

Press Release

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World's Premier Investors Line Up to Partner with Netskope as the SASE Security and Networking Platform of Choice

Morgan Stanley Tactical Value, Goldman Sachs Asset Management, Ontario Teachers' Pension Plan, and Canada Pension Plan Investment Board (CPP Investments) Invest \$401M in Netskope

SANTA CLARA, Calif. – January 5, 2023 – [Netskope](#), a leader in Secure Access Service Edge (SASE), on the heels of its recognition as Cloud Security Services Vendor of the Year, its sixth straight ranking on the Forbes Cloud 100 list of top cloud companies, and its recognition as a Leader in the 2022 Gartner® Magic Quadrant™ for Security Service Edge (SSE), today announced an oversubscribed investment round of \$401M.

The partners for this oversubscribed convertible note investment were four of the world's premier investors. The financing was led by investment funds managed by Morgan Stanley Tactical Value, with participation from Goldman Sachs Asset Management, Ontario Teachers' Pension Plan, and CPP Investments. Netskope plans to extend its technology and platform advantages and market reach through continued innovative worldwide platform development and expansion of strategic go-to-market activities, underscoring its leadership and momentum in what leading analysts estimate to be the \$36 billion market opportunity for SASE by 2025.

This financing marks the latest among many recent business and financial milestones for Netskope and serves as another strong validation and indicator of the continued momentum and adoption of the company's vision, team, products, culture, and market opportunity.

Securing Modern Cloud Networks

As hybrid and remote work has become the new reality, and the use of the cloud accelerates, enterprises of all sizes need to transform their network and data security strategy and architecture. As a result, they are rapidly adopting SASE as a foundational part of their zero trust strategy, to safeguard data, support digital transformation efforts, and realize better efficiency by addressing security and networking challenges through a unified architecture. In addition, enterprises are increasingly seeking SASE

capabilities from fewer sources to reduce vendor and tool sprawl. Gartner notes^[1] that, “by 2025, 65% of enterprises will have consolidated individual SASE components into one or two explicitly partnered SASE vendors, up from 15% in 2021.”

The Netskope converged SASE platform includes Netskope’s industry-leading Intelligent [Security Service Edge \(SSE\)](#) and [Borderless SD-WAN](#) technologies, all of which are crucial to providing the optimized access and zero trust-based security required in a modern networking and security technology stack. Netskope today is one of only a few providers of single-vendor SASE. It is also the only SASE provider recognized as a representative vendor in the 2022 [Gartner Market Guide to Single Vendor SASE](#) that also appears as a [Leader in the 2022 Gartner Magic Quadrant for Security Service Edge](#).

“Our vision from day one was that traditional network and security perimeters would transform, with users, data, and devices moving outside the confines of corporate network perimeters and requiring a new approach to security,” said Sanjay Beri, Netskope CEO and co-founder. “With a cloud-first, data-first, and customer-centric philosophy, we built a market-leading SASE platform and one of the world’s fastest and most-connected security cloud networks. We have enabled enterprises everywhere to allow their users to be mobile, efficient, and flexible while securing them and the data and applications they access, whether they are in the cloud, on the web, or are private applications on-prem and beyond. We are very proud of the team members, customers, industry luminaries, and existing and new partners announced today who are helping to enable Netskope’s journey and secure the journey of all enterprises worldwide.”

Over the past 12 months, Netskope has broadened its market reach in the following ways:

- **Increased Customer Base** – to more than 2,400 total customers worldwide, including over 25 of the Fortune 100, and across all verticals including financial services, healthcare, retail, telecommunications, manufacturing, government, high tech, and beyond.
- **Expanded SASE Platform** – through organic development of new [endpoint data loss prevention](#), [advanced cloud firewall](#), and [zero trust network access](#) products, as well as strategic acquisitions of [WootCloud](#) and [Infiot](#) to serve as core technology components of Netskope’s innovative IoT Security and Borderless SD-WAN modules, respectively.
- **Growing Patent Portfolio** – more than 100 global patents awarded to Netskope inventors, in data loss prevention, AI/ML, threat prevention, high speed cloud networking, and other strategic technology categories.
- **Continued Expansion of NewEdge security private cloud** – now powered by full-compute data centers in more than 60 regions worldwide. Every Netskope NewEdge data center is accessible to every customer, with all Netskope SASE services available, providing low latency and high-performing infrastructure, and backed by [industry-leading Service Level Agreements](#).
- **New and Enhanced Go-to-Market Partnerships** – with some of the world’s best-known cloud platform, service provider, and systems integrator brands, including [Orange](#), [Deloitte](#), [Telefonica](#), [KPN](#), [AWS](#), [Google Cloud](#), [CrowdStrike](#), [Mimecast](#), [Okta](#), and others which expand Netskope’s global reach and ability to capture market share.
- **Increased Corporate Footprint** – to more than 2,500 team members, active in over 40 countries, with open roles across teams and regions. In 2022, Netskope also enhanced its seasoned executive team with leaders from Salesforce, AWS, Cisco, Palo Alto Networks, and others joining Netskope.
- **Industry Recognition:** Recent Netskope highlights also include product, customer, and industry recognition, including:
 - Won 2022 CRN Cloud Services Vendor of the Year award
 - Won [Best SASE Solution and Most Promising Unicorn](#) awards from SC Media
 - Ranked among the highest two solutions for every single use case in the [2022 Gartner Critical Capabilities for Security Service Edge](#) report
 - Named a [Leader in the IDC MarketScape for Cloud Security](#)
 - Awarded one of the [first U.S. Federal Civilian Government](#) States Patent and Trademark Office

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- Named for a [sixth time to the Forbes Cloud 100](#), as one of only four security vendors to rank in the Top 50
- Achieved best-in-class employer brand and employee experience ratings from [Glassdoor](#)
- Achieved a [Silver Medal from EcoVadis](#), highlighting commitment to ESG and business sustainability

“Cloud migration—and securing this modern network—represents one of the most significant and transformative technology shifts in decades,” said Pedro Teixeira, managing director of Morgan Stanley and Co-Head of Morgan Stanley’s Tactical Value Investing Team. “We seek to invest in high-quality companies that are driving their markets today and into the future. Netskope epitomizes this, with its innovative SASE vision and solid execution, a robust platform with significant monetization ahead of it, a large global customer base, and defensible market leadership. We look forward to partnering with the team as they strive to realize the significant opportunity that lies ahead.”

Legal Notices

Morgan Stanley & Co. LLC served as the sole placement agent for the note offering. Pillsbury Winthrop Shaw Pittman LLP served as Netskope’s legal counsel and Latham & Watkins LLP served as Morgan Stanley Tactical Value’s counsel. J Wood Capital Advisors LLC acted as financial advisor to Netskope.

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About Netskope

Netskope, a global SASE leader, is redefining cloud, data, and network security to help organizations apply zero trust principles to protect data. Fast and easy to use, the Netskope platform provides optimized access and real-time security for people, devices, and data anywhere they go. Netskope helps customers reduce risk, accelerate performance, and get unrivaled visibility into any cloud, web, and private application activity. Thousands of customers, including more than 25 of the Fortune 100, trust Netskope and its powerful NewEdge network to address evolving threats, new risks, technology shifts, organizational and network changes, and new regulatory requirements. Learn how Netskope helps customers be ready for anything on their SASE journey, visit netskope.com.

^[1] Gartner, “Market Guide for Single-Vendor SASE,” 28 September 2022. By Neil MacDonald, John Watts, Jonathan Forest, Andrew Lerner.

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