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Qualys Announces Agreement to Acquire Assets of NetWatcher

Acquisition adds to Qualys Cloud Platform powerful threat detection, incident response, and compliance management capabilities for businesses of all sizes

FOSTER CITY, Calif., Nov. 29, 2017 /PRNewswire/ -- [Qualys, Inc.](#) (NASDAQ: QLYS), a pioneer and leading provider of cloud-based security and compliance solutions, today announced that it has entered into an asset purchase agreement with [NetWatcher](#), pursuant to which Qualys will acquire certain assets of NetWatcher in a cash transaction. This asset purchase provides significant domain expertise in building and delivering cybersecurity and real-time threat intelligence offerings. The NetWatcher service is expected to be fully integrated into the Qualys Cloud Platform in the next twelve months.

NetWatcher's technology combines asset discovery, vulnerability management, intrusion detection, behavioral monitoring, SIEM, log management and continuous threat intelligence all in one solution that looks for anomalous behavior 24x7 and provides businesses with a real-time view of the security posture of assets, including weak passwords, unsafe behavior, and outdated software. Through continuous network security monitoring, it also identifies potential threats and vulnerabilities that are created both from employees and external entities and enables customers to remediate security issues quickly.

"Built on open source components, NetWatcher has created a comprehensive cybersecurity and threat intelligence service that helps businesses of all sizes effectively manage cyber threats, provide incident response, and manage compliance across on-premise, hybrid and cloud environments," said Philippe Courtot, chairman and CEO, Qualys, Inc. "Native integration of Netwatcher into the Qualys Cloud Platform allows us to deliver its capabilities at enterprise scale, helping us expand our reach into the real-time threat intelligence market and strengthen our relationships with managed security service providers, who will offer and deliver this service to their clients worldwide."

NetWatcher's technology includes:

- | [On-premises or cloud-based sensors](#), which provide threat intelligence derived from advanced correlation of data from multiple sources such as Intrusion Detection (IDS), Netflow Analytics and Log Analysis (SIEM).
- | [Endpoint sensors](#) that provide log forwarding and behavioral monitoring on premises or while mobile users are connecting to unsecure Wi-Fi networks.
- | [Monitoring of user behavior for insider threats](#) that notifies if users create vulnerabilities on the network such as running risky or vulnerable software and sending personally identifiable information over the Internet in clear text.
- | [Immediate alerts provided for exploited assets](#) through a customer portal, mobile app, reports, email and SMS.
- | [Compliance reporting](#) for PCI DSS, SOX, ISO, GLBA, HIPAA and other compliance programs that require log storage, management and monitoring.

The acquisition will incorporate NetWatcher's team into Qualys, including CEO [Scott Suhy](#) who is appointed Vice President of Strategic Alliances and Business Development for Qualys. [Kenneth Shelton](#), CTO and founder of NetWatcher, will become Vice President of Engineering, Real-time Threat Correlation Platform at Qualys. Additionally, Qualys will continue to support existing NetWatcher customers and partners and sell its offerings and solutions worldwide. The asset acquisition is not material to Qualys financials. NetWatcher was advised by ARC Securities and Paradigm Counsel.

Additional Resources:

- | Follow Qualys on [LinkedIn](#) and [Twitter](#)
- | Read more about the [Qualys Cloud Platform](#)
- | Read more about [NetWatcher](#)

About Qualys.

Qualys, Inc. (NASDAQ: QLYS) is a pioneer and leading provider of cloud-based security and compliance solutions with over 9,300 customers in more than 120 countries, including a majority of each of the Forbes Global 100 and Fortune 100. Qualys helps organizations streamline and consolidate their security and compliance solutions in a single platform and build security into digital transformation initiatives for greater agility, better business outcomes and substantial cost savings. The Qualys Cloud Platform and its integrated Cloud Apps deliver businesses critical security intelligence continuously, enabling them to automate the full spectrum of auditing, compliance and protection for IT systems and web applications on premises,

on endpoints and elastic clouds. Founded in 1999 as one of the first SaaS security companies, Qualys has established strategic partnerships with leading managed service providers and consulting organizations including Accenture, BT, Cognizant Technology Solutions, Deutsche Telekom, Fujitsu, HCL Technologies, HP Enterprise, IBM, Infosys, NTT, Optiv, SecureWorks, Tata Communications, Verizon and Wipro. The company is also a founding member of the Cloud Security Alliance. For more information, please visit www.qualys.com.

Forward-Looking Statements.

This press release contains forward-looking statements, within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties including, among other things, statements regarding the asset acquisition, including its facilitation of the delivery of new products, features and functionality, strengthening of our services and reach in the mid-market and expansion of relationships with managed security service providers. These forward-looking statements are only predictions and may differ materially from actual results due to a variety of factors, including the risk that we will be unable to successfully integrate NetWatcher's assets; effects of the highly competitive market in which we operate, including competition from other technology companies; any inability to successfully develop and introduce new products, features, and services or enhance existing products and services; product liability issues, security breaches or other defects; and other factors discussed under the heading "Risk Factors" in our most recent report on Form 10-Q filed with the Securities and Exchange Commission. All forward-looking statements contained herein are based on information available to us as of the date hereof and we do not assume any obligation to update these statements as a result of new information or future events.

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