



Palo Alto Networks Announces Intent to Acquire The Crypsis Group

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Proposed acquisition extends Cortex XDR™ platform with tightly coupled breach response, proactive security assurance and digital forensics services

SANTA CLARA, Calif., Aug. 24, 2020 /PRNewswire/ -- Palo Alto Networks (NYSE: PANW), the global cybersecurity leader, announced that it has entered into a definitive agreement to acquire The Crypsis Group, a leading incident response, risk management and digital forensics consulting firm. Under the terms of the agreement, Palo Alto Networks will acquire The Crypsis Group for a total purchase price of \$265 million, subject to adjustment, to be paid in cash. The proposed acquisition is expected to close during Palo Alto Networks' fiscal first quarter, subject to the satisfaction of regulatory approvals and other customary closing conditions.

As threat actors continue to professionalize and grow in sophistication, the risk of revenue and reputational impact of a security breach increases dramatically. In order to focus on the health and growth of their business, organizations need trusted partners to not only quickly and efficiently respond to and contain attacks but also leverage their learning and insight to prevent future attacks.

Palo Alto Networks already provides best-in-class prevention, detection and response capabilities through Cortex XDR. The addition of The Crypsis Group's security consulting and forensics capabilities will strengthen Cortex XDR's ability to collect rich security telemetry, manage breaches and initiate rapid response actions. The Crypsis Group's experts and insights will also fuel the Cortex XDR platform with a continuous feedback loop between incident response engagements and product research teams to prevent future cyberattacks. The company expects to integrate The Crypsis Group's processes and technology into Cortex XDR to further enhance its ability to safeguard organizations at every stage of the security lifecycle.

The Crypsis Group's more than 150 security consultants have handled some of the most complex and significant cybersecurity incidents, responding to more than 1,300 security engagements per year. Named one of the Top 10 Digital Forensics Services Companies of 2019 and 2020 by Enterprise Security magazine, The Crypsis Group has served more than 1,700 organizations across the healthcare, financial services, retail, e-commerce and energy industries. The firm's CEO, Bret Padres, will join Palo Alto Networks.

The Crypsis Group currently operates as part of the ZP Group, an organization with a portfolio of companies specializing in breach response, national security solutions and IT staffing.

QUOTES:

"The proposed acquisition of The Crypsis Group will significantly enhance our position as the cybersecurity partner of choice, while expanding our capabilities and strengthening our Cortex strategy. By joining forces, we will be able to help customers not only predict and prevent cyberattacks but also mitigate the impact of any breach they may face."

- Nikesh Arora, chairman and CEO of Palo Alto Networks

"We have dedicated ourselves to creating a more secure world through the fight against cybercrime. Together with Palo Alto Networks, we will be able to help businesses and governments better respond to threat actors on a global scale."

- Bret Padres, CEO of The Crypsis Group

"Bret Padres and the Crypsis leadership team have built a world-class incident response and digital forensics company. I cannot think of a better organization to leverage and scale the services that Crypsis offers than Palo Alto Networks."

- Justin Jordan, chairman and CEO of ZP Group

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.

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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 The Crypsis Group, expectations regarding the timing of when the acquisition will be completed, the expected benefits of the acquisition of The Crypsis Group 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, and our integration plans. 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 our limited operating history; risks associated with

managing our growth; our ability as an organization to successfully integrate The Crypsis Group 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; 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 quarterly report on Form 10-Q filed with the Securities and Exchange Commission ("SEC") on May 22, 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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