Zscaler Announces Intent to Acquire Cloudneeti

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Acquisition to Extend Zscaler Cloud Security Platform's Leading Data Protection Offerings to Public Cloud

SAN JOSE, Calif., April 09, 2020 (GLOBE NEWSWIRE) -- [Zscaler, Inc.](link) (NASDAQ: ZS), the leader in cloud security, today announced the intent to acquire Cloudneeti, a Cloud Security Posture Management (CSPM) company. With the acquisition, Zscaler will provide its customers industry-leading data protection coverage in the Zscaler Cloud Security Platform. Cloudneeti prevents and remediates application misconfigurations in SaaS, IaaS and PaaS. These misconfigurations are a leading cause of data breaches and compliance violations in cloud applications.
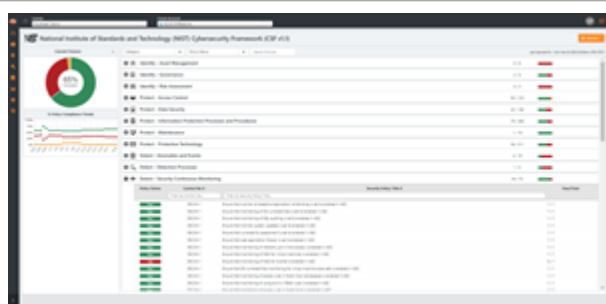

Gururaj Pandurangi - Cloudneeti Founder and CEO

Pravin Kulkarni - Cloudneeti Co-Founder and COO

Zscaler to Acquire Cloudneeti - Multi-cloud Compliance Dashboard

Zscaler to Acquire Cloudneeti - NIST Cybersecurity Framework

Zscaler to Acquire Cloudneeti - Risk Dashboard

"Cloudneeti augments Zscaler's data protection capabilities and will dramatically improve organizations' cloud security by discovering and eliminating some of the most common causes of data breaches and compliance violations," said Jay Chaudhry, Chairman and CEO of Zscaler. "Whether caused by SaaS applications being configured incorrectly or a developer accidentally misconfiguring a new public cloud application, these preventable data protection lapses are behind some of the biggest breaches in history. I am thrilled to welcome the Cloudneeti team to the Zscaler family."

"Pravin and I founded Cloudneeti with a vision to end breaches and compliance violations that are caused by entirely preventable misconfigurations as applications move to the cloud," said Gururaj Pandurangi, Founder and CEO of Cloudneeti. "Cloudneeti was built in the cloud for the cloud, which is why Zscaler is such an exciting technological and cultural fit for the team. We are excited to be working with Zscaler to provide market-leading security assurance to help customers accelerate their digital transformation journey."

Fully Cloud-Delivered Service Improves Zscaler Customers' Cloud Data Protection

Zscaler Cloud Security Platform was built from the ground up to help organizations deliver world-class security and a great experience as they embrace digital transformation. Zscaler already provides data protection for SaaS applications with CASB. Cloudneeti extends that data protection to public cloud workloads and will further improve Zscaler's comprehensive data protection offerings by providing customers with:

- **Complete Data Protection and Exposure Prevention:** Data protection policies apply across locations, users and application types to ensure consistent and comprehensive data loss prevention in compliance with regulations like GDPR.
- **Unified Compliance Assurance:** A single platform that provides compliance visibility and violation mitigation across SaaS applications like Microsoft Office 365 and cloud service providers including Amazon Web Services and Microsoft Azure to

ensure government laws and industry regulations are followed.

- **Automated Risk Reduction:** Automated remediations that ensure cloud applications are not vulnerable to outside threats by following industry and organizationally-defined policies.

Gartner writes, "Through 2024, organizations implementing a CSPM offering and extending this into development will reduce cloud-related security incidents due to misconfiguration by 80%."[1] Cloudneeti also vastly improves compliance assurance and reporting - a constant and complicated pain point for CIOs and their organizations. Cloudneeti's CSPM capabilities prevent application misconfigurations and compliance violations by checking SaaS, IaaS, PaaS, and cloud provider configurations, comparing them to industry and organizational policies to report on violations, and automating remediation with the help of machine learning.

Cloudneeti's capabilities strengthen the data protection capabilities of Zscaler Internet Access (ZIA) and Zscaler's out-of-band Cloud Access Security Broker (CASB). Cloudneeti expands application protection capabilities in Zscaler Private Access (ZPA) by allowing developers to find and automatically correct misconfigured applications and compliance violations in cloud service provider environments.

For more information, visit the Zscaler Data Protection website.

The transaction is expected to close prior to the completion of Zscaler's fiscal third quarter subject to the satisfaction of customary closing conditions. Terms of the transaction 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 our intention to acquire Cloudneeti, the timing of when the acquisition will be completed and 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 Cloudneeti technology into our cloud platform and our ability to retain key employees of Cloudneeti after the acquisition. Additional risks and uncertainties are set forth our most recent Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission ("SEC") on March 4, 2020, 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.

[1] *Gartner, Innovation Insight for Cloud Security Posture Management, Gartner, January 25, 2019.*

About Zscaler

Zscaler (NASDAQ: ZS) enables the world's leading organizations to securely transform their networks and applications for a mobile and cloud-first world. Its flagship services, Zscaler Internet Access™ and Zscaler Private Access™, create fast, secure connections between users and applications, regardless of device, location, or network. Zscaler services are 100 percent cloud-delivered and offer the simplicity, enhanced security, and improved user experience that traditional appliances are unable to match. Used in more than 185 countries, Zscaler operates a multi-tenant distributed cloud security platform, protecting thousands of customers from cyberattacks and data loss. Learn more at **zscaler.com** or follow us on Twitter **@zscaler**.

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Photos accompanying this announcement are available at

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