



May 29, 2026

Centre for Research on Multinational Corporations (SOMO)
KNSM-laan 17
1019 LA Amsterdam
The Netherlands

Subject: Response to SOMO's May 14, 2026 Letter – The Netherlands Investment

Dear SOMO Research Department,

I write on behalf of Palo Alto Networks, Inc. (Palo Alto Networks or the Company) in response to SOMO's letter dated May 14, 2026 (the SOMO Letter, attached hereto as Annex 1), which Palo Alto Networks received at its Amsterdam office on May 18, 2026. This letter should be read together with my initial response dated May 20, 2026 (our Initial Response, Annex 2).

Palo Alto Networks is one of the world's leading cybersecurity companies. We are dedicated to protecting organizations worldwide from cyber threats. Tens of thousands of customers across 150 countries use our products and services to defend against cyberattacks, including private and public sector organizations, public utilities, financial institutions, hospitals and other essential infrastructure. The Company's core mission is to safeguard digital systems and enable a safer digital world.

Palo Alto Networks respects SOMO's role in conducting independent research. However, the SOMO Letter relies on factual errors, faulty inferences, and speculative claims that fundamentally mischaracterize our mission and operations. Specifically, the SOMO Letter describes our active operating entity, Palo Alto Networks (Netherlands) B.V. (the Dutch entity), as a "letterbox company" despite its significant operational presence spanning over a decade. The SOMO Letter also mischaracterizes the standard, arm's length treasury and investment functions of our separate vehicle, Palo Alto Networks Holding B.V. This vehicle executes the centralized intercompany financing and cash management operations customarily found across multinational corporate structures. Furthermore, its analysis singles out our Israeli subsidiary holdings while ignoring that our Dutch structures hold investments in subsidiaries across multiple continents. It speculates about the identity of unnamed commercial customers to manufacture a geopolitical narrative, and it conflates the personal background of our retired founder with the institutional character of a U.S.-headquartered, publicly listed company with over 20,000 employees worldwide.

Simply put, Palo Alto Networks should not be mentioned in a publication that we assume will examine corporate misconduct or improper financial arrangements. Below we summarize the factual misrepresentations set out in the SOMO Letter:

Misrepresentation I: Palo Alto Networks (Netherlands) B.V. as a "Letterbox Company"

The SOMO Letter refers to the Dutch entity as a "letterbox company." This characterization is demonstrably false. A "letterbox company" is, by definition, an artificial shell lacking real operational substance. In stark contrast, Palo Alto Networks established its active Dutch

commercial entity in 2012 – not in 2023 as the SOMO Letter erroneously claims.¹ The Dutch entity serves a significant operational role, with significant revenue.

As stated in its 2025 audited annual report, the Dutch entity serves a vital commercial purpose, employing 326 personnel based directly in the Netherlands dedicated to regional sales and marketing. In total, the entity oversees 955 professionals across its non-Americas operations² to support its role as the central distributor of security platform solutions within those designated regional markets. Reflecting this operational volume, the entity's recorded commercial revenue reached USD 2,648,988,000 for the fiscal year ended July 31, 2025.

A company with hundreds of employees, billions of dollars in revenue, and 14 years of continuous operations cannot credibly be described as a “letterbox company.” The use of this term, which carries specific legal and public connotations of artificiality and lack of economic substance, constitutes a defamatory and unlawful mischaracterization.

Misrepresentation II: Selective Presentation of the Dutch Holding Structure

The SOMO Letter states that Palo Alto Networks “uses a Dutch company, Palo Alto Networks (Netherlands) B.V., to hold its Israeli subsidiary.” The presentation of this information is selective and misleading. Our Dutch corporate structures hold equity investments in more than 30 active operating subsidiaries globally, not solely the Israeli subsidiary. By singling out the Israeli holding without acknowledging this extensive international footprint, the SOMO Letter creates a false and misleading impression that the Dutch entity was established specifically or primarily for this purpose.

Misrepresentation III: Financial Activities of Palo Alto Networks Holding B.V.

SOMO's analysis conflates our distinct corporate structures in the Netherlands. Palo Alto Networks (Netherlands) B.V. serves as an active operational entity with many employees, whose primary activities consist of the sales and marketing of products and services, and acts as a central distributor of security platform solutions for the non-Americas business operations of the Palo Alto Networks Group. In contrast, the intercompany loans and cash contributions referenced in the SOMO Letter route directly through Palo Alto Networks Holding B.V. This entity functions as a centralized corporate treasury and holding vehicle for the group's international investments. Conflating a functional holding and acquisition vehicle with an operational entity demonstrates a fundamental misunderstanding of standard international corporate operations.

The SOMO Letter refers to cash contributions and interest-free loans made through Palo Alto Networks Holding B.V. to the Israeli subsidiary. The manner in which SOMO's letter presents this information implies that these financial flows are unusual or suspicious. Intra-group financing through regional holding companies to coordinate cross-border capital, manage international transactions, and distribute liquidity is standard practice for multinational enterprises. To the extent the SOMO Letter implies that these financial

¹ The SOMO Letter states that, “in 2023 Palo Alto Networks opened a regional head office in the Netherlands for the sales and marketing of its non-American business.” This is factually incorrect. Palo Alto Networks (Netherlands) B.V. was incorporated on 2 February 2012 and registered with the Dutch Chamber of Commerce (KvK) on March 12, 2013. The Company opened its EMEA headquarters in Amsterdam shortly thereafter. The Company's Dutch presence dates back well over a decade, not to 2023. The 2023 date relates to a relocation to a new office building, not the establishment of the Company's Dutch operations.

² This number does not include employees working for various other Palo Alto Networks entities through the EMEA region.

activities reflect a strategic commercial focus on Israel, this characterization lacks proper context. As the SOMO letter acknowledges, Palo Alto Networks has acquired multiple Israeli cybersecurity companies over the years. The Company's investments in Israel are substantially a consequence of these acquisitions and reflect that Israel has a strong talent pool of cybersecurity experts and businesses.

Misrepresentation IV: The Israeli Tender

The SOMO Letter states that Palo Alto Networks won a network security tender worth EUR 144.8 million for "critical network infrastructure" of an undisclosed "major Israeli customer" and speculates that this may be the Israeli government. In fact, Danet Communications, an independent Israeli company, won that tender in partnership with Palo Alto Networks. Moreover, the press release expressly states that the figures included therein are estimations and indications only, not confirmed amounts. Nonetheless, SOMO has inaccurately presented these speculative figures as fact.

Misrepresentation V: Nir Zuk's Background and Characterization of Israeli "Links"

The SOMO Letter discusses the background of the Company's founder, Nir Zuk, including his prior service in IDF Unit 8200 and his subsequent career at Check Point Software. Framing these facts under the umbrella of "close links to Israel" and "close links to the Israeli state" conflates an individual's personal background and career history with the institutional character of a global publicly listed company. SOMO also failed to acknowledge that Mr. Zuk retired from his role as Chief Technical Officer in 2025 and no longer serves on the Company's Board of Directors.

Palo Alto Networks is a U.S.-headquartered company dual-listed on Nasdaq and the Tel Aviv Stock Exchange³ and has over 20,000 employees in numerous countries worldwide. The Company's corporate policies, governance, and operations are determined by its Board of Directors and executive leadership team, not by the background of any single individual.

Legal Framework and Duty of Care under Dutch law

Organizations, like SOMO, that publish factual assertions about companies owe a duty of care (*zorgvuldigheidsnorm*) under Dutch law to ensure such assertions are accurate, substantiated, and not misleading. The District Court of The Hague⁴ recently held that the publication of statements lacking sufficient factual support constituted a failure to exercise the required duty of care and an unlawful act entitling the aggrieved party to injunctive relief, rectification, and compensation.

The SOMO Letter contains demonstrable factual errors, misleading characterizations, selectively presented information, and unsupported and speculative inferences that materially misrepresent Palo Alto Networks' operations, corporate structure, and business rationale for its presence in the Netherlands.

³ The SOMO Letter states: "Palo Alto Networks is currently listed on the New York Stock Exchange." This is factually incorrect. Palo Alto Networks is, and has at all relevant times been, listed on the Nasdaq Stock Market (ticker: PANW). The SOMO Letter also states that Palo Alto Networks "will also become listed on the Tel Aviv Stock Exchange" following the CyberArk acquisition. This is outdated. Palo Alto Networks has completed the CyberArk acquisition and is currently also listed on the Tel Aviv Stock Exchange.

⁴ *Rechtbank Den Haag* 2 September 2025 (ECLI:NL:RBDHA:2025:16353).


Accordingly, Palo Alto Networks should not be mentioned in this report. However, should SOMO decide to maintain one or more references to Palo Alto Networks in the report, we again insist that SOMO share the final version of the report prior to publication. This way, we can help SOMO correct inaccurate and misleading contentions and, in doing so, forestall legal escalation.

Conclusion and Formal Demands

Based on the foregoing, Palo Alto Networks hereby requests: (i) the removal of all references to Palo Alto Networks from SOMO's forthcoming publication entirely; or, in the alternative, should SOMO nevertheless proceed with any reference to the Company: (ii) the sharing of the final version of the report prior to publication; (iii) the correction of the factual errors identified in this letter in full; (iv) the removal of the defamatory "letterbox company" label; and (v) the correction of the misleading characterizations and unsupported inferences identified above.

Palo Alto Networks reserves all its rights, but trusts that legal escalation will not be necessary because we can work together to prevent SOMO from publishing any statement concerning Palo Alto Networks that is inaccurate, misleading, or otherwise unlawful⁵.

Sincerely,

DocuSigned by:

41B0B0F1BB24493...

Bruce R. Byrd
Executive Vice President and General Counsel
Palo Alto Networks, Inc.

⁵ Please note that this applies to any format or medium, including digital, print, and social media.

Annex 1

14 May 2026 Letter from SOMO Research Department



Received on:
18/05/2026
@10:50

**Centre for Research on
Multinational Corporations**

KNSM-laan 17
1019 LA Amsterdam
The Netherlands

Tel: +31 (0)20 639 12 91
E-mail: info@somo.nl
somo.nl

IBAN: NL56 TRIO 0198407777
BIC-CODE: TRIONL2U
COC (KVK): 412 233 08

For the attention of:

Nikesh Arora
Chief Executive Officer
Palo Alto Networks

Amsterdam, 14 May 2026

Subject: The Netherlands Investment

Dear Mr. Arora,

The Centre for Research on Multinational Corporations (known as SOMO) is an Amsterdam-based organisation that investigates the influence and impacts of multinational companies and investment structures. We work from a public interest perspective, seeking reasonable restrictions on corporate power. We are writing to you as part of research we are conducting on the role of the Netherlands in facilitating investment into and out of Israel.

Our forthcoming report on this issue refers to Palo Alto Networks. We are writing to offer you an opportunity to comment on how Palo Alto Networks' Dutch holding company is referenced in the report.

Palo Alto Networks is one of the world's largest tech companies, with a market capitalisation of over \$145 billion and 2025 revenue of \$9.2 billion.ⁱ The company has close links to Israel. It was founded in 2005 by Nir Zuk, who had previously served as head of software development of the IDF cyber intelligence Unit 8200.ⁱⁱ He subsequently worked at Check Point Software, from 1994 to 1999, before setting up Palo Alto Networks.ⁱⁱⁱ In a March 2025 interview with Israeli newspaper, he described Check Point's new CEO "a great commander of 8200 and a great venture capitalist".^{iv}

Palo Alto Networks' ties to Israel go beyond its founder's background. The company's largest R&D center outside of Silicon Valley is in Israel, where it has 1,600 employees.^v It has spent over \$1.5 billion to buy 12 Israeli start-ups since 2014.^{vi}

Palo Alto Networks is currently listed on the New York Stock Exchange but has announced it will also become listed on the Tel Aviv Stock Exchange after the acquisition of Israeli cybersecurity company CyberArk for \$25 billion.^{vii} The Israeli Innovation Authority has called this dual listing "a symbolic and structural turning point for Israel's tech sector".^{viii} After the listing, Palo Alto Networks would become the largest company on the Tel Aviv Stock Exchange by market capitalisation.^{ix}

In 2026, Palo Alto Networks won Israel's largest network security tender, worth EUR 144.8 million, to provide cybersecurity protection for "critical network infrastructure" of an undisclosed "major Israeli customer".^x Palo Alto Networks won the tender through a partnership with Israeli cybersecurity firm Accel and its subsidiary Danet Communications.^{xi} It

is possible the "major Israeli customer" is the Israeli government. Accel and Danet won a government tender to provide cloud security in 2024 in a joint bid with Wiz.^{xii}

Palo Alto Network's Dutch letterbox company

In 2023 Palo Alto Networks opened a regional head office in the Netherlands for the sales and marketing of its non-American business.^{xiii} It has 329 employees in the Netherlands and recorded \$2.6 billion in revenue in 2025.^{xiv} Palo Alto Networks also uses a Dutch company, Palo Alto Networks (Netherlands) B.V., to hold its Israeli subsidiary, Palo Alto Networks (Israel Services) Ltd.^{xv} This Israeli subsidiary was the employer of the company's founder and former Chief Technical Officer Nir Zuk until his retirement in 2025.^{xvi}

Palo Alto Networks uses the Dutch company Palo Alto Networks Holding B.V., to provide cash and loans to Palo Alto Networks' Israeli subsidiary, worth hundreds of millions, according to its 2024 annual report.^{xvii} In 2023 it used this company to contribute \$704 million in cash to the Israeli subsidiary to enable the acquisition of two Israeli cybersecurity companies, Dig Security^{xviii} and Talon Cyber Security.^{xix} In 2017 and 2019, the Dutch company provided \$52.1 million in interest-free loans to the Israeli subsidiary.^{xx}

SOMO's publication raises questions about Palo Alto's use of the Netherlands to hold its Israeli subsidiary. Our report notes that companies investing in the Netherlands and using the country as a base for financial services and foreign investment frequently benefit from Dutch tax planning tools and Dutch policy instruments that offer significant advantages to these companies. The benefits are frequently highly skewed in favour of corporate accumulation at the expense of the public finances of the Netherlands and other countries.

The report names Palo Alto Networks as one amongst several Israeli companies that use the Netherlands as a base for foreign investment, including investment into Israel, and raises questions to the Dutch government about the way in which the Netherlands benefits companies that may have close links to the Israeli state.

Should Palo Alto Networks have any comment or clarification on these matters, we would ask to receive that, to the email address research@somo.nl, by 21 May 2026.

Your sincerely,

SOMO Research Department

ⁱSee: www.paloaltonetworks.com/about-us#whoWeAre; Annual report, 2024, Palo Alto Networks, Inc., p. 43. Available via: See: <https://investors.paloaltonetworks.com/static-files/821765bc-6121-4f8e-b898-1755b8e26ac8>.

ⁱⁱSee: <https://en.globes.co.il/en/article-nlr-zuk-fears-mass-exodus-of-talent-from-israel-1001503530>; https://media.paloaltonetworks.com/documents/Palo_Alto_Networks_Corp_Backgrounder.pdf

ⁱⁱⁱSee: <https://www.forbes.com/sites/calebmelby/2013/03/27/nlr-zuks-palo-alto-networks-is-blowing-up-internet-security/>

^{iv}See: <https://en.globes.co.il/en/article-nlr-zuk-fears-mass-exodus-of-talent-from-israel-1001503530>

^vSee: <https://jobs.paloaltonetworks.com/en/israel> ; See: <https://www.reuters.com/business/palo-alto-plans-dual-listing-tel-aviv-after-closing-25-billion-cyberark-deal-2026-02-12/> ; See: <https://www.calcalistech.com/ctechnews/article/rve00i9hd11x>; Annual report, 2024, Palo Alto Networks, Inc., p. 94.

^{vi}See: https://www.timesofisrael.com/liveblog_entry/palo-alto-ceo-says-firm-still-committed-to-investing-in-israel-even-after-us-israeli-founder-left/ ; See: <https://www.calcalistech.com/ctechnews/article/hkoluvxozg>

^{vii}See: <https://www.paloaltonetworks.com/company/press/2026/palo-alto-networks-completes-acquisition-of-cyberark-to-secure-the-al-era>

^{viii}See: https://www.calcalistech.com/ctechnews/article/sjsh49dbx#google_vignette & See: https://www.linkedin.com/posts/innovationisrael_english_palo-alto-networks-to-become-israels-largest-activity-7428770329310838784-kgqY/

^{ix}See: <https://www.paloaltonetworks.com/company/press/2026/palo-alto-networks-completes-acquisition-of-cyberark-to-secure-the-al-era>

^xSee: <https://www.businesswire.com/news/home/20260311866246/en/Accel-Solutions-Group-Wins-Israels-Largest-Network-Security-Tender-in-Partnership-with-Palo-Alto-Estimated-at-Up-to-NIS-500-Million>

^{xi}See: <https://www.businesswire.com/news/home/20260311866246/en/Accel-Solutions-Group-Wins-Israels-Largest-Network-Security-Tender-in-Partnership-with-Palo-Alto-Estimated-at-Up-to-NIS-500-Million>

^{xii}See: <https://en.globes.co.il/en/article-wiz-wins-huge-israeli-govt-tender-1001484945>

^{xiii}See: <https://www.emerce.nl/wire/palo-alto-networks-opent-nieuwe-hoofdkantoor-emea-latam-amsterdam>; Annual report, 2024, Palo Alto Networks (Netherlands) B.V., p. 4.

^{xiv}Annual report, 2024, Palo Alto Networks (Netherlands) B.V., p. 4, p. 5, and p. 33.

^{xv}Annual report, 2025, Palo Alto Networks Netherlands BV, p. 25.

^{xvi}Annual report, 2025, Check Point Software Technologies Ltd., p. 231. Available via SEC: See: <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001015922/000117891326001932/zk2634942.htm>

^{xvii}Annual report, 2024, Palo Alto Networks Holding B.V., p. 7-8.

^{xviii}See: <https://www.paloaltonetworks.com/company/press/2023/palo-alto-networks-completes-acquisition-of-dig-security>

^{xix}Annual report, 2024, Palo Alto Networks Holding B.V., p. 7.; See: <https://investors.paloaltonetworks.com/news-releases/news-release-details/palo-alto-networks-closes-talon-cyber-security-acquisition-and>

^{xx}Annual report, 2024, Palo Alto Networks Holding B.V., p. 7.

Annex 2

**20 May 2026 Letter from Bruce R. Byrd
Executive Vice President and General Counsel
Palo Alto Networks, Inc.**



May 20, 2026

SOMO
KNSM-laan 17
1019 LA Amsterdam
The Netherlands

To Whom It May Concern:

I am responding to SOMO's letter dated May 14, 2026, received on May 18, 2026, regarding its forthcoming report, in which SOMO indicates that it intends to refer to Palo Alto Networks.

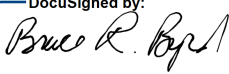
While Palo Alto Networks takes the matters raised in the letter seriously, the letter contains inaccuracies and statements that rely on incomplete context, unsupported assumptions, and speculative inferences.

To enable us to provide accurate and relevant comments, we request a copy of the draft report. We also request the factual basis for the statements concerning Palo Alto Networks, including the sources, documents, and methodology on which SOMO relies. We require a period of at least 10 business days after receipt of the requested information to review the materials and provide comments and clarifications.

We respect SOMO's role in conducting independent research and appreciate the opportunity to engage constructively. At the same time, Palo Alto Networks expects that any statements about the company will be accurate, properly contextualized, and supported by reliable facts.

Please confirm to us by Thursday, 21 May at 17:00 CET that SOMO will provide the requested information and agree to an extension of the deadline to provide comments and clarifications within 10 business days after receipt of the information.

Sincerely,

DocuSigned by:

41B0B0F1BB24493...

Bruce R. Byrd
Executive Vice President and General Counsel
Palo Alto Networks, Inc.