# The Future of Security Risk Management and Operations is Data and AI

March 14, 2024

**Zscaler acquires Avalor to unleash the power of enterprise security data with Avalor's Data Fabric for Security™ to bring real-time AI-driven security insights and threat prevention**

SAN JOSE, Calif., March 14, 2024 (GLOBE NEWSWIRE) -- Zscaler, Inc. (NASDAQ: ZS), the leader in cloud security, announced another major leap forward in artificial intelligence (AI) innovations that extends the Zscaler Zero Trust Exchange™ data, from more than 400 billion daily Zscaler transactions with Avalor's Data Fabric for Security with over 150 pre-built integrations enabling customers to proactively identify and predict critical vulnerabilities as well as improve operational efficiencies. By leveraging its massive data foundation, Zscaler is poised to transform the AI capabilities for the cybersecurity industry to not only enable organizations to mitigate risks and optimize performance but also pave the way for zero-touch operations.

The rapid advancement of AI will have pivotal impacts to the cybersecurity industry and to effectively combat AI-led threats, organizations must fully harness their currently isolated security data at massive scale. Zscaler's 16 years of leadership operating the world's largest cloud security platform has allowed it to leverage a massive data set to develop its pioneering AI-driven solutions, including Zscaler Risk360 and Zscaler Business Insights, which set a new benchmark for proactive cybersecurity and business intelligence.

"AI is only as good as the underlying data, and many solutions lack the additional context and knowledge from data sources across the enterprise to truly leverage security specific AI models," said Jay Chaudhry, CEO, Chairman, and Founder of Zscaler. "Zscaler operates the world's largest security cloud with the most relevant data to train security specific large language models (LLMs) and with the Avalor acquisition, we can more effectively identify vulnerabilities, while predicting and preventing breaches."

Avalor's Data Fabric for Security ingests, normalizes, and unifies data across enterprise security and business systems to deliver actionable insights, analytics, and operational efficiencies. By expanding Zscaler's Zero Trust Exchange platform with a security-centric data fabric, Zscaler enables enterprises to significantly enhance and fully automate AI-driven analytics and decision-making in real-time without the complexity of data aggregation and collection. Customers now have dynamic and customizable prioritization, streamlined reporting, zero-copy analytics, and real-time incident mitigation, as well as advanced threat detection, auto data discovery, classification, and policy generation, all within the Zscaler cloud security platform.

"We have long understood that being able to make sense of all the disparate security data sources in an organization is essential to understanding and improving risk posture, that's why we delivered the industry's first Data Fabric for Security to provide that aggregated platform," said Raanan Raz, co-founder and CEO, Avalor. "The first application running on our Data Fabric is our Unified Vulnerability Management (UVM) module. By combining the Zscaler proprietary data sets with the 150 third-party sources Avalor supports, we will be in a prime position to enhance our UVM capabilities and create new applications with additional cyber protection insights."

To learn more about Zscaler's AI capabilities, please visit https://www.zscaler.com/capabilities/machine-learning

**Transaction Details**
The purchase price was paid predominantly in cash, with a portion delivered in the form of equity subject to vesting conditions. The acquisition closed on March 13, 2024.

**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 our management. These forward-looking statements include the expected benefits of the acquisition to Zscaler's product offerings and to our customers. These forward-looking statements are subject to the safe harbor provisions created by the Private Securities Litigation Reform Act of 1995. A significant number of factors could cause actual results to differ materially from statements made in this press release, including those factors related to our ability to successfully integrate Avalor's technology and operations, and our ability to retain key employees of Avalor after the acquisition. Additional risks and uncertainties are set forth in our most recent Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission ("SEC") on March 6, 2024, which is available on our website at ir.zscaler.com and on the SEC's website at www.sec.gov. Any forward-looking statements in this release are based on the limited information currently available to Zscaler as of the date hereof, which is subject to change, and Zscaler will not necessarily update the information, even if new information becomes available in the future.

**About Zscaler**
Zscaler (NASDAQ: ZS) accelerates digital transformation so customers can be more agile, efficient, resilient, and secure. The Zscaler Zero Trust Exchange™ platform protects thousands of customers from cyberattacks and data loss by securely connecting users, devices, and applications in any location. Distributed across more than 150 data centers globally, the SASE-based Zero Trust Exchange™ is the world's largest in-line cloud security platform.

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