

Item 3.02 Unregistered Sales of Equity Securities.

On February 18, 2019, Palo Alto Networks, Inc., a Delaware corporation (the “Parent”), certain of its wholly owned subsidiaries, Demisto, Inc., a Delaware corporation (the “Company”) and Fortis Advisors LLC (solely in its capacity as the representative of the stockholders of the Company) entered into a Merger Agreement (the “Merger Agreement”). The Merger Agreement provides, among other things, that on the terms and subject to the conditions set forth therein, Parent will acquire all of the outstanding shares, warrants and other rights to acquire or receive equity of the Company for total consideration of \$560 million, subject to certain customary purchase price adjustments. Subject to the terms and conditions set forth in the Merger Agreement, the purchase price would be paid in a mix of cash and shares of Parent’s common stock. Subject to the satisfaction of the closing conditions set forth in the Merger Agreement, the number of shares of Parent common stock to be issued to certain stockholders of the Company will be based on (x) the elections of such stockholders of the Company, which elections are subject to upward or downward adjustment as set forth in the Merger Agreement and (y) the average closing price of Parent common stock on the New York Stock Exchange for the period of 20 consecutive trading days ending on (and including) the third day immediately prior to the closing of the transactions contemplated by the Merger Agreement. At this time, the number of shares to be issued in connection with the transactions contemplated by the Merger Agreement is not known.

The issuance of shares of common stock of Parent pursuant to the Merger Agreement will be made solely to accredited investors, and thus in reliance on one or more exemptions or exclusions from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), including Section 4(a)(2) of the Securities Act, Regulation D promulgated under the Securities Act or in reliance on Regulation S promulgated under the Securities Act.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PALO ALTO NETWORKS, INC.

By: /s/ NIKESH ARORA

Nikesh Arora

Chief Executive Officer

Date: February 19, 2019