



Palo Alto Networks Announces Intent to Acquire Expanse

November 11, 2020

SANTA CLARA, Calif., Nov. 11, 2020 /PRNewswire/ -- Palo Alto Networks (NYSE: PANW), the global cybersecurity leader, announced that it has entered into a definitive agreement to acquire Expanse Inc., a leader in attack surface management. Under the terms of the agreement, Palo Alto Networks will acquire Expanse for a total purchase price of approximately \$670 million to be paid in cash and stock and approximately \$130 million in replacement equity awards, each such amount subject to adjustment. The proposed acquisition is expected to close during Palo Alto Networks fiscal second quarter, subject to the satisfaction of regulatory approvals and other customary closing conditions.

As companies embark on digital transformation, they often leave critical IT assets exposed to the internet, creating vulnerable points that attackers can exploit. This exposure has only accelerated with the rapid shift to the cloud and remote working.

Expanse's internet collection and attribution platform constantly monitors the global internet to map exposed and untracked assets that comprise customers' attack surfaces, evaluate and prioritize risk, and provide mitigation. Expanse's data provides CISOs with a view of the enterprise from the outside, representing the view an attacker sees as they probe for points of weakness. Once combined, the Expanse platform will significantly enrich the Cortex™ product suite and create the ability to stitch together external, internal and threat data to provide organizations with a complete, integrated view of the enterprise.

Expanse customers include Fortune 500 organizations in the financial, healthcare, entertainment and technology industries as well as mission-critical government organizations, including the U.S. military. Expanse co-founders, Dr. Tim Junio and Dr. Matt Kraning, will join Palo Alto Networks.

QUOTES:

"We are thrilled to add the Expanse platform to our Cortex product suite. By integrating Expanse's attack surface management capabilities into Cortex after closing, we will be able to offer the first solution that combines the outside view of an organization's attack surface with an inside view to proactively address all security threats. We believe this will be a game-changer in security operations."

- Nikesh Arora, chairman and CEO of Palo Alto Networks

"Expanse's mission is to discover and mitigate risks for our customers that no one else can find. The world's largest and most complex organizations trust Expanse to continuously discover, inventory, monitor, and report against their dynamically changing attack surface. Matt and I look forward to joining forces with Palo Alto Networks to help secure the internet for enterprises and governments around the world."

- Tim Junio, co-founder and CEO of Expanse

Investor Call Information

Palo Alto Networks will host a video webcast for analysts and investors to discuss the acquisition today at 8:30 a.m. Eastern time/5:30 a.m. Pacific time. Open to the public, investors may access the webcast and presentation from the "Investors" section of the company's website at investors.paloaltonetworks.com. A replay will be available three hours after the conclusion of the webcast and archived for one year.

About Palo Alto Networks

Palo Alto Networks, the global cybersecurity leader, is shaping the cloud-centric future with technology that is transforming the way people and organizations operate. Our mission is to be the cybersecurity partner of choice, protecting our digital way of life. We help address the world's greatest security challenges with continuous innovation that seizes the latest breakthroughs in artificial intelligence, analytics, automation, and orchestration. By delivering an integrated platform and empowering a growing ecosystem of partners, we are at the forefront of protecting tens of thousands of organizations across clouds, networks, and mobile devices. Our vision is a world where each day is safer and more secure than the one before. For more information, visit www.paloaltonetworks.com.

Palo Alto Networks, Cortex, and the Palo Alto Networks logo are trademarks of Palo Alto Networks, Inc. in the United States and in jurisdictions throughout the world. All other trademarks, trade names, or service marks used or mentioned herein belong to their respective owners.

Forward-Looking Statements

This press release contains "forward-looking" statements that are based on our management's beliefs and assumptions and on information currently available to management. Such forward-looking statements include statements regarding our intention to acquire Expanse, Inc., expectations regarding the timing of when the acquisition will be completed, the expected benefits of the acquisition of Expanse to us, our market position, and our customers, the expected impact of the acquisition on our offerings, our expectations regarding our existing and acquired offerings performing as intended, our integration plans, and the Expanse members of management expected to join us. These forward-looking statements are subject to the safe harbor provisions created by the Private Securities Litigation Reform Act of 1995. There are a significant number of factors that could cause actual results to differ materially from statements made in this press release, including risks associated with new product and subscription releases, including risks associated with managing our growth; our ability as an organization to successfully integrate Expanse and acquire and integrate other companies, products or technologies in a successful manner; 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; delays in the development or release of new subscription offerings, or the failure to timely develop and achieve market acceptance of new products and subscriptions as well as existing products and subscription and support offerings; rapidly evolving technological developments in the market for network security products and subscription and support offerings; length of sales cycles; the coronavirus' effect on our supply chain, our ability to complete the transaction in a timely manner, or execute on integration plans; and general market, political, economic and business conditions. Additional risks and uncertainties are included under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our annual report on Form 10-K filed with

the Securities and Exchange Commission ("SEC") on August 4, 2020, which is available on our website at investors.paloaltonetworks.com and on the SEC's website at www.sec.gov. Additional information will also be set forth in other filings that we make with the SEC from time to time. All forward-looking statements in this press release 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 or to update the reasons why actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

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