



Palo Alto Networks Announces Intent to Acquire CloudGenix to Extend the Industry's Most Comprehensive Secure Access Service Edge (SASE) Platform

March 31, 2020

SANTA CLARA, Calif., March 31, 2020 /PRNewswire/ -- Palo Alto Networks (NYSE: PANW), the global cybersecurity leader, today announced that it has entered into a definitive agreement to acquire CloudGenix, Inc., an industry-leading cloud-delivered SD-WAN provider. Under the terms of the agreement, Palo Alto Networks will pay approximately \$420 million in cash to acquire CloudGenix, subject to adjustments. The acquisition is expected to close during Palo Alto Networks' fiscal fourth quarter, subject to the satisfaction of regulatory and customary closing conditions.

As applications continue to move from corporate data centers to the cloud and SaaS, and users require secure access to applications from anywhere in the world, organizations are struggling to manage access for the distributed workforce. Current remote access solutions for the branch and retail offices are complex, costly and often insecure. To support the modern workforce, organizations need access to all applications from all locations, delivered via a global network as a service for accelerated access, and with integrated world-class security from the cloud. This is what the industry calls "secure access service edge," or SASE.

Palo Alto Networks Prisma™ Access is the industry's most comprehensive SASE platform, delivering a global cloud network with cloud-delivered security for all users. With the proposed acquisition, Palo Alto Networks will integrate CloudGenix's cloud-managed SD-WAN products to accelerate the intelligent onboarding of remote branches and retail stores into Prisma Access. This combination will extend the breadth of the Prisma Access SASE platform, address network and security transformation requirements, and accelerate the shift from SD-WAN to SASE.

CloudGenix has attracted approximately 250 customers, many of which are in the Fortune 1000 and include companies in healthcare, retail, manufacturing, finance, banking, tech and hospitality. CloudGenix was named a 2020 Gartner Peer Insights Customers' Choice for WAN Edge Infrastructure. CloudGenix co-founders, Kumar Ramachandran, Mani Ramasamy and Venkataraman Anand, have agreed to join Palo Alto Networks.

Quotes:

"As the enterprise becomes more distributed, customers want agile solutions that just work, and that applies to both security and networking. Upon the close of the transaction, the combined platform will provide customers with a complete SASE offering that is best-in-class, easy to deploy, cloud-managed, and delivered as a service."

- Nikesh Arora, chairman and CEO, Palo Alto Networks

"CloudGenix's vision has been to revolutionize branch offices through cloud-delivered Autonomous WANs. With CloudGenix, enterprises gain cloud-scale economics for the branch office with the freedom to use any WAN, any cloud, and best-of-breed infrastructure services. We thank our customers for making us an industry leader in enterprise SD-WAN. By joining forces with Palo Alto Networks, we will accelerate our ability to serve customers and partners in their network and security transformation."

- Kumar Ramachandran, co-founder and CEO, CloudGenix

Conference Call Information

Palo Alto Networks will host a conference call for analysts and investors to discuss the acquisition today at 5:00 p.m. Eastern time/2:00 p.m. Pacific time. Open to the public, investors may access the call by dialing 1-800-263-0877 or 1-720-543-0197 and using conference ID 3166616. A live audio webcast of the conference call will also be accessible from the "Investors" section of our website at investors.paloaltonetworks.com. Following the webcast, an archived version will be available on our website for one year. A telephonic replay of the call will be available three hours after the call, will run for ten days, and may be accessed by dialing 1-888-203-1112 or 1-719-457-0820 and entering the passcode 3166616.

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 CloudGenix, Inc., expectations regarding the timing of when the acquisition will be completed and our integration efforts after we close the transaction, the expected benefits of the acquisition of CloudGenix to us and to our customers, and the expected impact of the acquisition on our offerings. 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, such as risks associated with new product and subscription releases, including our ability to successfully integrate CloudGenix into our product offerings; risks associated with managing our growth; our ability as an organization to successfully integrate CloudGenix 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 ship products, 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 quarterly report on Form 10-Q filed with the Securities and Exchange Commission ("SEC") on February 25, 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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