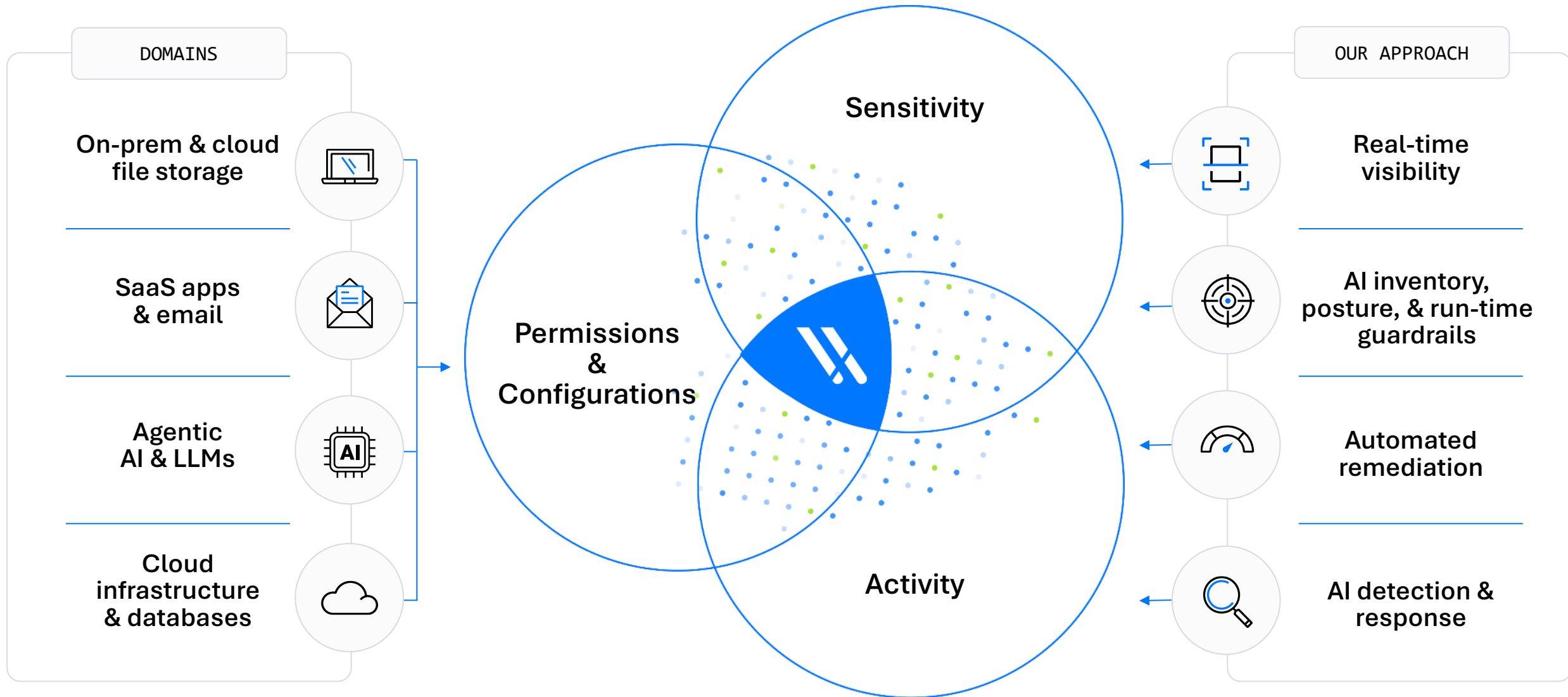
YTD Operating Cash Flow



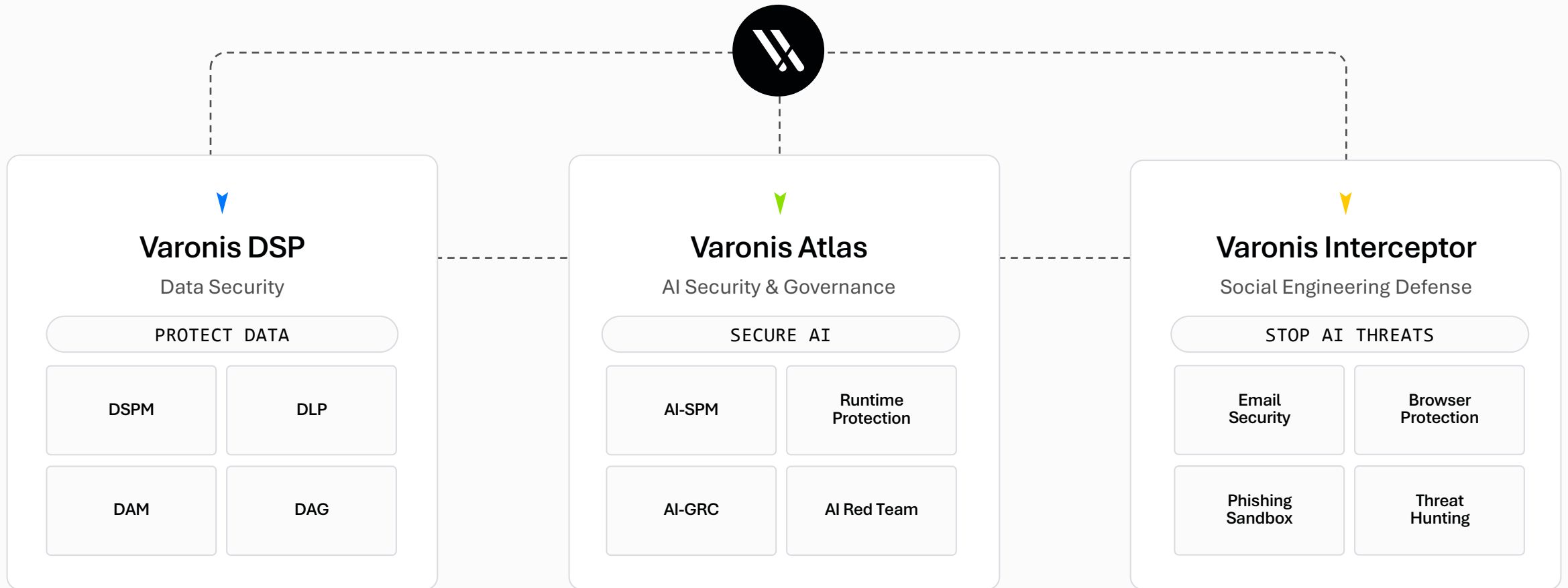
\$81.0MM

YTD Adjusted Free Cash Flow

Proven technology



One platform to Secure AI and the data that powers it



Proven approach



Find

overexposed sensitive data by
analyzing data, account
activity, and user behavior.



Fix

sensitive and stale data
automatically, to remediate
current exposure and prevent
future exposures.



Alert

on unusual data exposure and
automatically respond to keep
data safe.

Secular trends



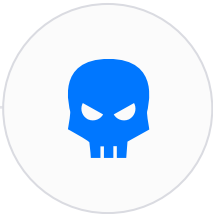
Data growth

The amount of data created in the world is expected to grow at a compound annual growth rate of 25% by 2029 with unstructured data accounting for more than 90% of total data generated.¹



AI & cloud adoption

90% of organizations will adopt a hybrid cloud approach through 2027 and more than 80% of enterprises are expected to use Gen AI by 2026.²



Cyber threats

In 2024 the global average cost of a data breach was \$4.9 million, which was the highest ever and 40% of breaches involved data stores across multiple environments.³

⁽¹⁾ IDC Research - International Data Corporation's Global DataSphere Forecast
⁽²⁾ Gartner Research – Gartner Forecast for Worldwide Public Cloud Spend & Hype Cycle for Generative AI, 2023
⁽³⁾ IBM – Cost of a Data Breach Report 2024

Industry changes



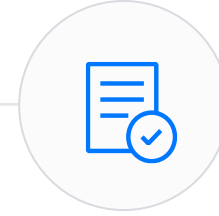
Board awareness

Boards of Directors are now required to address cyber risks and demonstrate appropriate awareness and action.



Adoption & standardization

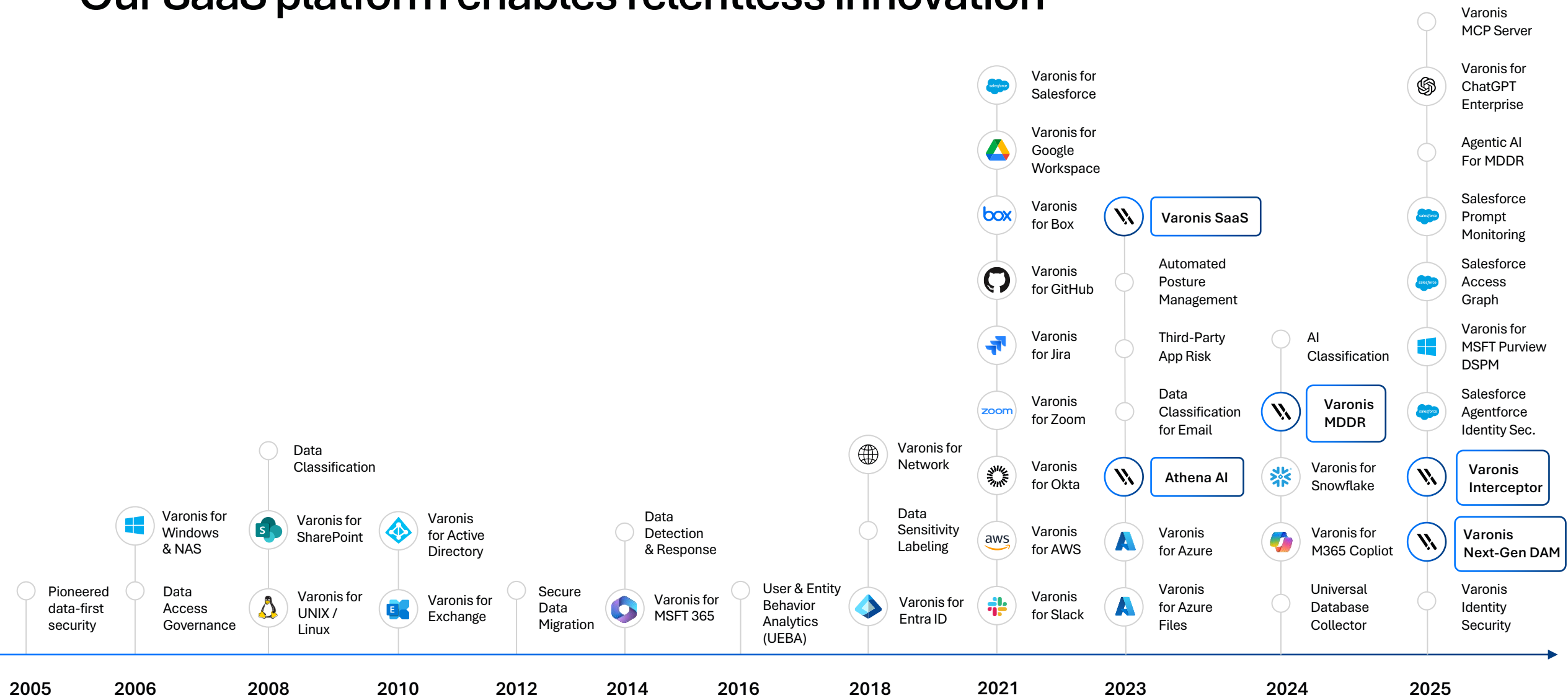
A data-centric approach to security is becoming the standard as the digital transformation increased reliance on data. Almost every breach involves data assets that are stored in growing, centralized repositories on-premises and in the cloud.



Regulation

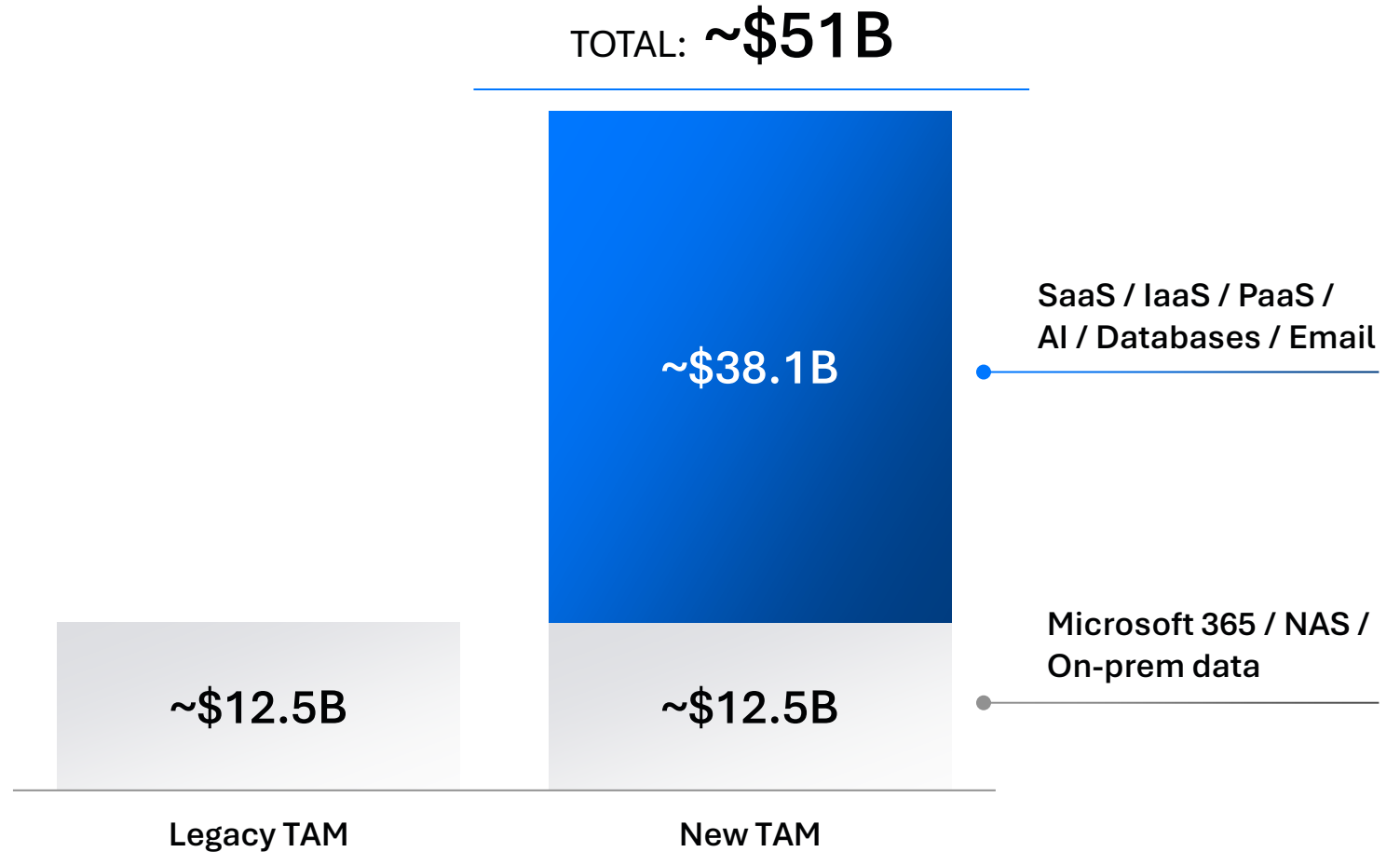
The confluence of notable attacks, media attention, and public outcry has led to data-centric regulations in the EU and North America like GDPR, CCPA, and the SEC disclosure rule around cyber events.

Our SaaS platform enables relentless innovation



Innovation has meaningfully expanded our TAM

- Coverage is now one of our biggest competitive advantages
- We are a leader in protecting large data stores in the cloud & on-prem
- We expanded into new markets like Varonis for IaaS, SaaS, PaaS, AI, Email and Databases, and more than tripled our TAM
- New platforms create significant whitespace for expansion in a growing market



TAM analysis based on total ARR of data stores covered by Varonis.

Data security platform use cases



Data discovery & classification

Accurately discover, classify, and label sensitive data.



DSPM

Improve your data security posture automatically.



Data-centric UEBA

Detect, investigate, and respond to attacks on data.



Data access governance

See exactly who can touch sensitive data at all times.



DLP

Monitor data activity and prevent exfiltration.



Identity resolution

Map and classify every human and non-human identity.



Insider risk management

Identify and prevent insider risks.



Compliance management

Automate compliance regulations and frameworks.



Microsoft Copilot

Monitor prompts and secure Microsoft Copilot.



Identity posture

Detect and remediate risky or over-privileged accounts.



Data risk assessment

Map data risk and build a path to remediation.



Data lifecycle automation

Automatically enforce data lifecycle policies.



Ransomware prevention

Detect and prevent ransomware attacks.



Email security

Lock down sensitive mailboxes and stop exfiltration.



AI security

Secure AI copilots and LLMs.



Cloud data security

Label critical data, monitor flows, and enforce policy.



Database activity monitoring

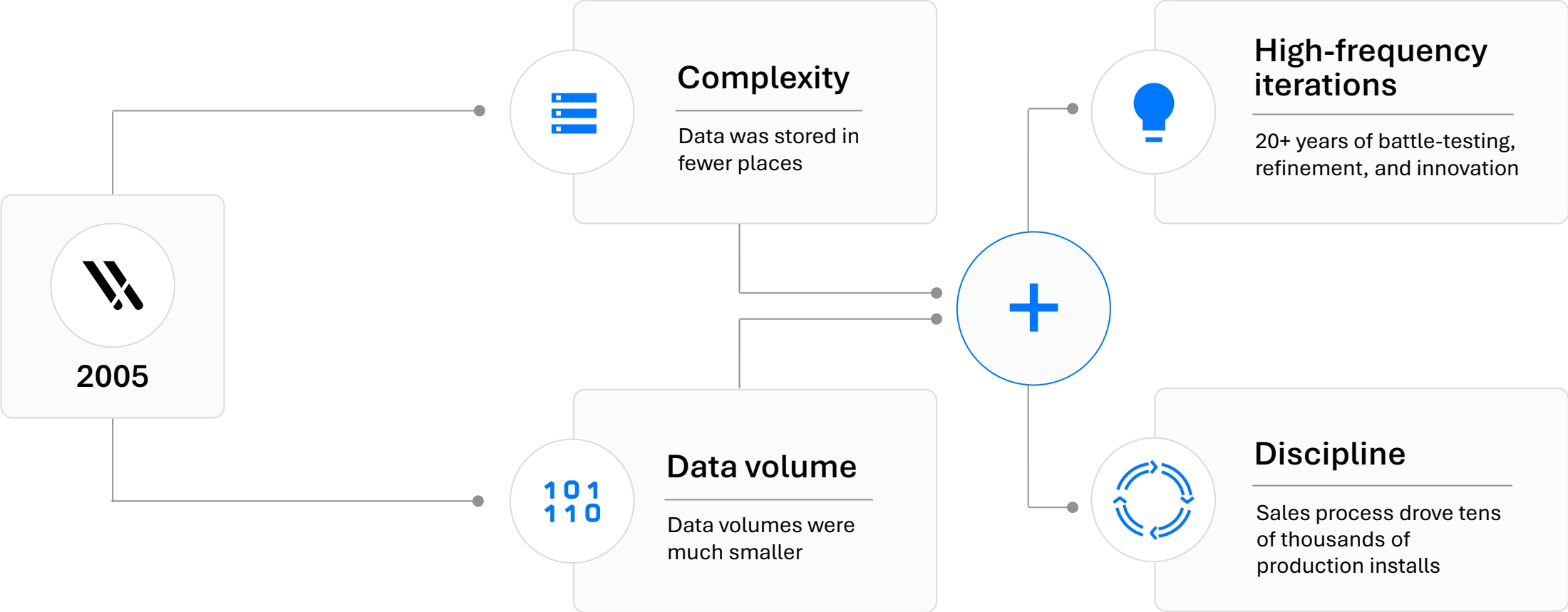
Secure your databases with near-zero overhead.



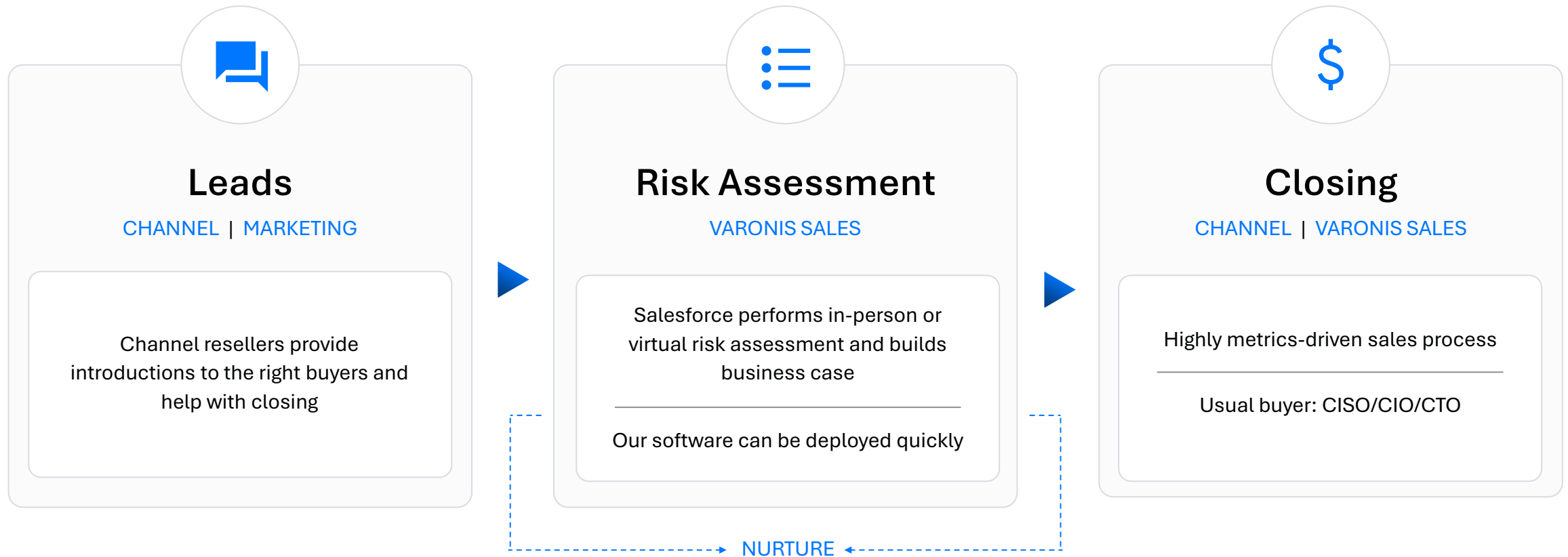
ChatGPT Enterprise

Monitor interactions and secure ChatGPT Enterprise.

First-mover advantage



Predictable sales motion



Proven management team

Yaki Faitelson

CEO, President, Co-Founder
& Chairman

Varonis since 2005

Guy Melamed

CFO & COO

Varonis since 2011

David Bass

Executive VP & CTO

Varonis since 2005

Jim O'Boyle

Vice Chairman - Sales

Varonis since 2006

Dana Shahar

Chief Human Resources Officer

Varonis since 2013

Gilad Raz

CIO & VP of Technical Services

Varonis since 2006

Shai Cohen-Golan

Chief of Staff

Varonis since 2017

Dov Gottlieb

VP & General Counsel

Varonis since 2021

Greg Pomeroy

SVP of Worldwide Sales

Varonis since 2008

David Gibson

SVP of Strategic Programs

Varonis since 2006

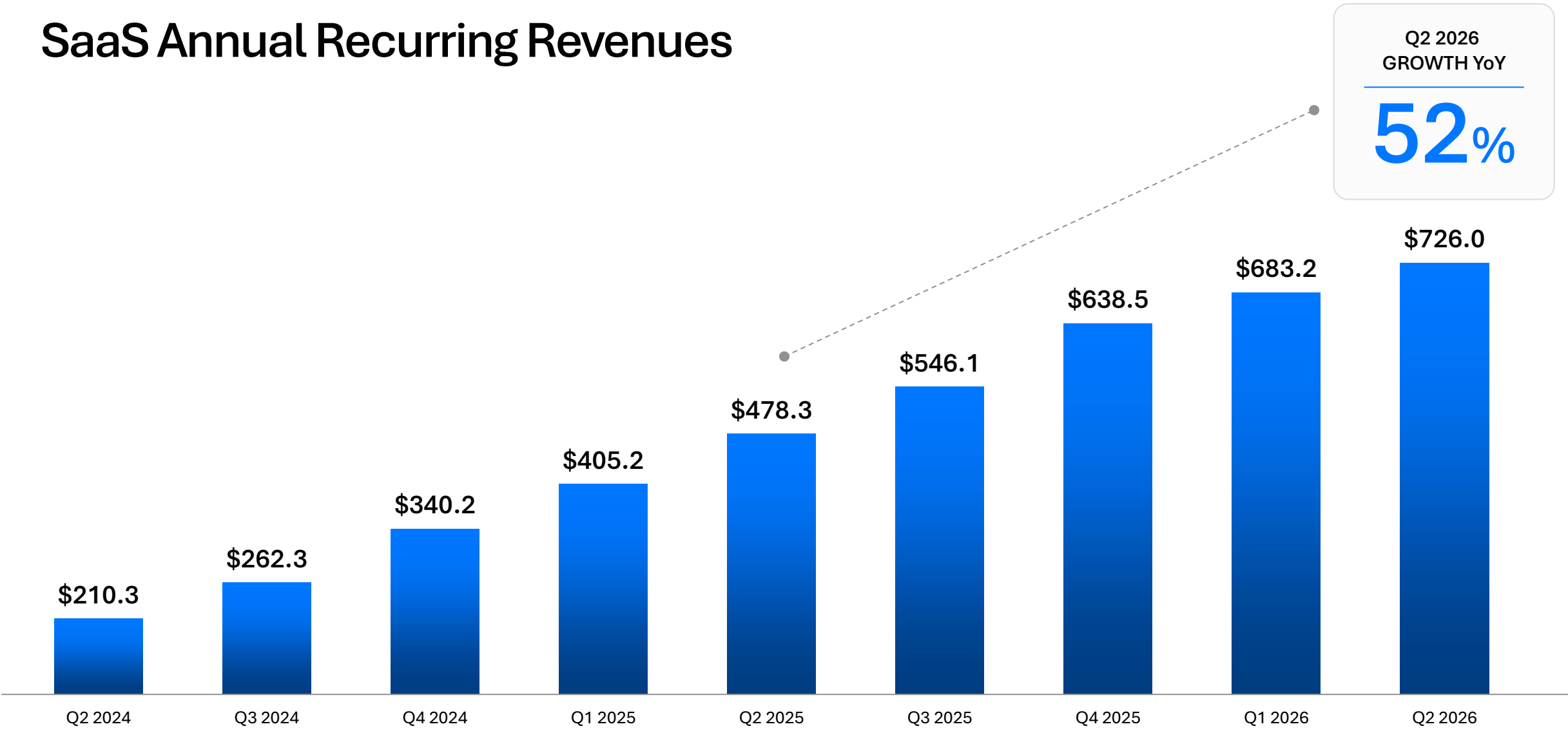
Rob Sobers

CMO

Varonis since 2011

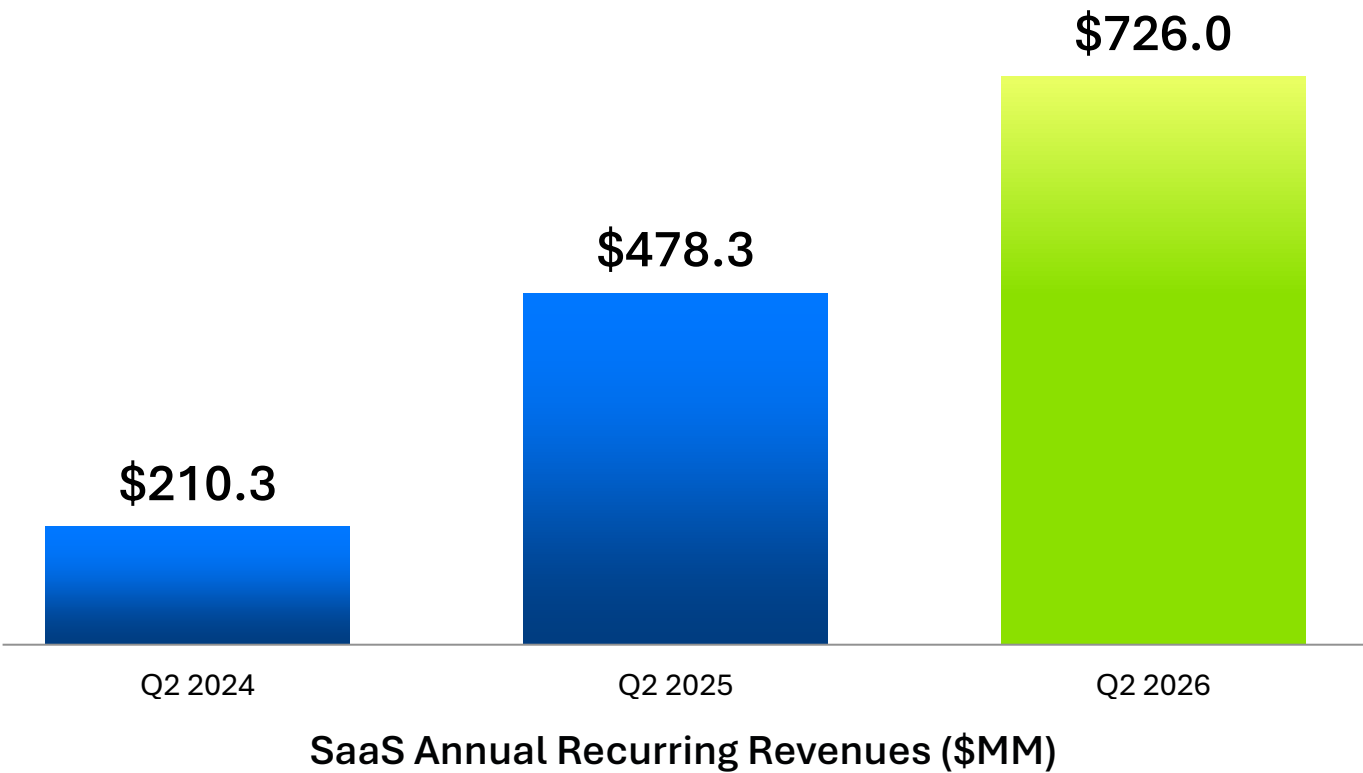
Financial Results: Q2 2026 Highlights

SaaS Annual Recurring Revenues



In millions

Q2 2026 highlights



52%

SaaS ARR YoY Growth

25%

SaaS ARR ex. Conversion YoY Growth

\$81.0MM

YTD Adjusted Free Cash Flow

Quarterly net new SaaS ARR Breakdown

	Q1 2025	Q2 2025	Q3 2025	Q4 2025	FY 2025	Q1 2026	Q2 2026	Q3 2026 Guidance at Midpoint	FY 2026 Guidance at Midpoint
Starting SaaS Annual Recurring Revenues (“ARR”)	\$340.2	\$405.2	\$478.3	\$546.1	\$340.2	\$638.5	\$683.2	\$726.0	\$638.5
(+) Net New SaaS ARR Excluding Conversions	\$25.5	\$29.1	\$26.9	\$28.1	\$109.5	\$33.3	\$31.5 ¹	\$29.5 ³	\$133.5
(+) Conversion ARR	\$39.6	\$44.0	\$40.9	\$64.3	\$188.8	\$11.3	\$11.4 ²	— Note 4 & 5	\$62.5 ⁵
Ending SaaS ARR	\$405.2	\$478.3	\$546.1	\$638.5	\$638.5	\$683.2	\$726.0	\$755.5	\$834.5

In millions

¹Q2 2026 TTM Net New SaaS ARR Ex. Conversions is \$119.8M (Q3/25 – Q2/26)

²Q2 2026 TTM Conversion ARR is \$127.9M (Q3/25 – Q2/26)

³Q3 2026 TTM Net New SaaS ARR Ex. Conversions is assumed to be \$122.4M at the midpoint (Q4/25 – Q3/26)

⁴Q3 2026 TTM Conversion ARR is assumed to be \$87.0M at the midpoint (Q4/25 – Q3/26) and assumes \$0 of conversion ARR in Q3 2026.

⁵Forward-looking guidance for conversion ARR is only provided on an annual basis.

Totals may not foot due to rounding.

Q2 2026 SaaS ARR increased 52% YoY

Q2 2026 SaaS ARR ex. conversion increased 25% YoY

		Growth Rate / Comments
Q2 2025 SaaS ARR	\$478.3MM	
(+) TTM Net New SaaS ARR Excluding Conversions	\$119.8MM	See slide 19 footnote 1
Q2 2026 SaaS ARR Excluding Conversions	\$598.1MM	25%*
(+) TTM Conversion ARR	\$127.9MM	See slide 19 footnote 2
Q2 2026 SaaS ARR	\$726.0MM	52%*

*Growth vs. Q2 2025 SaaS ARR of \$478.3MM

Q3 2026 Financial Guidance (SaaS ARR)

Q3 2026 Guidance assumes Net New SaaS ARR Ex. Conversion of \$28.0M to \$31.0M and \$0 conversion

		Growth Rate / Comments
Q3 2025 SaaS ARR	\$546.1MM	
(+) TTM Net New SaaS ARR Excluding Conversions	\$120.9MM - \$123.9MM	See slide 19 footnote 3
Q3 2026 SaaS ARR Excluding Conversions	\$667.0MM - \$670.0MM	22% - 23%^
(+) TTM Conversion ARR	\$87.0MM	See slide 19 footnote 4
Q3 2026 SaaS ARR*	\$754.0MM - \$757.0MM*	38% - 39%^

*Q3 2026 Net New SaaS ARR guidance assumes \$0 conversion ARR.

^Growth vs. Q3 2025 SaaS ARR of \$546.1MM

Additional modeling considerations:

- Totals may not foot due to rounding.
- We are primarily focused on growing SaaS ARR excluding conversions by selling to new customers, upselling existing SaaS customers and maintaining our high SaaS renewal rate. The growth of SaaS ARR excluding conversions is an important KPI for 2026 and believe this is the metric you should primarily focus on.

FY 2026 Financial Guidance (SaaS ARR)

FY 2026 Guidance assumes Net New SaaS ARR Excluding Conversion of \$130.5M to \$136.5M

Growth Rate / Comments		
Q4 2025 SaaS ARR	\$638.5MM	
(+) FY 2026 Net New SaaS ARR Excluding Conversions	\$130.5MM - \$136.5MM	See slide 19 – Second row
FY 2026 SaaS ARR Excluding Conversions	\$769.0MM - \$775.0MM	20% - 21%^
(+) FY 2026 Conversion ARR	\$50.0MM - \$75.0MM	See slide 19 – Third row
FY 2026 SaaS ARR	\$819.0MM - \$850.0MM	28% - 33%^

^Growth vs. Q4 2025 SaaS ARR of \$638.5MM

Additional modeling considerations:

- We are primarily focused on growing SaaS ARR excluding conversions by selling to new customers, upselling existing SaaS customers and maintaining our high SaaS renewal rate. The growth of SaaS ARR excluding conversions is an important KPI for 2026 and believe this is the metric you should primarily focus on.
- We have also provided a wide range of outcomes for conversion ARR within our full-year guidance framework in order to bridge SaaS ARR excluding conversions to SaaS ARR for modeling purposes. We believe this range captures a pessimistic and optimistic scenario, with the midpoint representing our base case for 2026. Within the year, the timing of conversions may vary, but we are focused on achieving this range within 2026 and will report on the trailing-twelve-month conversion ARR each quarter.

Q3 & FY 2026 Financial Guidance (Additional Metrics)

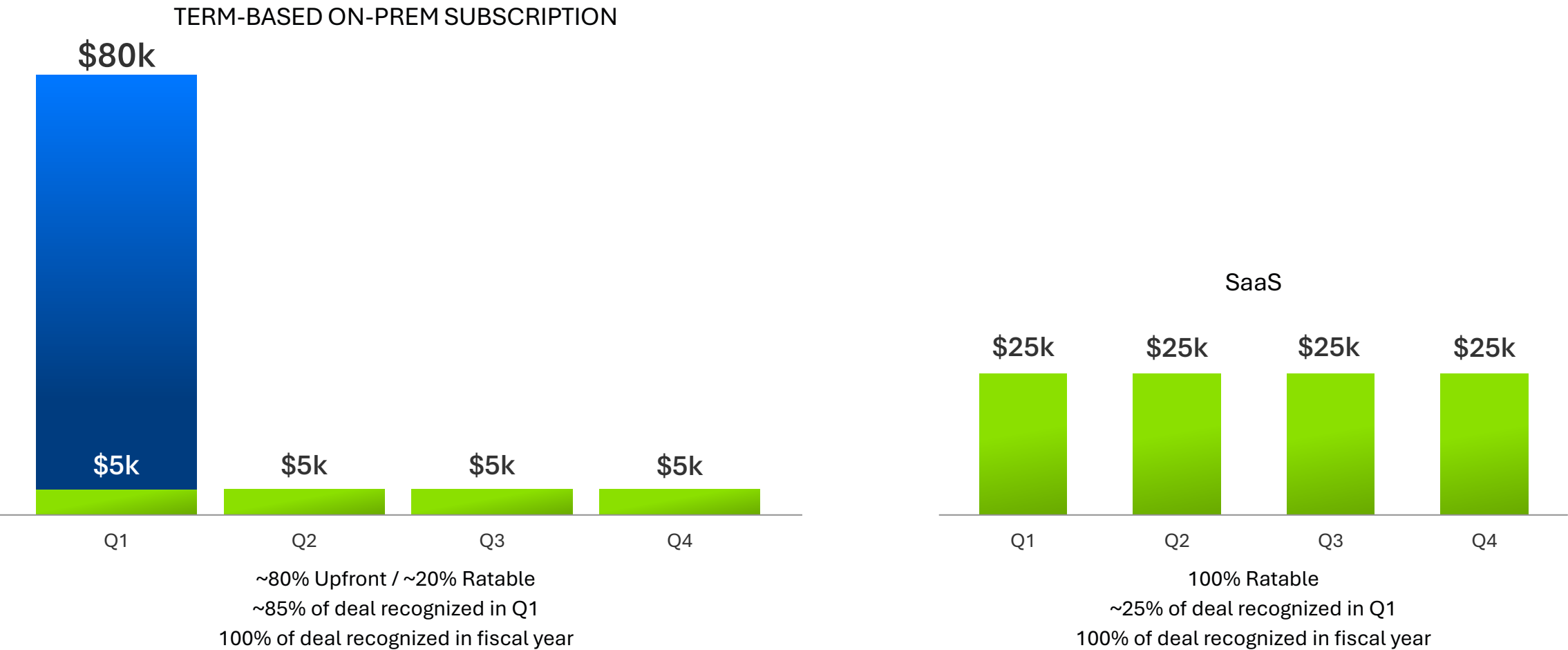
Guidance	Q3 2026	FY 2026
Total Revenues	\$185.0MM – \$188.0MM	\$735.0MM – \$739.0MM
YoY growth	14% – 16%	18% – 19%
Non-GAAP Operating Income	\$2.5MM – \$3.5MM	\$11.0MM – \$13.0MM
Diluted Shares Outstanding	131.1MM	131.5MM
Non-GAAP Net Income per Diluted Share	\$0.02 – \$0.03	\$0.14 – \$0.15
Free Cash Flow		\$105.0MM – \$110.0MM

Our goal is to build a **billion-dollar business** that grows meaningfully with expanding profit and cash flow.



Thank you.

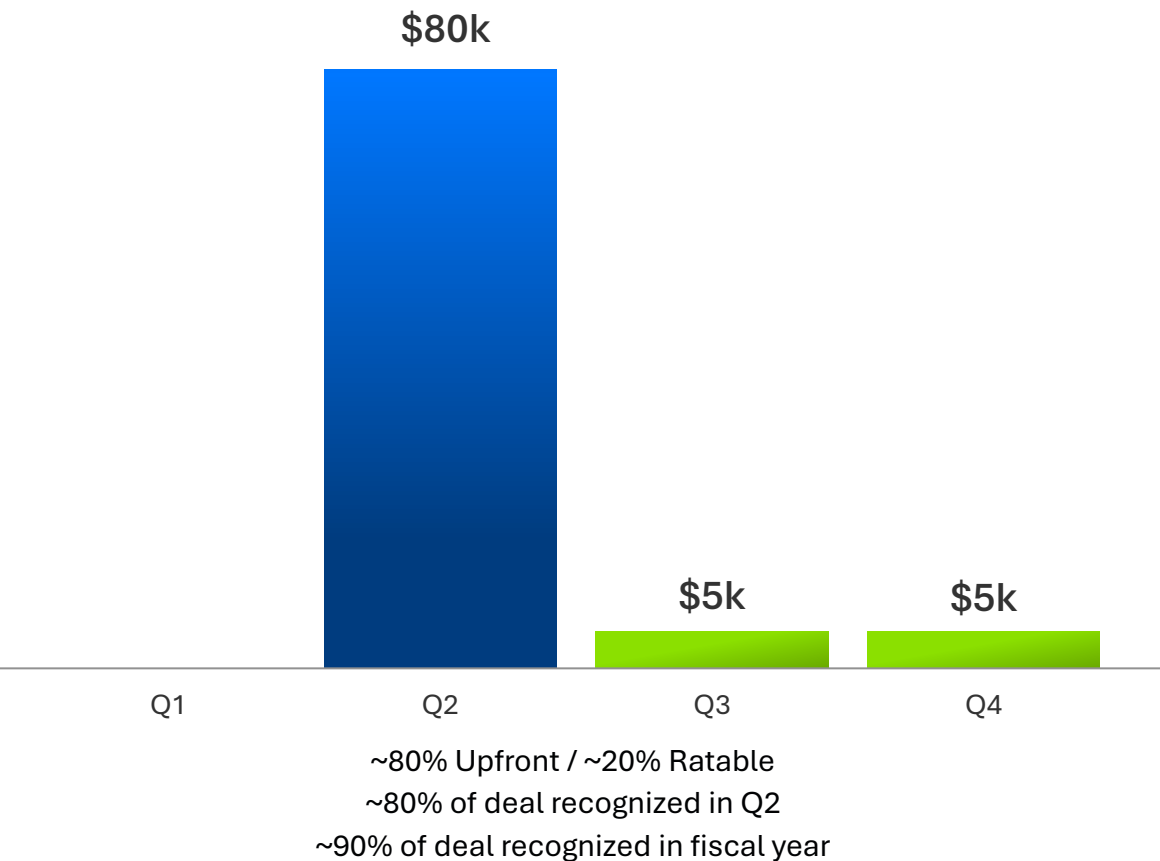
Appendix: Revenue Recognition Example #1



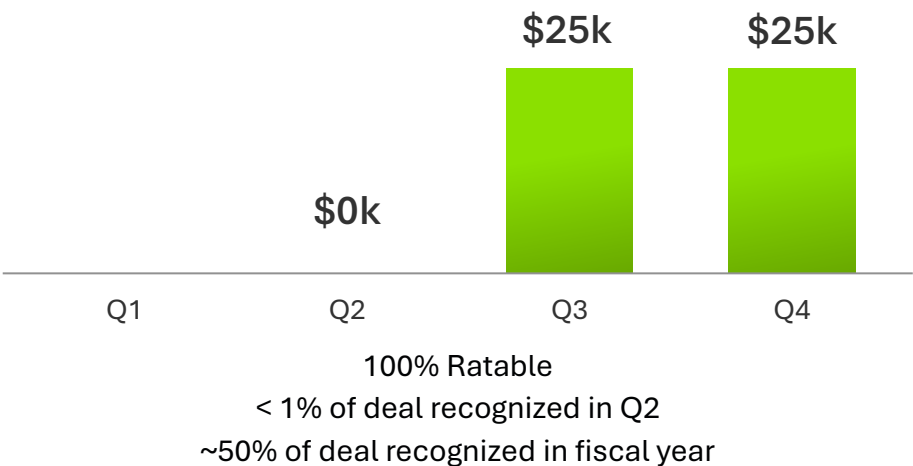
Both scenarios assume \$100K ARR deal delivered on January 1 = **ARR impact is the same**
Both are collected annually in advance = **FCF impact is the same**

Appendix: Revenue Recognition Example #2

TERM-BASED ON-PREM SUBSCRIPTION



SaaS

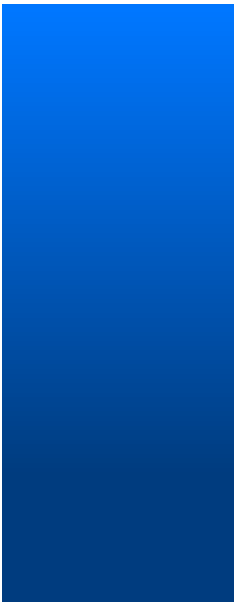


Both scenarios assume \$100K ARR deal delivered on June 30 = **ARR impact is the same**
Both are collected annually in advance = **FCF impact is the same**

Appendix: Revenue Recognition Example #3

TERM-BASED ON-PREM SUBSCRIPTION

\$80K



Q1

Q2

Q3

Q4

~80% Upfront / ~20% Ratable
~80% of deal recognized in Q4
~80% of deal recognized in fiscal year

SaaS

\$0k

Q1

Q2

Q3

Q4

100% Ratable
< 1% of deal recognized in Q4
< 1% of deal recognized in fiscal year

Both scenarios assume \$100K ARR deal delivered on December 31= **ARR impact is the same**
Both are collected annually in advance = **FCF impact is the same**

Appendix: Reconciliation of GAAP Measures to Non-GAAP

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Reconciliation to non-GAAP operating income (loss):				
GAAP operating loss	(\$40,631)	(\$36,552)	(\$85,112)	(\$80,318)
Add back:				
Stock-based compensation expense	34,619	33,859	68,358	66,114
Payroll tax expenses related to stock-based compensation	174	259	2,077	3,326
Amortization of acquired intangible assets and acquisition-related expenses	9,549	532	17,010	2,518
Non-GAAP operating income (loss)	\$3,711	(\$1,902)	\$2,333	(\$8,360)
Reconciliation to non-GAAP net income:				
GAAP net loss	(\$46,809)	(\$35,824)	(\$83,663)	(\$71,607)
Add back:				
Stock-based compensation expense	34,619	33,859	68,358	66,114
Payroll tax expenses related to stock-based compensation	174	259	2,077	3,326
Amortization of acquired intangible assets and acquisition-related expenses	9,549	532	17,010	2,518
Foreign exchange rate differences, net	7,235	4,116	8,015	1,981
Amortization of debt issuance costs	509	887	1,019	1,774
Acquisition-related taxes	—	—	—	391
Non-GAAP net income	\$5,277	\$3,829	\$12,816	\$4,497
GAAP weighted average number of shares used in computing net loss per share of common stock – basic and diluted	114,818,267	112,054,715	115,300,485	112,347,961
Non-GAAP weighted average number of shares used in computing net income per share of common stock – basic	114,818,267	112,054,715	115,300,485	112,347,961
Non-GAAP weighted average number of shares used in computing net income per share of common stock – diluted	130,766,127	135,158,214	131,798,764	135,929,738
GAAP net loss per share of common stock – basic and diluted	(\$0.41)	(\$0.32)	(\$0.73)	(\$0.64)
Non-GAAP net income per share of common stock – basic	\$0.05	\$0.03	\$0.11	\$0.04
Non-GAAP net income per share of common stock – diluted	\$0.04	\$0.03	\$0.10	\$0.03

Appendix: Reconciliation of GAAP Measures to Non-GAAP

	Six Months Ended June 30,	
	2026	2025
Reconciliation to non-GAAP free and adjusted free cash flow:		
Net cash provided by operating activities	\$80,123	\$89,349
Purchases of property and equipment	(\$9,352)	(\$5,716)
Capitalized internal-use software	(\$1,720)	(\$975)
Free cash flow	\$69,051	\$82,658
Cash paid for acquisition-related costs	\$11,944	\$1,651
Adjusted free cash flow	\$80,995	\$84,309

In thousands