Zscaler Extends Zero Trust SASE Leadership and Eliminates the Need for Firewall-Based Segmentation

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Acquisition of Airgap Networks will extend Zscaler's Zero Trust Exchange to protect east-west traffic in branches, campuses, and critical OT infrastructure

SAN JOSE, April 11, 2024 (GLOBE NEWSWIRE) -- Zscaler, Inc. (NASDAQ: ZS), the leader in cloud security, today announced they have signed an agreement to acquire Airgap Networks, the leader in cybersecurity solutions for business-critical networks. Combining Zscaler's Zero Trust SD-WAN and Airgap Networks' agentless segmentation technology will transform how enterprises implement Zero Trust Segmentation to IoT/OT devices, and critical infrastructure across branches, campuses, factories, and data centers, including east-west connectivity.

Traditional NAC and network-based firewalls that use static Access Control Lists (ACLs) to control east-west traffic were not designed to prevent sophisticated threats from moving laterally within a Local Area Network (LAN). Airgap Networks' novel approach, using an intelligent Dynamic Host Configuration Protocol (DHCP) proxy architecture, isolates every device and dynamically controls access based on identity and context, reducing business risk for enterprises with critical infrastructure.

Customers will benefit in the following ways:

- **Extending Zero Trust to Devices on Internal Networks** - Airgap Networks' technology enforces Zero Trust principles across east-west (LAN) device traffic, shrinking the internal attack surface to help eliminate lateral threat movement on campus and OT networks.
- **Securing Critical OT Infrastructure -** Airgap Networks' technology delivers real-time device discovery and inline enforcement. It acts as a ransomware kill switch, disabling non-essential device communications to halt lateral threat movement without interrupting business operations. Airgap Networks' solution neutralizes advanced threats, such as ransomware on IoT devices, OT systems, and agent-incapable devices.
- **Delivering Operational Simplicity and Cost Savings -** Airgap Networks' solution eliminates the need for risk-prone east-west firewalls and antiquated security technologies, such as Network Access Control (NAC), with the ability to identify and control all traffic from managed and unmanaged devices on any branch, campus or factory network without requiring changes to the existing switching and routing infrastructure. This dramatically improves enterprises' security posture as traditional approaches using NAC fundamentally contradict the foundational principle of Zero Trust – "never trust, always verify."

"Together, Zscaler and Airgap Networks have the opportunity to reimagine every aspect of how traditional solutions have approached security in campus and data center environments, particularly east-west," said Naresh Kumar, Vice President and General Manager of Product Management, Zscaler. "Zscaler is doubling down on SASE with significant innovation around Zero Trust Networking, disrupting SD-WAN, NAC, and firewall-based security for east-west and OT networks."

For more information, see "Zscaler Acquires Airgap Networks."

The terms of the deal were not disclosed.

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 Airgap Networks technology and operations, and our ability to retain key employees of Airgap Networks 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 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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