Palo Alto Networks Announces Intent to Acquire Two Companies to Extend Its Cloud Security Leadership

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Proposed acquisitions will add Twistlock's industry-leading container security capabilities and PureSec's expertise in serverless security to the Prisma cloud security suite

SANTA CLARA, Calif., May 29, 2019 /PRNewswire/ -- Palo Alto Networks (NYSE: PANW), the global cybersecurity leader, today announced that it has entered into definitive agreements to acquire Twistlock, the leader in container security, and PureSec, a leader in serverless security, to extend its Prisma™ cloud security strategy.

These proposed acquisitions will further advance the company's ability to offer the most complete and comprehensive cloud security suite in all critical areas of cloud security. Prisma, used by approximately 9,000 customers worldwide, helps enable a secure journey to the cloud by providing organizations with visibility across the entire cloud environment while consistently governing access, protecting data, and securing applications regardless of location. With the additions of Twistlock and PureSec to the Prisma cloud security suite, Palo Alto Networks will be uniquely positioned to secure today's modern applications throughout the entire life cycle, enabling organizations to deliver innovations that are secure, reliable, and scalable.

"Today marks another exciting step forward in our commitment to offering our customers the industry's most complete cloud security offering. We believe that our acquisition of these leading companies will significantly enhance our ability to be the cybersecurity partner of choice for our customers, while expanding our capabilities and strengthening our Prisma cloud security strategy."
~ Nikesh Arora, chairman and CEO, Palo Alto Networks

Twistlock: Leading Container Security Company

Under the terms of the agreement, Palo Alto Networks will pay approximately $410 million in cash, subject to adjustments, to acquire Twistlock. Twistlock, the container security leader, combines vulnerability management, compliance, and runtime defense for cloud-native applications and workloads. The company serves more than 290 customers, with more than a quarter on the Fortune 100 list. Twistlock co-founders, Ben Bernstein and Dima Stopel, will join Palo Alto Networks.

"Our vision for a cloud-native security platform is a natural fit with Palo Alto Networks cloud strategy. We have liked-minded teams, and we're looking forward to accelerating our ability to serve customers and partners on their cloud-native journey together."
~ Ben Bernstein, co-founder and CEO, Twistlock

PureSec: Pioneering Serverless Security Company

PureSec is a technology visionary in serverless security. PureSec enables its customers to build and maintain secure and reliable serverless applications. The company provides end-to-end security for serverless functions that cover vulnerability management, access permissions, and runtime threats. The company was recognized as a Gartner Cool Vendor in April 2019. PureSec co-founders, Shaked Zin, Ory Segal, and Avi Shulman, will join Palo Alto Networks. Terms of the PureSec transaction were not disclosed.

"PureSec's vision has always been to ensure that all serverless applications will be secured at the very highest level. By joining forces with Palo Alto Networks, we will undoubtedly be able to make that a reality much faster. We are humbled and excited about this opportunity."
~ Shaked Zin, co-founder and CEO, PureSec

Both acquisitions are expected to close during Palo Alto Networks fiscal fourth quarter, subject to the satisfaction of regulatory approvals and other customary closing conditions.

About Twistlock
Trusted by more than 25% of the Fortune 100, Twistlock is the world's first truly comprehensive cloud native security platform, providing holistic coverage across hosts, containers, and serverless in a single platform. Twistlock is cloud-native and API-enabled itself, protecting all your workloads regardless of what underlying compute technology powers them.

About PureSec
As a global leader in serverless architectures security, PureSec enables its customers to build and maintain secure and reliable serverless applications. PureSec's end-to-end serverless security solution is the industry's first and most comprehensive security protection for serverless architectures.

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 Twistlock and PureSec, expectations regarding the timing of when the acquisitions will be completed, the expected benefits of each acquisition of Twistlock and PureSec to us, our market position, and our customers, the expected impact of the acquisitions on our offerings, our expectations regarding our existing and acquired offerings performing as intended, our integration plans, and the Twistlock and PureSec 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 our limited operating history; risks associated with managing our rapid growth; our ability as an organization to successfully integrate both Twistlock and PureSec 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 February 27, 2019, 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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