

Why We Invested in Cato Networks – Securing the Networks of Tomorrow, Today



Adams Street is pleased to announce our investment in the \$238 million Series F1 of Cato Networks, a global Secure Access Service Edge (SASE) platform provider that enables organizations of all sizes to connect their datacenters, clouds, and users securely and efficiently.

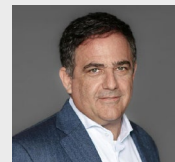
Large and Growing Market

Historically, different vendors managed and ran connectivity and security functions for companies, an acceptable solution in an era of relatively unsophisticated networks. But mobile computing and cloud applications have dramatically increased network complexity, making legacy solutions increasingly ineffective as network and security protocols shift.

Many organizations now distribute their network across physical datacenters and the cloud, integrating internet functionality into their enterprise network through staff in multiple geographies. This model, and the tight security requirements of 21st century businesses, led to the creation of SASE (pronounced “sassy”). SASE is a cloud architecture that combines network and security-as-a-service functions into a single cloud service that also enhances functionality and capabilities. SASE has seen strong adoption in its short lifetime, with Gartner projecting a compound annual growth rate of 36% between 2021 and 2025 for a total addressable market of almost \$15 billion.¹

CATO

NETWORKS



Shlomo Kramer

Co-Founder and CEO
Cato Networks

Gur Shatz

Co-Founder, President and COO
Cato Networks

Headquarters

Israel



Superior Mission Critical Offering

Organizations with multiple networking vendors are frequently looking to change, which has increased demand for comprehensive software defined wide area network (SD-WAN) and security architecture platforms such as Cato Networks. Gartner estimates that 60% of new SD-WAN purchases will be part of a single-vendor SASE offering, up from the 15% in 2023.²

Cato Network's vision is to deliver a next generation secure network architecture that reduces the complexity, costs, and risks associated with legacy IT approaches based on disjointed point solutions. Cato Networks enables organizations to connect any user securely and efficiently to any application on a global basis. The company's cloud-native architecture allows it to rapidly deploy new capabilities and maintain a fortified security posture, with minimal effort from internal IT teams.

Experienced Leadership

Success in this sector has historically been highly correlated to relevant experience, and Cato Networks is led by an innovative and accomplished leadership team.

Co-founder and Chief Executive Officer Shlomo Kramer previously founded cybersecurity companies Check Point Software and Imperva, leading both to highly successful outcomes. Kramer is supported by experienced senior executives in Gur Shatz (co-founder, President, and Chief Operating Officer) and Tomer Wald (Chief Financial Officer), who each bring decades of technical and operational insights. Adams Street believes the executive team's sector expertise and proven record will help position Cato Networks to capture some of the immense market opportunity.

Compelling Business Traction and Trajectory

The company's financial and operating performance also guided Adams Street's investment decision. Cato Networks took just five years to go from \$1 million to \$100 million in annual recurring revenue – faster than similar category leaders such as Twilio, Shopify and Toast. Cato Networks has been named a leader in its segment by firms including Gartner, and the company boasts more than 1,500 enterprise clients across more than 150 countries.³ Adams Street believes that Cato Networks' product features, company fundamentals, and market dynamics will enable it to continue its positive momentum.

Adams Street is excited for our partnership with Cato Networks as it revolutionizes the way in which distributed networks are accessed and secured. Congratulations to Cato Networks on its Series F1 raise. ■

1. Source: [Gartner](#)
2. Source: [Gartner](#)
3. Source: Cato Networks

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