

Investment Update – 31 May 2019

Palo Alto Networks Inc enters into agreement to acquire PureSec

We are pleased to share news recently received from Square Peg Capital Pty Ltd's Fund II (Square Peg Fund II) in which the Venture Capital Opportunities Fund is invested.

PureSec, one of the early investments in Square Peg Fund II, has entered into an agreement to be acquired by Palo Alto Networks (NYSE: PANW, Market Cap: US\$20 billion), one of the world's leading cybersecurity providers. Should the acquisition be completed, it will result in a return of approximately two times the amount invested in PureSec by Square Peg Fund II.

This sale is significantly earlier than Square Peg Capital had expected, given the business is still early in its lifecycle and the acquisition offer came as a surprise to the company. However, the founders saw an opportunity to be able to accelerate the growth of their business inside Palo Alto Networks.

Square Peg Capital led PureSec's Series A funding round in September 2018, based on Square Peg Capital's investment thesis that the shift to serverless computing was a significant technological trend and that this shift presented new and large security challenges. It is exciting that one of the world's leading cybersecurity providers, Palo Alto Networks, has in effect substantiated Square Peg Capital's investment thesis and further, it is great validation for PureSec that they are a prominent player in the industry led by an exceptional team.

The acquisition is not complete at this stage, however both parties are committed to the transaction and are aiming to complete it within the next few weeks. On completion, this sale will have a positive impact on the value of Venture Capital Opportunities Fund Units and may result in a distribution to Unitholders.

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