Rackspace Technology Hosted Exchange Environment Update

December 6, 2022

SAN ANTONIO, Dec. 06, 2022 (GLOBE NEWSWIRE) -- **Rackspace Technology® (NASDAQ: RXT)** today announced a ransomware incident affecting its Hosted Exchange environment, which is causing service disruptions for the company's Hosted Exchange customers. Alongside the Rackspace Technology internal security team, the company has engaged a leading cyber defense firm to investigate. Immediately upon detecting the incident, the company took proactive measures to isolate the Hosted Exchange environment to contain the incident.

Based on the investigation to date, Rackspace Technology believes that this incident was isolated to its Hosted Exchange business. Rackspace Technology's other products and services are fully operational, and the company has not experienced an impact to its Email product line and platform. Out of an abundance of caution, Rackspace Technology has put additional security measures in place and will continue to actively monitor for any suspicious activity.

Rackspace Technology is in ongoing communication with Hosted Exchange customers to help them migrate to a new environment as quickly as possible. Rackspace Technology has surged support staff and will be taking additional steps to help guide customers through this process in order to limit the impact to their own operations. Although Rackspace Technology is in the early stages of assessing this incident, the incident has caused and may continue to cause an interruption in its Hosted Exchange business and may result in a loss of revenue for the Hosted Exchange business, which generates approximately $30 million of annual revenue in the Apps & Cross Platform segment. In addition, Rackspace Technology may have incremental costs associated with its response to the incident.

Rackspace Technology continues to investigate the incident. Beginning on December 2, 2022, the company issued service announcements on its website with details relating to the foregoing incident and will continue to post updates on its website as warranted.

About Rackspace Technology
Rackspace Technology is a leading end-to-end multicloud technology services company. We can design, build and operate our customers' cloud environments across all major technology platforms, irrespective of technology stack or deployment model. We partner with our customers at every stage of their cloud journey, enabling them to modernize applications, build new products and adopt innovative technologies.

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