



# Cybersecurity Market Review

Q1 2016

---

Advisors & Dealmakers In Cybersecurity.

Momentum Partners, LLC

• Advise. Network. Invest.

Momentum  
PARTNERS

# Momentum Partners

Advisors & Dealmakers In Cybersecurity.

## Why Momentum Partners?

Momentum Partners is a boutique **Cybersecurity focused advisory firm** based in Silicon Valley with operations globally. We employ a high-touch advisory model specifically designed to serve Founders/CEOs and their Boards – *Series A to exit* – where we are relentless in our pursuit for better outcomes for clients. As advisors and dealmakers in cybersecurity for two decades, we have closed over 200 deals totaling \$200 Billion in value.

Cybersecurity • Enterprise IT • Cloud & SaaS • Defense & Government			
Mergers & Acquisitions*	•	Capital Raising*	
Corporate Development	•	Ecosystem Development	
<b>200+ Deals</b>		<b>\$200+ Billion</b>	

## Dealmakers in Cybersecurity & Enterprise IT

CLIENT	COUNTERPARTY
AVG	LOCATION LABS
VSS	DANAHER
nitrosecurity	McAfee An Intel Company
AVG	TuneUp

CLIENT	COUNTERPARTY
secure	McAfee An Intel Company
secure	CYBERGARD
secure	CipherTrust
Foundstone® STRATEGIC SECURITY	McAfee An Intel Company

CLIENT	COUNTERPARTY
symantec.	Recourse Technologies Inc.
symantec.	riptech™
APRISO.	DASSAULT SYSTEMES
Paradigm™	Apax PARTNERS

CLIENT	COUNTERPARTY
EfficientFrontier.	Adobe
Merced SYSTEMS, INC	NICE
EMC <sup>2</sup>	datadomain
EDS	hp

CLIENT	COUNTERPARTY
IBM	COGNOS
agile	ORACLE
Hewitt	AON
PeopleSoft	ORACLE

## Momentum's Senior Cybersecurity Team



**Michael Tedesco**  
Executive Chairman  
Founder  
Strategic and Capital Markets  
Advisor to CEOs, Founders & Boards



**Eric McAlpine**  
Managing Partner  
Founder  
Senior Advisor  
Cybersecurity Lead



**Petros Kitos**  
Senior Advisor  
Strategic Advisor  
Direct Investor and Board Member  
Deep Defense & Aerospace Expertise



**Timothy Lipton**  
Partner  
Founder  
Start-Up Advisor  
iCFO



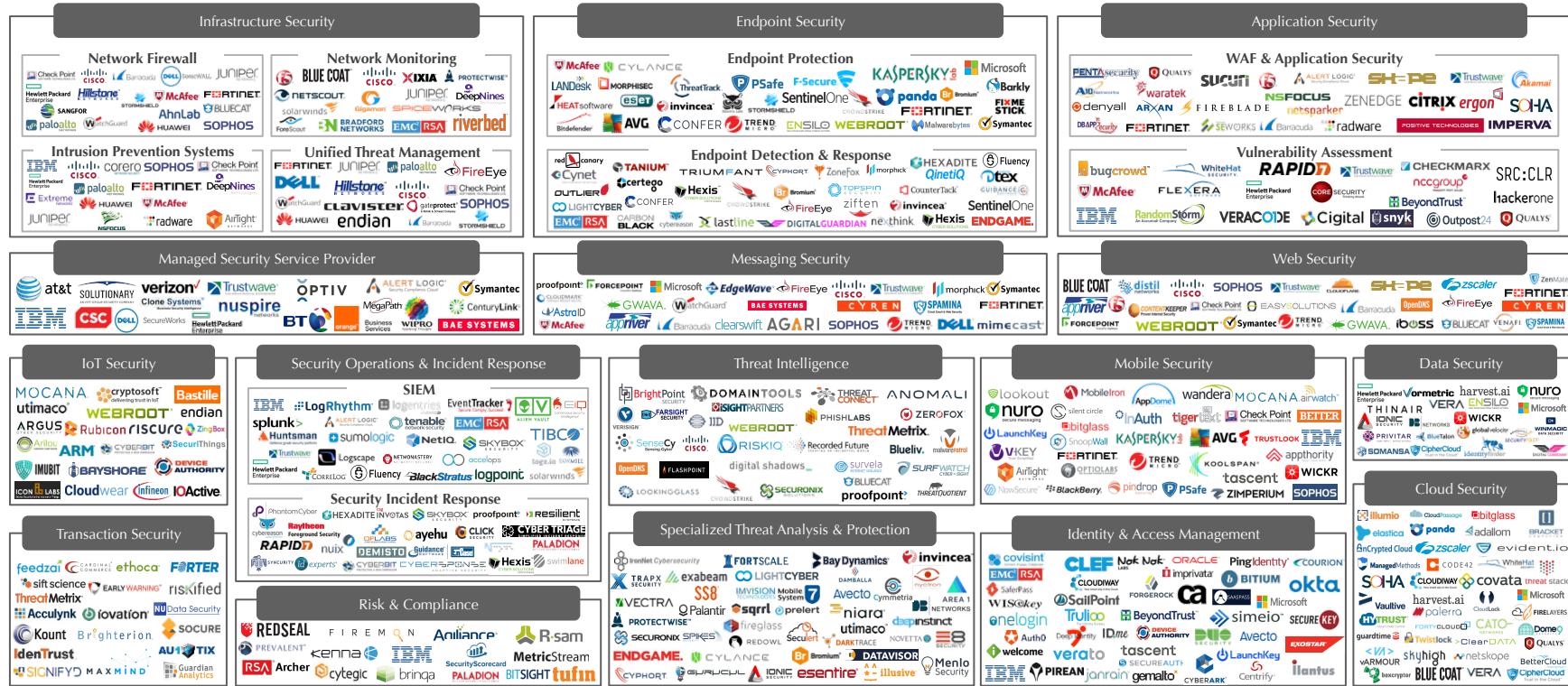
**Keith Skirbe**  
Director  
Strategic Advisor  
Mergers & Acquisitions  
Deep Cybersecurity Expertise



**Dino Boukouris**  
Director  
Strategic Advisor  
Start-up Advisor  
VC & Private Equity

# CYBERscape: The Cybersecurity Landscape

The Cybersecurity Sector Is Dynamic And Vast. We Are Ceaseless & Vigilant In Our Coverage.



Source: Momentum Partners.

# Thought Leadership

Momentum's Team Is Dedicated To Providing Thoughtful Research In Addition To Our Dealmaking & Advisory Services.

## Industry Research

Thwarting The Breach:  
What's in Store for 2016?

Enterprise Class Advice... Aligned With the Entrepreneur.<sup>TM</sup>

Momentum Partners, LLC • Advise. Network. Invest.



## Sector Research

Threat Intelligence:  
The Arms Race Continues

Enterprise Class Advice... Aligned With the Entrepreneur.<sup>TM</sup>

Momentum Partners, LLC • Advise. Network. Invest.

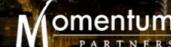


## Landscape Review

CYBERscape 2.0:  
Creating Validation & Order

Enterprise Class Advice... Aligned With the Entrepreneur.<sup>TM</sup>

Momentum Partners, LLC • Advise. Network. Invest.

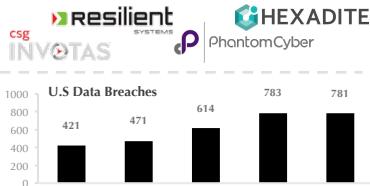


Active Dialogue & Strong Track Record With Cybersecurity Acquirers & Investors Including...



# Q1 2016: Market Update And Observations

Strategic Activity Was Notably Tempered In The Quarter After A Historical Year in 2015.

Exits: M&A & IPO Activity	<ul style="list-style-type: none"><li>After reaching record levels last year, Cybersecurity M&amp;A activity in 2016 has retreated to more normalized levels; total announced M&amp;A volume in 1Q16 totaled \$487M and 24 deals</li><li>There were several notable M&amp;A transactions during Q1 – FireEye spent over \$300M acquiring iSight (\$275M) and Invotas (\$30M); IID (\$45M) and Resilient Systems (est. \$100M)</li><li>SecureWorks was the first U.S. tech IPO this year; Optiv is preparing for an IPO in 2H16 while Carbon Black, Veracode, Blue Coat and Zscaler have put their IPO plans on hold for now</li></ul>													
Investment Activity	<ul style="list-style-type: none"><li>Q1 saw a decline in the number of large rounds (\$50M+) after two straight quarters of record numbers; however, several large deals were announced – Skybox Security (\$96M), Pindrop Security (\$75M), Malwarebytes (\$50M) and StorageCraft (\$187M)</li><li>2016 was off to a strong start through February with 56 deals announced totaling \$1.5B; however, we began to see a slowdown in March with only 16 deals announced totaling \$98M. VCs have become more discerning with their capital and pressuring valuations...will the slowdown continue?</li></ul>													
Valuations	<ul style="list-style-type: none"><li>There were some notable declines during Q1 – our High Growth Cybersecurity comps were -9% while our Low Growth Cybersecurity comps were -5%, relative to the NASDAQ which was -3%, the S&amp;P 500 which was +1% and the HACK index which was -8%</li><li>Rapid7, Sophos and Mimecast were trading -18%, -11%, and -3% relative to their IPO price, respectively, at the end of Q1. SecureWorks is currently trading -5% relative to its IPO price</li></ul>	<p>Top 5 Movers in Q1</p> <table><tbody><tr><td> MobileIron</td><td> SOPHOS</td></tr><tr><td>▲25%</td><td>▼19%</td></tr><tr><td> IMPERVA</td><td></td></tr><tr><td>▼20%</td><td></td></tr><tr><td> QUALYS</td><td> Barracuda</td></tr><tr><td>▼24%</td><td>▼18%</td></tr></tbody></table>	 MobileIron	 SOPHOS	▲25%	▼19%	 IMPERVA		▼20%		 QUALYS	 Barracuda	▼24%	▼18%
 MobileIron	 SOPHOS													
▲25%	▼19%													
 IMPERVA														
▼20%														
 QUALYS	 Barracuda													
▼24%	▼18%													
Industry Observations	<ul style="list-style-type: none"><li>Sector Watch: Security Orchestration / Incident Response and Automation (See page 14)</li><li>An estimated \$655B will be spent on cybersecurity initiatives to protect PCs (\$386B), mobile devices (\$113B) and IoT devices (\$172B) between 2015 – 2020 (Source: BI Intelligence)</li><li>The CISO's role is evolving and continues to be driven by an ever-evolving threat landscape. The new CISO must know how to quantify risk and understand business as well as cybersecurity technologies (See page 15)</li></ul>	 <p>U.S. Data Breaches</p> <table><thead><tr><th>Year</th><th>U.S. Data Breaches</th></tr></thead><tbody><tr><td>2011</td><td>421</td></tr><tr><td>2012</td><td>471</td></tr><tr><td>2013</td><td>614</td></tr><tr><td>2014</td><td>783</td></tr><tr><td>2015</td><td>781</td></tr></tbody></table> <p>Source: Identity Theft Resource Center.</p>	Year	U.S. Data Breaches	2011	421	2012	471	2013	614	2014	783	2015	781
Year	U.S. Data Breaches													
2011	421													
2012	471													
2013	614													
2014	783													
2015	781													

# Strategic Activity Since 2015

Investing Activity Continues To Outpace Exits (M&A + IPO).

## Selected Acquisition Activity

(Date: Implied Enterprise Value / LTM Rev Multiple)



2/16: \$100M / NA



2/16: \$45M / NA



2/16: \$30M / NA



1/16: \$275M / 6.9x



1/16: \$10M / NA



1/16: NA / NA



12/15: \$35M / 1.9x



11/15: \$78M / NA



11/15: \$280M / NA



10/15: \$453M / NA



10/15: \$300M / 1.8x



10/15: \$400M / 7.5x



10/15: \$116M / 10.3x



9/15: \$290M / NA



9/15: \$425M / 2.0x



7/15: \$190M / NA



6/15: \$635M / NA



5/15: \$60M / NA



4/15: \$200M / 3.3x



4/15: \$1.9B / NA



4/15: \$786M / 3.6x



4/15: \$80M / NA



3/15: \$2.4B / NA



3/15: \$43M / NA

## Selected VC Activity

(Date: \$ Raised / Pre-\$ Valuation / Funding Stage)



3/16: \$30M / \$245M / C



2/16: \$23M / NA / B



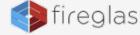
2/16: \$96M / NA / PE



2/16: \$14M / NA / B



1/16: \$75M / NA / C



1/16: \$20M / NA / A



1/16: \$25M / NA / D



12/15: \$27M / \$43M / B



11/15: \$20M / \$60M / B



10/15: \$33M / NA / A



10/15: \$15M / \$55M / B



8/15: \$52M / \$380M / E



7/15: \$42M / \$249M / C



7/15: \$18M / NA / B



6/15: \$30M / \$122M / C



4/15: \$100M / \$900M / C



3/15: \$11M / NA / A



2/15: \$15M / NA / B

## Equity

(Date: \$ Raised)



4/16: IPO: \$112M

Dell Spinoff



11/15: IPO: \$78M

9/12: Series C: \$62M  
1/10: Series B: \$21M  
12/08: Series A: \$8M } \$91M



7/15: IPO: \$103M

12/14: Series D: \$30M  
11/11: Series C: \$50M  
2/10: Series B: \$2M  
9/08: Series A: \$7M } \$89M



6/15: IPO: \$553M

5/02: Minority: \$60M  
9/98: Venture: \$4M } \$64M

Source: Capital IQ, 451 Group, Crunchbase, TechCrunch. Momentum Partners maintains a proprietary Cybersecurity M&A deal database.

# Notable M&A Transactions

Strategic Buyer Interest For Cybersecurity Continues To Diversify, While Traditional Acquirers Remain Active.



Acquires



Date: 03/10/16 Ent. Value / Rev: NA  
Ent. Value: NA Ent. Value / EBITDA: NA  
Amount Raised: NA

- Founded in 2014, Boston-based Critical Stack provides free threat intelligence feeds that are aggregated and parsed for the Bro network security monitoring platform
- Critical Stack has accelerated growth over the last year, reaching more than 4,200 customers
- This marks Capital One's first acquisition in cybersecurity, while it has made strategic investments in Cylance (next-gen endpoint protection) and Early Warning Services (fraud / risk management)



Acquires



Date: 02/08/16 Ent. Value / Rev: NA  
Ent. Value: \$45M Ent. Value / EBITDA: NA  
Amount Raised: \$8M

- The acquisition of IID by Infoblox makes Infoblox the first enterprise-grade DDI vendor to combine contextual network data with federated threat intelligence and a dedicated threat research team
- IID is 100% subscription-based and had ~\$10M of billings in 2015 and over 100 customers, including federal, civilian agencies, financial services, Internet and security vendors
- Infoblox expects IID to add \$1M-\$2M in incremental subscription revenue in 2H FY16 and ~\$10M in FY17



Acquires



Date: 01/15/16 Ent. Value / Rev: NA  
Ent. Value: NA Ent. Value / EBITDA: NA  
Amount Raised: NA

- Based in Germany, IRIS Analytics leverages cognitive machine learning models to provide real-time fraud scoring across electronic payments, including credit and debit cards, prepaid cards and both online and mobile payments
- Acquisition builds upon IBM's prior moves into the antifraud market, including its \$1B acquisition of Trusteer and release of Counter Fraud Management Software, which was built on its prior acquisitions of Cognos, SPPS, i2 and FileNet



Acquires



Date: 01/13/16 Ent. Value / Rev: NA  
Ent. Value: \$10M Ent. Value / EBITDA: NA  
Amount Raised: NA

- Based in Sweden, ScrapeSentry was a spin-out of Senter, a European managed security service provider
- ScrapeSentry's analysts provide real-time threat monitoring, analysis, investigation and response as well as post-incident reports and best practices to ensure a rapid response to malicious bot attacks
- ScrapeSentry became an acquisition target as Distil's larger customers wanted more than just identifying and blocking bots, they wanted to dive deeper with a human expert

Source: Capital IQ, PitchBook Data, CrunchBase.

# Transaction Profile: FireEye Acquires iSIGHT Partners

A Ground Breaking Transaction Creating A Formidable Combined Threat Intelligence Platform.

Transaction Overview	
	Date: 1/20/16
Acquires	EV / LTM Rev: 6.9x
	EV / LTM EBITDA: NA
Total Raised:	\$46.3M
Threat Intelligence	\$275 Million <sup>[1]</sup>

iSIGHT Partners Overview	
HQ: Dallas, TX	Investors: Bessemer, Blackstone Group
CEO/Founder/Chairman: John Watters	Founded: 2006
<b>Threat Intelligence Platform</b> "Actionable Intelligence"	<b>ThreatScape®</b>
<b>ThreatScape Cloud</b> MySight Portal APIs / SDKs	
350+ Experts	Intelligence Streams
29 Languages	Research & Reports
17 Countries	Dedicated Support
1 Mission	

## Rationale

- Combination creates **most advanced and comprehensive cyber threat intelligence operation**, driving industry toward intelligence-led approach to cybersecurity
- "Until now, only governments and large enterprises have been able to achieve intelligence-led security, but with the combined resources of FireEye, Mandiant and iSIGHT, we can make the benefits of intelligence-led security available to a broad range of organizations." - **John Watters**



# Notable VC Financings

Growth And Cross-Over Investors Continue To Remain Active In Cybersecurity Alongside Traditional VCs.

## SKYPORT SYSTEMS

Raises \$30.0M



Date: 03/15/16  
Series C  
Total Amount Raised: \$67.0M

- Skyport Systems was founded in 2013 by ex-Cisco and Juniper Networks engineers and originally incubated by Sutter Hill Ventures
- Skyport Systems' hyper-secured infrastructure platform, SkySecure, brings together zero-trust computing, virtualization and a full stack of security technologies that makes managing and deploying a company's workloads cost-effective and fast
- Since launching in May 2015, SkySecure has been tested and deployed by government entities, higher ed and various enterprises

## pindrop security

Raises \$75.0M



Date: 01/28/16  
Series C  
Total Amount Raised: \$122.0M

- Founded in 2011, Pindrop provides solutions that detect and block phone-based fraud
- Pindrop's Phoneprinting technology analyzes the entire audio spectrum to identify IOAs such as Caller ID spoofing, risky callers / call origin locations, suspicious call characteristics & callers with poor reputations
- Pindrop's technology is currently being used by insurance companies, government agencies, retailers and three of the four largest banks in the U.S. In total, Pindrop has screened more than 360 million calls

## SKYBOX SECURITY

Raises \$96.0M

## PROVIDENCE EQUITY

Date: 02/03/16  
Private Equity  
Total Amount Raised: \$138M

- Founded in 2002, Skybox specializes in security analytics (modelling and simulation) integrating with more than 90 networking and security tools on corporate networks to extract relevant and actionable intelligence from the silos of data created by those tools
- 500+ customers currently with new customer acquisitions growing by 220% and revenue by 221% over the past four years
- In 2015, year-over-year sales increased by 55%, with a 165% increase in deals valued at more than \$500,000

## Malwarebytes

Raises \$50.0M



Date: 01/21/16  
Series B  
Total Amount Raised: \$80.0M

- Founded in 2008 by Marcin Kleczynski as a teenager, Malwarebytes provides malware prevention and remediation software
- Malwarebytes' software was installed on 250 million computers worldwide in 2015, of which 20-25% were in a business environment
- Malwarebytes utilizes a freemium model and claimed a run-rate of over \$100M in 2015, with its business now evenly split between consumer and enterprise; the company is profitable and cash flow positive

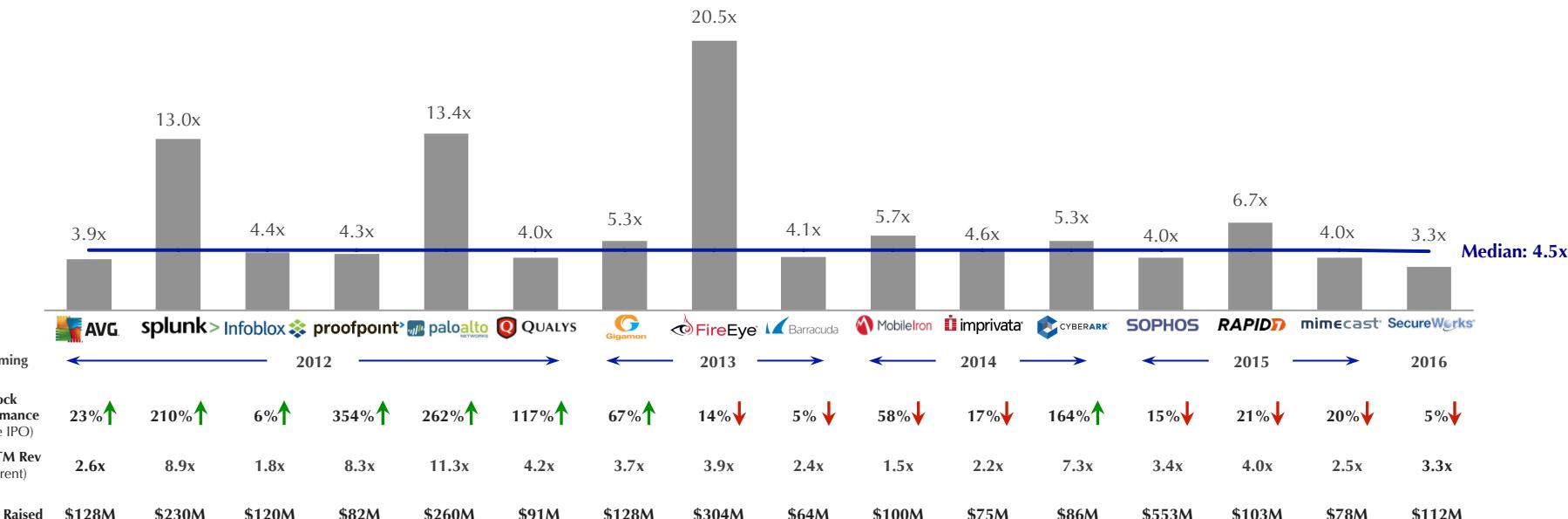
Source: Capital IQ, PitchBook Data, CrunchBase.

# Cybersecurity IPO Insights

Before And After FireEye's IPO: A Stark Contrast Of Post-IPO Performance & Corresponding Valuation Impact.

## Implied Multiple On The Day of Pricing For Each Cybersecurity Sector IPO

(Multiple: EV / LTM Revenue)



Source: Capital IQ. Stock performance and valuation multiple as of May 2, 2016.

# Momentum's Watch List Announced at RSA Conference

Each Quarter We Add 10 Companies With Significant Input From Our Vast Cybersecurity Network.

Q1 2016



Q2 2015



Q4 2015



LOOKINGGLASS



PROTECTWISE™



Q3 2015

Highlights

1 2016 Sandbox Innovation Winner

4 2016 Sandbox Innovation Finalists

3 2015 Sandbox Innovation Finalists

5 Companies Have Raised Next Round

1 Company Has Been Acquired

# Momentum's Watch List: Q1 2016

Selected Private Companies With Tremendous Momentum.

Company	Commentary	Company	Commentary
 <b>Raised:</b> \$9.1M <b>HQ:</b> San Francisco, CA	<ul style="list-style-type: none"><li><b>Bugcrowd</b> is the pioneer and innovator in crowdsourced security for the enterprise; it harnesses the creativity of more than 25,000 security researchers to surface critical vulnerabilities before the bad guys exploit them, levelling the playing field</li><li>Bugcrowd's Crowdcontrol® platform safely orchestrates a flexible array of managed bug bounty, penetration test, and responsible disclosure offerings against web, mobile, IoT, and infrastructure targets</li><li><b>Leadership:</b> Casey Ellis (CEO)</li></ul>	 <b>Raised:</b> ND <b>HQ:</b> Israel / Silicon Valley	<ul style="list-style-type: none"><li><b>FireLayers</b> came out of stealth mode in 2014 with a rules-based, proxy-server approach to cloud security</li><li>FireLayers provides a comprehensive policy-based security, compliance and IT Governance platform for Cloud applications including Salesforce, O365, Google, Box, ServiceNow and Yammer, among others</li><li><b>Leadership:</b> Yair Grindlinger (CEO) and Doron Elgressy (President)</li></ul>
 <b>Raised:</b> \$56M <b>HQ:</b> Salt Lake City, UT	<ul style="list-style-type: none"><li><b>Venafi</b>, the Immune System for the Internet™ and provider of Next Generation Trust Protection, protects cryptographic keys and digital certificates and eliminates blind spots from threats hidden in encrypted traffic</li><li>Venafi protects 4 of the top 5 U.S. banks, 8 of the top 10 U.S. health insurance companies and 4 of the top 7 U.S. retailers</li><li><b>Leadership:</b> Jeff Hudson (CEO) and Peter Bartok (CTO)</li></ul>	 <b>Raised:</b> \$41M <b>HQ:</b> Israel / NY	<ul style="list-style-type: none"><li><b>Team8</b> is part think tank, part venture capitalist and part startup incubator focused on developing disruptive technologies and launching new cybersecurity companies</li><li>Team8 launched its first company, Illusive Networks, which pioneered deception-based post-breach cybersecurity with its patent pending Deceptions Everywhere™ technology</li><li>It plans to launch two companies in 2016 including one focused on industrial security</li><li><b>Leadership:</b> Nadav Zafir (CEO) and Israel Grimberg (Chief Innovation Officer), Liran Grimberg (Chief Marketing &amp; Business Development)</li></ul>
 <b>Raised:</b> \$33M <b>HQ:</b> Arlington, VA	<ul style="list-style-type: none"><li><b>Distil Networks</b> provides an automated, intelligent bot detection and mitigation solution focused on preventing web scraping and eliminating form spam and click fraud</li><li>Acquired rival <b>ScrapeSentry</b> who uses human analysts to understand bot behavior</li><li>"Eliminating bots from network traffic provides a foundation of cyber security that eliminates entire classes of attack," said David Cowan, Board Member and Investor</li><li><b>Leadership:</b> Rami Essaid (CEO), Engin Akyol (CTO) &amp; Andrew Stein (Chief Scientist)</li></ul>	 <b>Raised:</b> \$2.5M <b>HQ:</b> San Francisco, CA	<ul style="list-style-type: none"><li><b>Twistlock</b> is the industry's first enterprise security suite for virtual container security; it too is containerized, running as an agentless privileged container alongside your app</li><li>The suite enables enterprises to enforce security policies, monitor and audit activity and identify and isolate threats in a container or cluster of containers</li><li>Twistlock is backed by YL Ventures</li><li><b>Leadership:</b> Ben Bernstein (CEO) and Dima Stopel (VP, R&amp;D)</li></ul>
 <b>Raised:</b> \$11.7M <b>HQ:</b> Bellevue, WA	<ul style="list-style-type: none"><li><b>Auth0</b>'s zero-friction Identity-as-a-Service platform for authentication and authorization allows developers to implement even the most complex identity solutions for their web, mobile and internal applications, APIs and IoT devices</li><li>"In the same way Twilio democratized access to SMS and voice communications, Auth0 developed an identity service to eliminate the growing complexity of authentication and authorization for developers," said, David Cowan, Investor</li><li><b>Leadership:</b> Jon Gelsey (CEO), Matias Woloski (CTO) &amp; Eugenio Pace (Co-founder)</li></ul>	 <b>Raised:</b> NA <b>HQ:</b> New York, NY	<ul style="list-style-type: none"><li><b>Identity Finder</b> is a provider of sensitive data management technologies which help organizations avoid costly data breaches by finding and protecting confidential data such as personal information, medical records, credit card accounts and intellectual property stored across the enterprise, within e-mail, and the cloud</li><li>Identity Finder's Sensitive Data Manager™ is built on industry-leading data logic algos</li><li>Acquired by Inverness Graham, a private investment firm, in January 2015</li><li><b>Leadership:</b> Todd Feinman (CEO) and David Goldman (President)</li></ul>
 <b>Raised:</b> \$5M <b>HQ:</b> New York, NY	<ul style="list-style-type: none"><li><b>Flashpoint</b> provides the reports, tools, data and access to experts necessary to obtain tactical, operational and strategic intelligence from the Deep &amp; Dark Web</li><li>Flashpoint's state-of-the-art platform illuminates threatening actors, relationships, behaviors and networks concealed within the Dark &amp; Deep Web to reduce the costs of fraud, data loss, reputational damage or other attacks</li><li><b>Leadership:</b> Josh Lefkowitz (CEO) and Evan Kohlmann (Chief R&amp;D Officer)</li></ul>	 <b>Raised:</b> ND <b>HQ:</b> San Francisco, CA	<ul style="list-style-type: none"><li><b>SAASPASS</b> eliminates passwords by providing two-factor authentication-as-a-service and secures physical devices and digital applications with numerous integrations (Google, Office365, Salesforce, etc.) and adapters for on-prem, hybrid, custom and cloud applications. It is an end-to-end integrated solution for IAM, with 2FA, SSO, Device Access Management, Password Manager and App-to-App Authentication all-in-one</li><li><b>Leadership:</b> Karatas Bros – Selahaddin (CEO), Fatih (CFO), Omer (VP, Sales) and Howard Schmidt (Chairman)</li></ul>

# Momentum's Watch List: Q2 2015 to Q4 2015

A Look Back At Those Companies With Momentum From Previous Quarters.

Q4 2015



PhantomCyber



LOOKINGGLASS



PROTECTWISE™



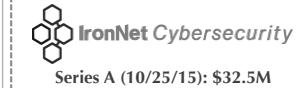
FORTSCALE



Q3 2015



Series A (02/10/16): \$8M



Series A (10/25/15): \$32.5M



Q2 2015



Series D (09/30/15): \$35M



Series B (09/29/15): \$25M



# Sector Watch: Security Orchestration and Automation

Next-Generation Incident Response Platforms Winning Accolades and Opening Checkbooks.

## Strategic Activity



Acquires



Date: 02/01/16  
Ent. Value: \$30M  
Amount Raised: NA

Ent. Value / Rev: NA  
Ent. Value / EBITDA: NA

- FireEye acquired Alexandria, Virginia based Invotas for \$30M, to bolster their incident response services
- Invotas created the Security Orchestrator platform, designed to take in information from a range of security products and automate responses when an incident is detected
- This marks FireEye's second acquisition this year, after it acquired iSIGHT in January for \$275M, to round out their threat intelligence offerings



Acquires



Date: 02/29/16  
Ent. Value: \$100M  
Amount Raised: NA

Ent. Value / Rev: NA  
Ent. Value / EBITDA: NA

- IBM acquired Cambridge, MA based Resilient Systems for \$100M, expanding IBM's incident response capabilities
- Concurrent with the acquisition, IBM also announced their new IBM X-Force Incident Response Services. Resilient System's platform is a foundation for the offering, along with IBM's QRadar Security Intelligence Platform
- Integrating Resilient's platform across IBM offerings provides an end-to-end, orchestrated process for addressing security incidents

## Notable Activity



PhantomCyber

Momentum  
Founded: 2014 HQ: Palo Alto, CA  
Total Raised: \$9.2M

RSAC 2016 Innovation  
Sandbox Winner



Blackstone



- Recognized as this year's most innovative cybersecurity startup, winning the Innovation Sandbox at RSAC 2016 in San Francisco
- Recently announced a strategic investment and development agreement with In-Q-Tel



HEXDITE

Momentum  
Founded: 2014 HQ: Tel Aviv, Israel  
Total Raised: \$10.5M  
Raises \$8M Series A  
(02/10/16)



YL VENTURES

Hewlett Packard  
Enterprise

- Hexadite's AIRS platform fully automates cybersecurity incident response
- Hewlett Packard Ventures also provides Hexadite with access to HPE's resources, and amplifies their reach to potential customers

## Other Notables



SIMPLIFIED INCIDENT RESPONSE

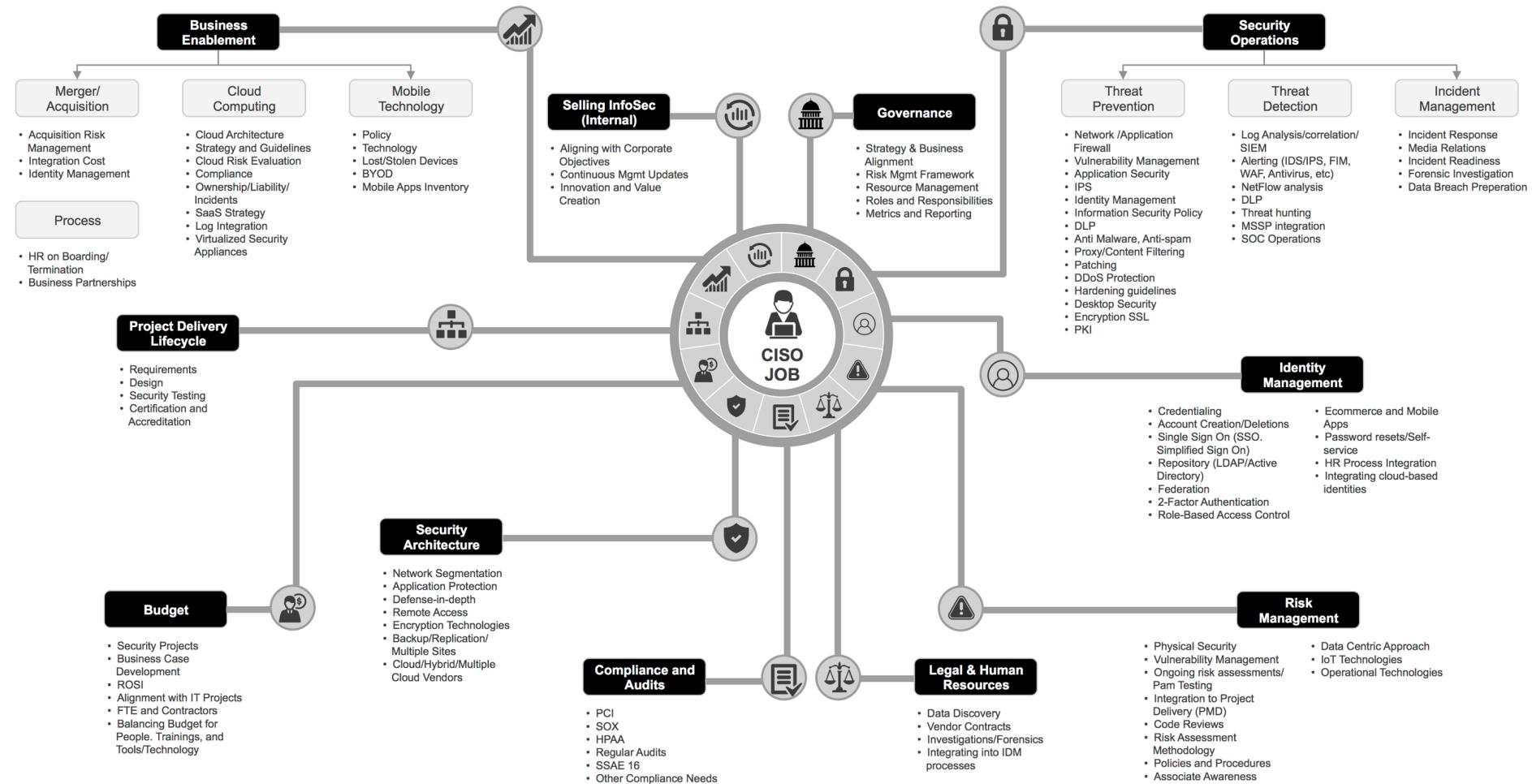


swimlane



proofpoint

# CISO Mind Map: An Overview of The Responsibilities and Ever Expanding Role of The CISO

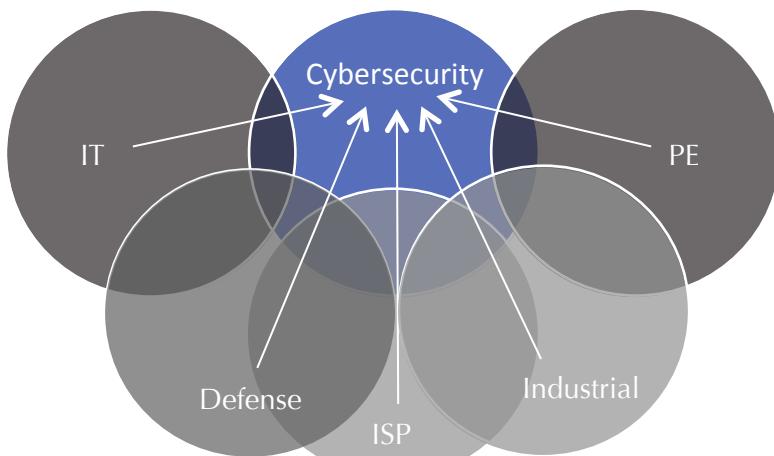


# M&A Activity in Cybersecurity



# Strategic Moves For Competitive Advantage Accelerating

The Landscape Of Buyers For Cybersecurity Companies Has Expanded Over Time.



## Most Active Acquirers



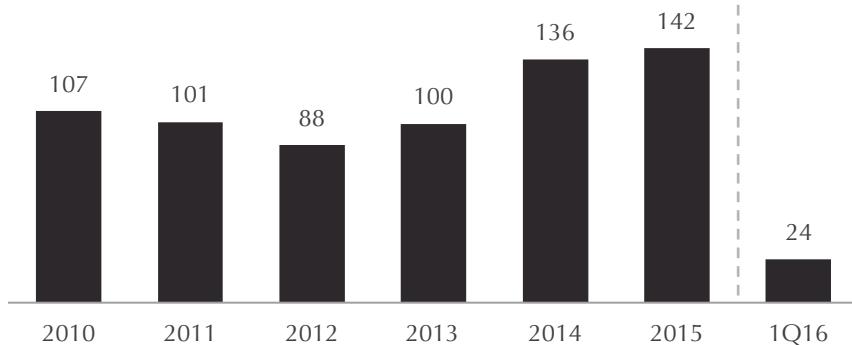
Source: Momentum Partners.

Notable Deals By Sector		
IT	Defense	
FireEye →  SIGHT PARTNERS 1/16: \$275M / 6.9x	BLUE COAT →  elastica 11/15: \$280M / NA	THALES →  Vormetric 10/15: \$400M / 7.5x
Microsoft →  secure islands 11/15: \$78M / NA	RAPID7 →  logentries 10/15: \$71M / NA	Raytheon →  websense 4/15: \$1.9B / NA
Cisco →  Lancope 10/15: \$453M / NA	splunk →  Caspida 7/15: \$190M / NA	BAE SYSTEMS →  SilverSky 10/14: \$233M / 3.0x
Industrial / IoT	ISP	PE
HARMAN →  TowerSec 1/16: NA / NA	Ruckus →  Cloudpath 10/15: \$9M / NA	THE CARLYLE GROUP →  NOVETTA 8/15: NA / NA
BELDEN →  tripwire 12/14: \$710M / 6.0x	Level(3) →  Black Lotus COMMUNICATIONS 7/15: NA / NA	MARLIN EQUITY PARTNERS →  FIDELIS CYBERSECURITY 4/15: \$200M / 3.3x
ROHDE & SCHWARZ →  gateprotect 7/14: NA / NA	SingTel →  Trustwave 4/15: \$786M / 3.6x	Bain Capital →  BLUE COAT 3/15: \$2.4B / NA

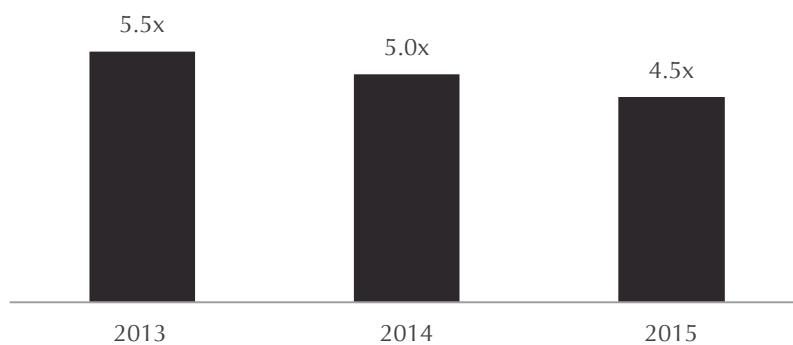
# Cybersecurity M&A Activity: Deal Volume and Exit Multiples

Cybersecurity M&A Activity In Q1 Has Retreated To More Normalized Levels.

Cybersecurity M&A Volume By Year (# Deals)



Median Cybersecurity EV/Revenue Multiples



- After reaching record levels last year, Cybersecurity M&A activity in 2016 has retreated to more normalized levels
  - Total announced M&A volume totaled **\$487M**, representing **24** deals
- Some of the more active Cybersecurity sectors included identity & access management, threat intelligence, application security and incident response / orchestration

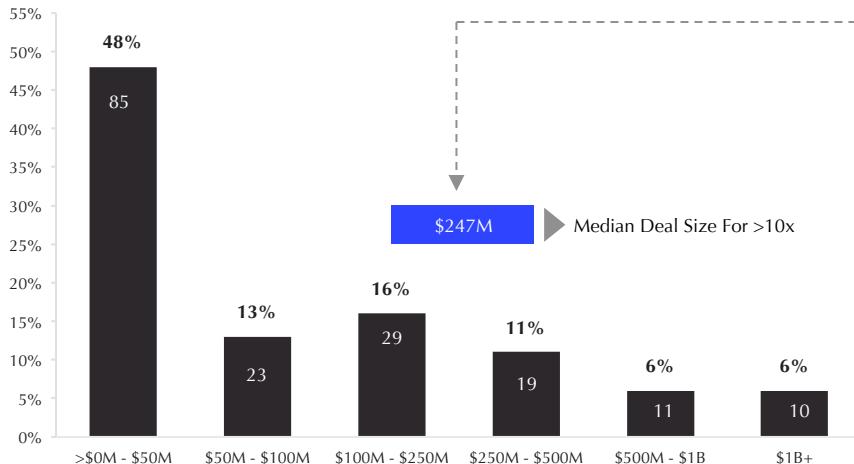
- The only deal in 1Q16 with a disclosed multiple was FireEye's acquisition of iSight Partners at 6.9x TTM revenue
- The median Cybersecurity exit multiple in 2015 was **4.5x** as valuations continued to rationalize, having **declined 18%** since 2013

Source: Momentum Partners, 451 Research.

# Cybersecurity M&A: A Closer Look At Deal Value & Multiples

Cybersecurity M&A Activity Since 2010 With Disclosed Transaction Values And Multiples.

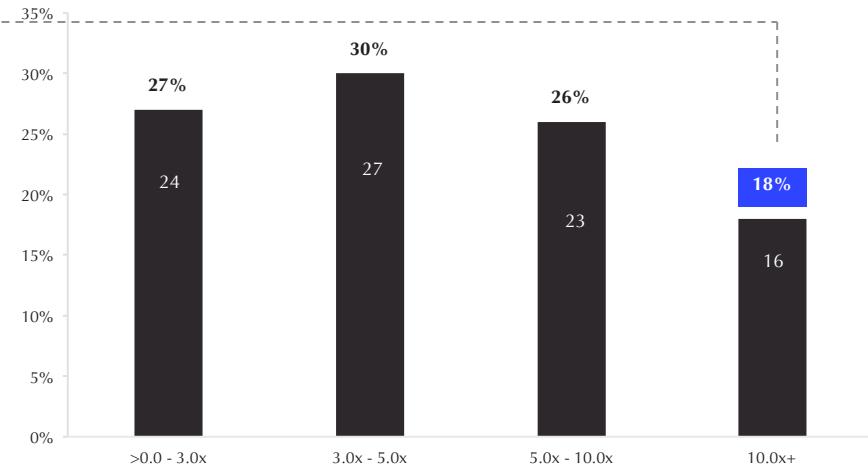
M&A By Deal Size



- The median exit enterprise value for Cybersecurity exits since 2010 was **\$65M**
- M&A exits in Cybersecurity are typically below \$100M – **60%+** of the time
- Exits **above \$1B** are rare representing **6%** of all deals (3 public, 5 private and 2 spin-out)

Source: Momentum Partners, 451 Research, Capital IQ.

M&A By Valuation Multiples (EV / LTM Rev)



- Valuations for M&A exits in Cybersecurity vary for many reasons – growth, market leadership, customer validation, technology and team
- Exits **>10x** are a minority (**18%**) where the buyers are typically cash rich and willing to pay what it takes (median cash balance of the buyers at time of acquisition was **\$2.2B** and median market cap was **\$17.9B**)

Buyers



# Notable Cybersecurity M&A Transactions

Cybersecurity M&A Transactions With Disclosed Transaction Values.

Date	Target	Buyer	Enterprise Value (\$M)	TTM Revenue (\$M)	EV / Revenue
03/23/16	Sookasa	Barracuda Networks	0.4	—	—
03/15/16	Quotium Technologies	Groupe Technologies SA	9.0	—	—
03/10/16	Agata Solutions	CyberArk	3.1	—	—
03/03/16	Safend	SuperCom	1.5	—	—
02/29/16	Resilient Systems	IBM	100.0	—	—
02/18/16	ValidSoft	Cross River Initiatives	12.6	—	—
02/08/16	IronKey Enterprise Management Services	DataLocker	0.4	—	—
02/08/16	IID	Infoblox	45.0	—	—
02/01/16	Invotas	FireEye	30.0	—	—
01/20/16	iSight Partners	FireEye	275.0	40.0	6.9x
01/13/16	ScrapeSentry	Distil	10.0	—	—
12/16/15	Evault	Carbonite	14.0	—	—
12/14/15	SurfRight	Sophos	31.8	—	—
12/11/15	Cyveillance	LookingGlass Cyber Solutions	35.0	18.0	1.9x
12/10/15	Trustev	TransUnion	44.0	—	—
11/24/15	Fox-IT Group	NCC Group	135.2	29.0	4.7x
11/17/15	Aura Information Security	Kordia Group Limited	6.9	—	—
11/09/15	Secure Islands	Microsoft	77.5	—	—
11/09/15	Elastica	Blue Coat Systems	280.0	—	—
11/02/15	Bloxx	Akamai	18.7	—	—

Source: Capital IQ, 451 Research.

# Notable Cybersecurity M&A Transactions

Cybersecurity M&A Transactions With Disclosed Transaction Values.

Date	Target	Buyer	Enterprise Value (\$M)	TTM Revenue (\$M)	EV / Revenue
10/27/15	Lancope	Cisco	452.5	—	—
10/22/15	Cloudpath Networks	Ruckus Wireless	9.0	—	—
10/21/15	TippingPoint Technologies	Trend Micro	300.0	169.0	1.8x
10/19/15	Vormetric	Thales e-Security	421.0	53.5	7.9x
10/13/15	Logentries	Rapid7	71.1	—	—
10/09/15	LastPass	LogMeIn	115.7	11.2	10.3x
10/08/15	Daegis	Open Text	20.8	23.7	0.9x
10/07/15	Viewfinity	CyberArk	30.5	—	—
10/06/15	Code Green Networks	Digital Guardian	18.0	—	—
09/29/15	Intronis	Barracuda Networks	65.0	20.6	3.2x
09/24/15	Billguard	Prosper	30.0	—	—
09/22/15	Elitcore Technologies	Sterlite Technologies	27.6	22.3	1.2x
09/08/15	Adallom	Microsoft	290.0	—	—
09/04/15	Good Technology	Blackberry	425.0	211.9	2.0x
08/25/15	Above Security	Hitachi Data Systems	4.7	—	—
08/19/15	EyeLock	VOXX International	20.2	—	—
08/06/15	Pawaa Software	Cisco	5.0	—	—
07/31/15	Sansa Security	ARM Holdings	66.4	—	—
07/09/15	Caspida	Splunk	190.0	—	—
06/30/15	OpenDNS	Cisco Systems	635.0	—	—

Source: Capital IQ, 451 Research.

# Notable Cybersecurity M&A Transactions

Cybersecurity M&A Transactions With Disclosed Transaction Values.

Date	Target	Buyer	Enterprise Value (\$M)	TTM Revenue (\$M)	EV / Revenue
06/09/15	Reflexion Networks	Sophos	22.0	–	–
06/08/15	IdMlogic	CA Technologies	20.0	–	–
06/02/15	nSense	F-Secure	20.7	7.8	2.7x
05/27/15	ShieldArc	Palo Alto Networks	18.0	–	–
05/06/15	Privax	AVG	60.0	–	–
05/04/15	NT Objectives	Rapid7	6.5	–	–
04/28/15	Cervalis	CyrusOne	400.0	70.0	5.7x
04/21/15	Watchdox	Blackberry	70.0	–	–
04/20/15	Websense	Raytheon	1,900.0	–	–
04/14/15	Fidelis Cybersecurity	Marlin Equity Partners	200.0	60.0	3.3x
04/18/15	Oculis Labs	Optio Labs	0.5	–	–
04/07/15	Trustwave	Singtel	785.7	216.0	3.6x
04/02/15	Lacoon Mobile Security	Check Point	80.0	–	–
03/31/15	Redspin	Auxilio	3.9	–	–
03/24/15	Accumuli	NCC Group	80.6	34.9	2.3
03/10/15	Blue Coat Systems	Bain Capital	2,400.0	–	–
03/10/15	CyActive	Paypal	43.0	–	–
03/02/15	Emerging Threats	Proofpoint	32.3	–	–
03/02/15	Xerocole	Akamai	16.6	–	–
03/02/15	Cloudshield	Lookingglass Cyber Solutions	5.0	–	–

Source: Capital IQ, 451 Research.

# Notable Cybersecurity M&A Transactions

Cybersecurity M&A Transactions With Disclosed Transaction Values.

Date	Target	Buyer	Enterprise Value (\$M)	TTM Revenue (\$M)	EV / Revenue
02/24/15	Optenet	Allot Communications	38.0	—	—
02/19/15	MegaPath Managed Services Business	Global Technology & Telecom	152.4	142.4	1.2x
01/14/15	IntellinX	Bottomline Technologies	84.9	—	—
12/09/14	Tripwire	Belden	710.0	118.5	6.0x
11/13/14	Aorato	Microsoft	200.0	—	—
11/05/14	Blackbird Technologies	Raytheon	420.0	—	—
10/21/14	Silversky Networks	BAE Systems	232.5	—	—
10/20/14	RightSignature	Citrix Systems	36.0	—	—
10/13/14	Danaher (Tektronix, Arbor, Fluke)	Netscout	2,619.4	836.0	3.1x
10/01/14	MobileSpaces	Pulse Secure	100.0	—	—
09/15/14	Attachmate	Micro Focus	2,159.4	875.4	2.5x
09/11/14	Morvirtu	Blackberry	32.5	—	—
09/04/14	Meldorf	LogMeln	15.0	—	—
09/03/14	Location Labs	AVG Technologies	220.0	33.0	6.7x
09/02/14	BeyondTrust Software	Veritas Capital	310.0	70.5	4.4x
09/02/14	SOFTPRO	Kofax	34.7	13.3	2.6x
08/08/14	SafeNet	Gemalto	890.0	454.8	2.0x
08/04/14	MDotLabs	Comscore	4.5	—	—
07/31/14	NetClarity	Hewis Cyber Solutions	1.9	—	—
07/29/14	Secusmart	Blackberry	9.0	—	—

Source: Capital IQ, 451 Research.

# Notable Cybersecurity M&A Transactions

Cybersecurity M&A Transactions With Disclosed Transaction Values.

Date	Target	Buyer	Enterprise Value (\$M)	TTM Revenue (\$M)	EV / Revenue
07/21/14	Retail Decisions	ACI Worldwide	205.0	—	—
07/08/14	Delphiis	Auxilio	2.7	—	—
07/07/14	CA Arcserve Data Protection Assets	Marlin Equity Partners	170.0	—	—
06/23/14	ArmstrongAdams	Accumuli	5.4	—	—
05/20/14	NetCitadel	Proofpoint	22.8	—	—
05/19/14	Divide	Google	120.0	—	—
05/06/14	nPulse Technologies	FireEye	67.1	—	—
04/24/14	DecTech Solutions	GB Group	29.5	9.8	3.0x
04/23/14	docTrackr	Intralinks	10.0	—	—
04/07/14	Metaforic	INSIDE Secure	17.4	—	—
03/31/14	Blancco Oy	Regeneris	71.9	17.1	4.2x
03/24/14	Cyvera	Palo Alto Networks	213.3	—	—
02/23/14	Boxtone	Good Technology	101.0	20.9	4.8x
02/10/14	Cyberoam	Sophos	80.0	—	—
02/06/14	Skyfence	Imperva	65.0	—	—
02/06/14	Incapsula	Imperva	40.5	—	—
01/30/14	Tomium	Imperva	8.1	—	—
01/22/14	AirWatch	VMware	1,545.0	—	—
01/06/14	Morta Security	Palo Alto Networks	10.3	—	—
01/02/14	MANDIANT	FireEye	826.5	102.0	8.1x

Source: Capital IQ, 451 Research.

# Notable Cybersecurity M&A Transactions

Cybersecurity M&A Transactions With Disclosed Transaction Values.

Date	Target	Buyer	Enterprise Value (\$M)	TTM Revenue (\$M)	EV / Revenue
12/09/13	QUMAS	Accelrys	47.8	19.3	2.5x
12/03/13	Alaric	NCR	69.3	—	—
12/02/13	Prolexic	Akamai	402.6	—	—
10/01/13	41st Parameter	Experian	324.0	—	—
09/30/13	Sensory Networks	Intel	20.0	—	—
09/17/13	Versate	F5 Networks	87.7	—	—
08/15/13	Trusteer	IBM	900.0	40.0	22.5x
08/09/13	Armorize Technologies	Proofpoint	25.0	—	—
07/25/13	Abaca Technology	Proofpoint	2.5	—	—
07/23/13	Sourcefire	Cisco Systems	2,193.6	247.4	8.9x
07/18/13	PasswordBank	Symantec	24.9	—	—
07/08/13	Aveksa	EMC/RSA	225.0	—	—
05/29/13	Arkoon Network Security	Cassidian CyberSecurity	17.2	16.4	1.0x
05/21/13	Privacy Choice	AVG	3.8	—	—
05/20/13	Websense	Vista Equity Partners	971.1	359.4	2.7x
05/06/13	StoneSoft	McAfee	326.0	46.6	7.0x
04/09/13	Mail Distiller	Proofpoint	4.4	—	—
03/18/13	ThreatTrack Security	Bessemer, Insight, Greenspring Associates	23.0	—	—
			<b>Mean</b>	<b>237.6</b>	<b>133.7</b>
			<b>Median</b>	<b>44.5</b>	<b>40.0</b>

Source: Capital IQ, 451 Research.

# VC Activity in Cybersecurity

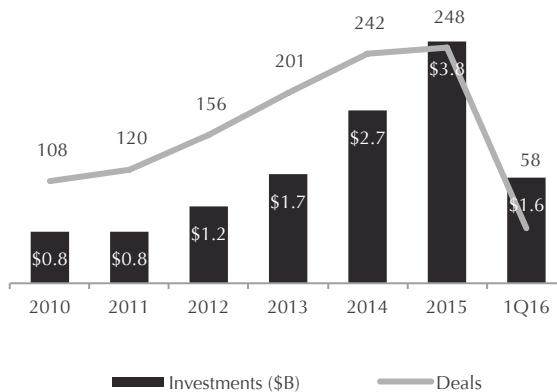


# Financing Activity Since 2010

Cybersecurity Startups Raised \$13.0 Billion Across 1140 Deals Since 2010.

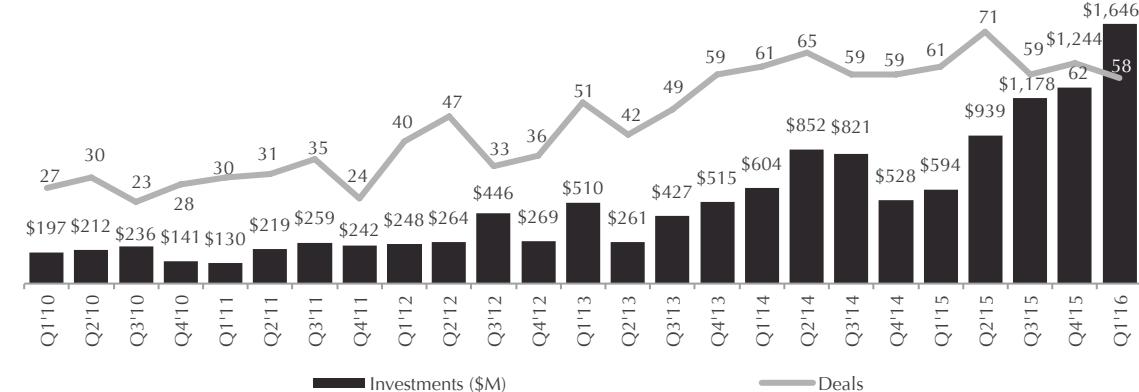
## Investment Deals And Dollars

(">\$M) (2010 – 1Q16)



## Investment Deals And Dollars

(">\$M) (Q1 2010 – Q1 2016)



- Deals and dollars increased steadily, both growing **by more than 100%** in 2015 compared to 2010 levels
- Funding in 2015 surpassed 2014 by **\$1B** but number of deals were relatively flat

- Over the last eight quarters investors have poured **\$7.8B** into cybersecurity
- On a quarterly basis **1Q16** was the strongest for investment, with value of deals reaching **over \$1.6B**; however, excluding Symantec's \$500M investment from Silver Lake, value of deals was relatively flat QoQ
- Strength in 1Q16 numbers largely buoyed by deals closed in January and February; we began to see a slowdown in **March 2016** with only **10** deals totaling **\$98M** being announced

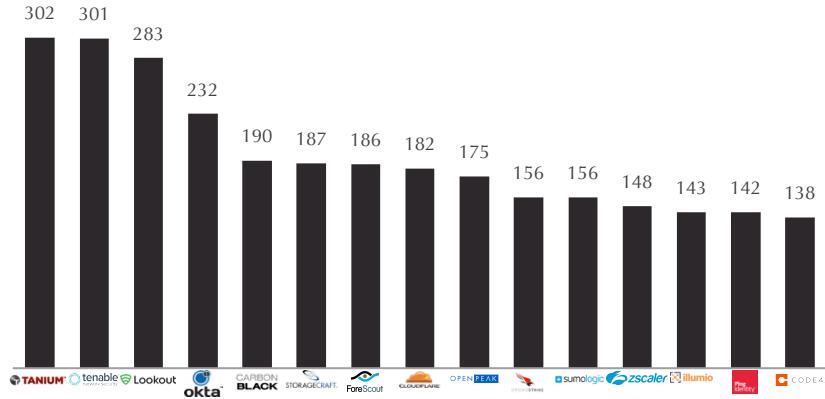
Source: Momentum Partners, CB Insights, Pitchbook Data.

Note: Data for 2014 – 2016 includes only deals with amounts raised >\$1M.

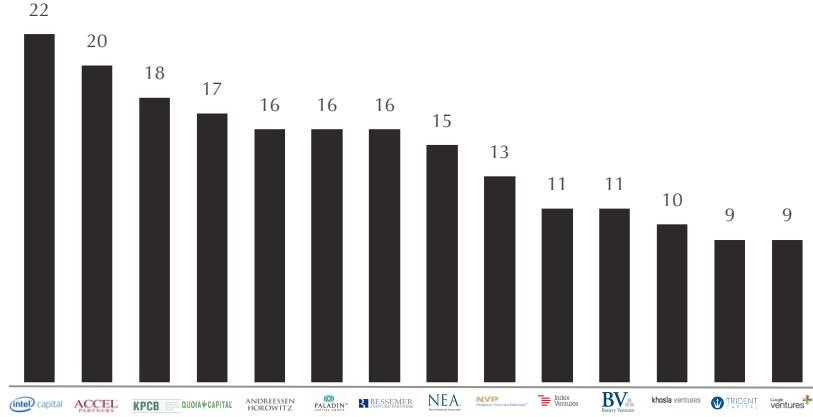
# Cybersecurity Startups And Investors

List Of Most Well-Funded Startups And Most Active VC Investors.

Most Well-Funded Cybersecurity Startups (\$M)



Most Active Investors in Cybersecurity\*



- The **top 15** most well-funded startups have raised **\$2.9B** over their lifespan
- Tanium** continues to top the list and is the hottest cybersecurity company, having raised **\$212M** in 2015 and over **\$300M** since 2007
- An additional **11** companies have raised between \$100M and \$135M for a total of **\$1.3B**, including Netskope (**\$133M**), Pindrop Security (**\$122M**), Skybox Security (**\$119M**) and Bromium (**\$116M**)

Source: PitchBook Data, Crunchbase.

\* Investments in rounds with minimum size of \$5 million.

# Venture Capital Activity

Venture Capital Raises >\$10 Million Since Q1 2014.

Investment Date	Selected Investor(s)	Company	Business Description	Amount Raised (\$M)
24-Mar-16	A16z, Highland Capital, Intel Capital, Lightspeed, Silver Lake Waterman, Ignition	 <b>Bromium®</b>	Bromium's endpoint protection solutions automatically create hardware-isolated micro-VMs that secure every user task.	40.0
15-Mar-16	GV, Cisco, Index Ventures, Intel Capital, Northgate, Sutter Hill Ventures, Thomvest	 <b>SKYPORT SYSTEMS</b>	Skyport Systems develops Hyper-Secured Infrastructure that ensures the security of mission-critical IT assets, with tight integration of compute, security, virtualization and policy.	30.0
14-Mar-16	Pelion Venture Partners, Madrona Venture Group	 <b>ICEBRG</b>	ICEBRG is a stealth network security company.	10.0
25-Feb-16	Menlo Ventures, QED Investors, IA Ventures, Allegis Capital, Tim Eades, Bill McKiernan	 <b>SIGNIFYD</b>	Signifyd is a SaaS-based, enterprise-grade fraud technology solution for e-commerce stores.	20.0
23-Feb-16	Accenture, AT&T, Nokia, Soros Fund, Cisco, Bessemer, Innovation Endeavors, Mitsui	 <b>TEAM8</b>	Team8 is an incubator for cyber-security firms with specialty in defending against targeted, human-driven cyber-attacks	23.0
17-Feb-16	Qihoo 360 Technology, Shanghai Ziyou Investment Management	 <b>360 Security</b>	360 Security provides mobile security applications.	100.0
10-Feb-16	Qumra Capital, Entrée Capital, Genesis Partners, Phoenix Insurance, NTT DOCOMO	 <b>RISKified</b>	Riskified operates a technology platform for online merchants that is used to prevent fraudulent and other transactions of risk.	25.0
10-Feb-16	Sutter Hill Ventures, Clear Venture Partners, Battery Ventures, Amplify Partners	 <b>VERA</b>	Vera operates as a data-security company that enables enterprises, IT organizations, and end-users to secure and share digital information across platforms and devices.	17.0
9-Feb-16	Trinity Ventures, Ten Eleven Ventures, Storm Ventures, Passion Capital	 <b>digital shadows</b>	Digital Shadows provides cyber situational awareness that helps organizations protect against cyber attacks, loss of intellectual property, and loss of brand integrity.	14.0
4-Feb-16	Silver Lake Partners	 <b>Symantec</b>	Symantec is a global provider of security and systems management solutions that help businesses and consumers secure and manage their information and identities.	500.0
4-Feb-16	Goldman Sachs, Accel, Bay Partners, Hummer Winblad, Canvas Ventures, NEA	 <b>Sonatype</b>	Sonatype helps development organizations intelligently source, manage, assemble, secure and maintain open source and third-party components.	30.0
3-Feb-16	Providence Equity Partners	 <b>SKYBOX SECURITY</b>	Skybox Security provides integrated security solutions that provide visibility of exploitable attack vectors, hot spots of vulnerabilities, network misconfigurations and risky firewall rules.	96.0

Source: Capital IQ, PitchBook Data, CrunchBase.

# Venture Capital Activity

Venture Capital Raises >\$10 Million Since Q1 2014.

Investment Date	Selected Investor(s)	Company	Business Description	Amount Raised (\$M)
3-Feb-16	Cisco, Edison Partners, Georgian Partners, VentureLink, Northleaf Capital Partners	 esentire®	eSentire protects mid-sized organizations from sophisticated cyber threats in real-time 24/7 by leveraging behavioral, reputational and signature-based capabilities.	19.5
3-Feb-16	NA	 CARBON BLACK	Carbon Black provides endpoint threat detection, response, and prevention solutions to detect and stop cyber threats.	14.0
1-Feb-16	Foundation Capital, Eddy Shalev, Gilat Opponent	 KAYMERA	Kaymera provides military-grade cyber defense solutions for mobile devices.	10.0
28-Jan-16	Google Capital, IVP, Felicis Ventures, A16z, Citi Ventures, GV	 pindrop security	Pindrop Security provides caller-ID products to detect, report, and mitigate phone fraud.	75.0
26-Jan-16	Lightspeed Venture Partners, Norwest Venture Partners, SingTel Innov8	 fireglass	Fireglass' Threat Isolation Platform eliminates common attack vectors against browsers, emails, documents and web applications.	20.0
21-Jan-16	Wellington Management	 ForeScout	ForeScout enables organizations to continuously monitor and mitigate security exposures and cyber attacks	76.0
21-Jan-16	Fidelity Investments	 Malwarebytes	Malwarebytes develops anti-malware technologies to detect and remove malicious programs from PCs.	50.0
20-Jan-16	Global Emerging Markets Limited	 WISekey	WISeKey develops online security and identity management solutions worldwide.	59.8
13-Jan-16	TA Associates	 STORAGECRAFT.	StorageCraft provides best-in-class backup, disaster recovery and business continuity solutions for servers, desktops and laptops.	187.0
13-Jan-16	83North, Battery Ventures, Harmony Partners, USVP, ClalTech, RTP Ventures	 Zerto	Zerto provides enterprise-class disaster recovery and business continuity software for virtualized data centers and cloud environments.	50.0
13-Jan-16	Venrock, Northern Light Ventures, Norwest Ventures, KPCB	 SHAPE SECURITY	Shape Security stops automated web and mobile application attacks, like credential stuffing, content scraping, and application-layer DDoS, that bypass existing defenses.	25.0
31-Dec-15	Blue Coat, Knollwood Investments, Venrock, USVP	 appthority	Appthority develops application security solutions that help businesses identify the risks hidden inside mobile applications.	10.0

Source: Capital IQ, PitchBook Data, CrunchBase.

# Venture Capital Activity

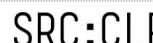
Venture Capital Raises >\$10 Million Since Q1 2014.

Investment Date	Selected Investor(s)	Company	Business Description	Amount Raised (\$M)
16-Dec-15	Danhua Capital, Linear Capital Partners, Sparkland Ventures, Trust Bridge Partners	 TRUSTLOOK	Trustlook develops a static analysis platform for detecting suspicious behavior and malicious characteristics for Android operating systems.	17.0
16-Dec-15	Brookline Venture Partners, Fairhaven Capital Partners, GE Pension Trust, LLR Partners	 DIGITAL GUARDIAN	Digital Guardian provides data security solutions to protect data from insider and outsider threats.	66.0
15-Dec-15	American Express Ventures, BDC Venture Capital, Blumberg Capital, Tenfore Holdings	 Trulioo The Identity Bureau	Trulioo provides online portal for identity verification services.	10.9
11-Dec-15	Alsop Louie Partners, Neuberger Berman, NewSpring Capital	 LOOKING GLASS	Lookingglass Cyber Solutions develops cyber threat intelligence monitoring and management platforms.	50.0
9-Dec-15	Amadeus Capital Partners, Aspect Venture Partners, Bain Capital Ventures	 ForeScout	ForeScout enables organizations to continuously monitor and mitigate security exposures and cyber attacks.	75.4
3-Dec-15	Core Capital Partners, Genacast Ventures, Highland Capital Partners, NEA	 ZEROFOX ADVANCED SECURITY	ZeroFOX provides real-time social threat analytics, intelligence, and advanced security protection via its cloud-based cyber platform.	27.0
2-Dec-15	JMI Equity	 Avecto	Avecto's Defendpoint software protects endpoints from malware and cyberattacks through privilege management, application control and sandboxing technology.	49.0
2-Dec-15	Blu Venture Partners, NEA, Center for Innovative Technology	 THREAT QUOTIENT	ThreatQuotient offers a software platform that helps security teams mitigate cyber attacks by aggregating and managing intelligence on threats.	10.2
1-Dec-15	Grotech Ventures, SAP National Security Services	 THREATCONNECT Driving common sense by intelligence	ThreatConnect provides a cyber threat intelligence platform that allows global organizations to manage massive amounts of threat information.	16.0
1-Dec-15	Alibaba, GE Ventures, Jérusalem Venture Partners, Poalim Ventures	 Theta Ray	Theta Ray offers malware detection and prevention solutions for critical infrastructure, communication systems, and financial systems.	20.0
17-Nov-15	Arsenal Venture Partners, Crosslink Capital, Paladin Capital, Tola Capital, Trinity Ventures	 PROTECTWISE	ProtectWise offers cloud-based network security services.	20.0
11-Nov-15	Menlo Ventures, Jerusalem Venture Partners, OurCrowd, Draper Nexus	 AppDome Enterprise Mobile Apps	AppDome's dynamic wrapping SaaS technology provides shield to enterprise and consumer-facing apps from advanced cyber threats, mobile fraud, and data theft.	13.0

Source: Capital IQ, PitchBook Data, CrunchBase.

# Venture Capital Activity

Venture Capital Raises >\$10 Million Since Q1 2014.

Investment Date	Selected Investor(s)	Company	Business Description	Amount Raised (\$M)
11-Nov-15	Norwest Venture Partners, Invus Group, Accelade Partners, Shasta Ventures		TigerText provides security software for text messaging for physicians to use on their mobile devices.	50.0
10-Nov-15	Insight Venture Partners, Accel Partners		Tenable Network Security specializes in developing software that enables real-time network monitoring to detect hackers and other malicious actors.	250.0
9-Nov-15	Costanoa Ventures, Foundation Capital, Split Rock Partners, Triangle Peak Partners		Guardian Analytics is provider of fraud prevention software for protecting online channels and accounts.	10.9
3-Nov-15	Goldman Sachs		iboss Cybersecurity provides innovative APT Defense, Web Security and Mobile Security Solutions.	35.0
2-Nov-15	Foundation Capital, Matrix Partners, Northbridge Venture Partners		Confer provides endpoint detection and response solution (EDR) that proactively identifies attacks and provides real-time visibility across all endpoints.	17.0
30-Oct-15	Merck Global Health Innovation Fund		Exostar develops B2B information sharing software.	15.0
29-Oct-15	Undisclosed		Lumeta provides network situational awareness platform which is source for enterprise network infrastructure and cybersecurity analytics.	13.0
27-Oct-15	Aspect Venture Partners, US Venture Partners		Cato Networks provides cloud-based platform to manage multiple hardware and software products and provide security against hacking, data theft and other security problems.	20.0
27-Oct-15	Index Ventures, Storm Ventures		SourceClear develops software security platform for developers that help organizations identify components across software portfolio.	10.0
25-Oct-15	Trident Cybersecurity, KPCB		IronNet Cybersecurity provides suite of technologies that provide real-time threat assessment and updates and consulting services.	32.5
14-Oct-15	Allegis Capital, Cowboy Ventures, KPCB, First Round Capital, Icon Ventures		Area 1 Security provides campaign delivery systems and allows enterprises to identify cyber attacks and other attacking campaigns before they unfold using their anti phishing platform.	15.0
14-Oct-15	.406 Ventures, Accomplice VC, Agman Partners, Evolution Equity Partners		Carbon Black provides endpoint threat detection, response, and prevention solutions to detect and stop cyber threats.	54.5

Source: Capital IQ, PitchBook Data, CrunchBase.

# Venture Capital Activity

Venture Capital Raises >\$10 Million Since Q1 2014.

Investment Date	Selected Investor(s)	Company	Business Description	Amount Raised (\$M)
14-Oct-15	Fidelity Management, Goldman Sachs, Allegis Capital, A16z, NVP, Sutter Hill, GE, ARTIS	 BRACKET COMPUTING	Bracket Computing's Virtual Infrastructure Software spans multiple heterogeneous clouds with one set of advanced security, data management, and networking infrastructure.	46.4
13-Oct-15	GSR Ventures, NEA	 DATAVISOR	DataVisor provides big data security analytics to help protect consumer-facing websites and mobile apps from cyber criminals.	14.5
13-Oct-15	Charles River Ventures, Softbank, Spark Capital	 cybereason	Cybereason delivers a technology platform that automatically uncovers malicious operations, reconstructing them as a clear image of a cyberattack in context.	59.0
7-Oct-15	Granite Hill, SineWave Ventures, Data Collective, Third Point, Tiger Global, UpWest	 SentinelOne	Sentinel One uses predictive execution inspection to detect and protect all devices against targeted zero day threats in real-time.	25.0
6-Oct-15	Accel Partners, JMI Equity, NEA, Split Rock Partners	 CODE 42	Code42 Software provides secure cloud services for endpoint data protection and security that allow their users to limit risk, meet data privacy regulations, and recover from data loss.	85.6
30-Sep-15	KPMG	 NORSE	Norse delivers continuously-updated and unique Internet and darknet intel that helps organizations detect and block attacks.	11.4
29-Sep-15	DAG Ventures, AME Cloud Ventures, Juniper Networks, Intel Capital, IA Ventures, Accel	 VECTRA	Vectra Networks' X-series platform uses next-gen compute architecture and combines data analytics and machine learning to detect attacks.	35.1
29-Sep-15	Icon Ventures, Aspect Ventures, Shlomo Kramer, Norwest Venture Partners	 exabeam	Exabeam offers machine-learning technology that focuses on cyber attacker behavior to detect modern cyber attacks.	25.0
25-Sep-15	Arsenal Venture, EDB Investments, Fairhaven Capital Partners, Ten Eleven Ventures	 CounterTack	CounterTack provides real-time endpoint threat detection and response solutions to enterprises and government organizations.	17.9
22-Sep-15	Baidu, Fidelity Management, Qualcomm Ventures, Microsoft, NEA, Google, Venrock	 CLOUDFLARE	CloudFlare is a web performance and security company that provides online services to protect and accelerate websites online.	108.7
21-Sep-15	Orchard Holdings Group	 morphick	Morphick team has developed the only proven platform-enabled managed service to enable their customers to prevent, detect, and respond to even the most advanced attacks.	10.0
17-Sep-15	Tano Capital	 tascent	Tascent develops and deploys biometric identity products and solutions based upon a strong heritage in iris recognition and multimodal high throughput and mobile biometrics.	18.5

Source: Capital IQ, PitchBook Data, CrunchBase.

# Venture Capital Activity

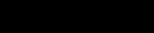
Venture Capital Raises >\$10 Million Since Q1 2014.

Investment Date	Selected Investor(s)	Company	Business Description	Amount Raised (\$M)
10-Sep-15	Allianz Digital Corp Ventures, Vertex, Magna Venture, SBI Holdings, Allianz, Magna Int'l	 ARGUS CYBER SECURITY	Argus is an automotive cybersecurity pioneer, helping car manufacturers, their Tier I suppliers and aftermarket connectivity providers protect connected cars.	26.0
10-Sep-15	IVP, TPG, Andreessen Horowitz, T. Rowe Price	 TANIUM™	Tanium provides security and systems management solutions to allow real-time data collection.	147.5
8-Sep-15	Andreessen Horowitz, Greylock, Sequoia, Altimeter Capital, Glynn Capital, Khosla	 okta	Okta is an integrated identity and mobility management service.	75.0
3-Sep-15	ICONIQ, Accel Partners, Lightspeed, Social +Capital Partnership	 netskope	Netskope performs deep usage analytics and enforces business and security policies in cloud apps.	75.0
2-Sep-15	Bessemer Venture Partners, Citi Ventures, Innovation Endeavors, Marker, NEA	 illusive	Illusive networks offers deception technology enabling protection against targeted attacks and APTs.	22.0
25-Aug-15	.406 Ventures, Arsenal Venture Partners, Evolution Equity Partners	 onapsis	Onapsis provides solutions for securing business-critical applications and infrastructure.	17.0
24-Aug-15	Bessemer Venture Partners, Thomas Noonan	 Bastille	Bastille is pioneering IoT security with next-generation security sensors and airborne emission detection, allowing corporations to accurately quantify risk and mitigate threats.	13.8
19-Aug-15	Benchmark, Meritech Capital, Shasta Ventures, Tenaya Capital, Lightspeed, Musea	 CloudPassage	CloudPassage provides server security products for public and hybrid cloud hosting environments.	35.9
18-Aug-15	IVP, GGV Capital, KPCB, Trident Capital	 ALIEN VAULT	AlienVault's Unified Security Management Platform delivers a unified, simple and affordable solution for threat detection, incident response and compliance management.	52.0
3-Aug-15	Google Capital, TPG Capital, EMC, Lightspeed Venture Partners	 zscaler	Zscaler offers integrated, cloud-delivered Internet security including web security, firewalls, mobile security, IoT security and DLP.	110.0
28-Jul-15	DFJ Growth, Dell Ventures, KKR, Blackstone, Thomvest, Khosla, Draper Nexus, TenEleven	 CYLANCE	Cylance utilizes artificial intelligence, algorithmic science and machine learning to proactively protect organizations against advanced threats.	42.0
24-Jul-15	Accelerate IT Ventures, Trident Capital, Panasonic Venture Group	 MOCANA.	Mocana creates and develops mobile application protection (MAP) app-shielding solutions, enabling users to secure mobile apps.	14.8

Source: Capital IQ, PitchBook Data, CrunchBase.

# Venture Capital Activity

Venture Capital Raises >\$10 Million Since Q1 2014.

Investment Date	Selected Investor(s)	Company	Business Description	Amount Raised (\$M)
14-Jul-15	Summit Partners	 DARKTRACE	Darktrace's Enterprise Immune System technology detects unidentified threats in real time, powered by machine learning and mathematics.	 25.0
13-Jul-15	Accel Partners, Google Capital, Rackspace, Warburg Pincus	 CROWDSTRIKE	CrowdStrike is a global provider of security technology and services focused on identifying advanced threats and targeted attacks.	 100.0
13-Jul-15	Allegis Capital, Marc Benioff, Blackstone, Igor Sill, Kevin Plank, Christian Lawless	 REDOWL	RedOwl Analytics provides proactive risk oversight software solutions for compliance, insider threat & investigations.	 17.5
1-Jul-15	Pinnacle Ventures, Redpoint Ventures, Quihoo 360 Technology	 PSafe	PSafe is a Brazilian company developing Secure Cloud Computing software suites such as the PSafe Antivirus for safe internet browsing.	 30.0
25-Jun-15	Insight Venture Partners	 CHECKMARX	CheckMarx.com develops software solutions that are used to identify security vulnerabilities in Web and mobile applications.	 84.0
24-Jun-15	Benchmark, New Enterprise Associates, Marc Benioff, David Sacks, Drew Houston	 hackerone	HackerOne provides a vulnerability management and bug bounty platform.	 25.0
24-Jun-15	New Enterprise Associates, Sigma Prime Ventures	 Barkly	Barkly uses high-performance local analytics and a unique design to stop attacks in the moment while preventing tampering from users and attackers.	 12.5
18-Jun-15	Bessemer Venture Partners, Correlation Ventures, IDEA Fund Partners, Techstars	 distil networks	Distil's SaaS bot detection and mitigation solutions work like a protective shield and blocks malicious bots, malware and competitors' that try to scrape websites without permission.	 21.0
9-Jun-15	Intel Capital, QuestMark Partners, Silver Lake Partners	 VENAFI	Venafi provides enterprise key and certificate management security solutions – the Immune System for the Internet™.	 39.0
8-Jun-15	Engineering Capital, General Catalyst, Osage University Partners, Sutter Hill Ventures	 Menlo Security	Menlo Security is a stealth cyber security company that develops security solutions eliminating the threat of advanced malware.	 25.0
1-Jun-15	Foundation Capital, Matrix Partners, Sapphire Ventures, Trinity Ventures, Chris Rust	 CYPHORT	Cyphort develops cloud services, software, and appliance-based solutions to protect enterprises against the newest cyber threats.	 30.0
1-Jun-15	Accel, Glynn Capital, Greylock, DFJ Growth, IVP, Sequoia, Sutter Hill, Tenaya Capital	 sumologic	Sumo Logic is a log management and analytics company that leverages Big Data for real-time IT insights.	 80.0

Source: Capital IQ, PitchBook Data, CrunchBase.

# Venture Capital Activity

Venture Capital Raises >\$10 Million Since Q1 2014.

Investment Date	Selected Investor(s)	Company	Business Description	Amount Raised (\$M)
28-May-15	Excel Venture Management, Flare Capital, Heritage Group, HLM Venture, NVP, Merck	 ClearDATA HEALTHCARE • COMPLIANT • CLOUD	ClearDATA offers security, privacy, and compliance services to the hospitals, physician practices, electronic medical record software, and healthcare markets.	25.0
20-May-15	Carmel Ventures, Lightspeed Venture Partners	 enSilo SEND YOUR DATA FROM THINNY ACTIONS	enSilo offers a real-time targeted attack exfiltration prevention platform.	10.0
19-May-15	China Broadband Capital Partners, China Growth Capital, IDG Capital Partners	 FraudMetrix	FraudMetrix provides network risk and fraud services, serving institutional clients in the banking, third party payment, credit dealers and gaming industries.	30.0
19-May-15	Andreessen Horowitz, Corazon Capital	 Keybase	Keybase allows users to easily encrypt, decrypt and share messages within a tried-and-tested encryption standard.	10.8
18-May-15	Espírito Santo Ventures, Oak HC/FT, Sapphire Ventures	 feedzai	Feedzai provides a platform that uses real-time, machine-based learning to help payment networks, banks and retailers prevent fraud in omnichannel commerce.	17.5
18-May-15	Comcast Ventures, Commonwealth Capital, Flybridge Capital, Globespan Capital, Menlo	 BITSIGHT	BitSight provides a security rating platform, which analyzes external data on security behaviors that allows to manage third party risk, and benchmark performance.	23.0
6-May-15	Spark Capital, CRV, Lockheed Martin	 cybereason	Cybereason delivers a technology platform that automatically uncovers malicious operations, reconstructing them as a clear image of a cyberattack in context.	25.0
16-Apr-15	Reed Elsevier Ventures, Atlas Venture, Balderton Capital, GV, IA Ventures, In-Q-Tel	 Recorded Future CREATING AN INSIGHTFUL WORLD	Recorded Future arms organizations with real-time threat intelligence, allowing them to proactively defend against cyber attacks.	12.0
15-Apr-15	Index Ventures, Intel Capital, Sutter Hill Ventures	 SKYPORT SYSTEMS	Skyport Systems develops Hyper-Secured Infrastructure that ensures the security of mission-critical IT assets, with tight integration of compute, security, virtualization and policy.	30.0
14-Apr-15	HP Ventures, Index Ventures, Sequoia Capital, Rembrandt	 ADALLOM SECURITY WITHOUT BOUNDARIES	Adallom is a cloud access security broker which delivers visibility, governance and protection for cloud applications.	30.0
14-Apr-15	Accel Partners, Andreessen Horowitz, BlackRock, General Catalyst, Formation 8	 illumio	Illumio provides cloud solutions, specializing in virtualization, networking, and security hauling services.	100.0
9-Apr-15	Venrock, Index Ventures, New Enterprise Associates	 niara	Niara's solution blends diverse data sources, sophisticated analytics and forensics to discover compromised users and provide insight into malicious insiders.	20.0

Source: Capital IQ, PitchBook Data, CrunchBase.

# Venture Capital Activity

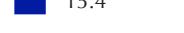
Venture Capital Raises >\$10 Million Since Q1 2014.

Investment Date	Selected Investor(s)	Company	Business Description	Amount Raised (\$M)
8-Apr-15	Andreessen Horowitz, Citi	 <b>TANIUM</b>	Tanium provides security and systems management solutions to allow real-time data collection.	[REDACTED] 64.0
6-Apr-15	DRW Investors, Icon Ventures, Leapfrog Ventures, Math Venture Partners	 <b>REDSEAL</b>	RedSeal develops security risk management (SRM) software and solutions and helps companies eliminate cyber threats.	[REDACTED] 17.0
1-Apr-15	Cisco, EPIC Ventures, Trident Capital, Vanedge Capital, Vmware, AITV, Fortinet	 <b>HYTRUST</b> Cloud Under Control	HyTrust, a cloud security automation company, provides administrative control, auditing, & data security for private, hybrid, and public clouds.	[REDACTED] 33.0
26-Mar-15	AITV, Cisco, EPIC Ventures, Fortinet, Granite Ventures, and others	 <b>PHISHME</b>	PhishMe provides training to employees against phishing threat enabling them to identify, report, and mitigate spear phishing, malware and drive-by threat.	[REDACTED] 13.0
26-Mar-15	Accel Partners, Flybridge Capital Partners, Greycroft Partners, Millenium Technology	 <b>BetterCloud</b> Powering Cloud IT	BetterCloud provides critical insights, automated management, and intelligent data security for cloud office platforms.	[REDACTED] 25.0
25-Mar-15	Neuberger Berman Group, Alsop Louie Partners	 <b>LOOKINGGLASS</b>	Lookingglass Cyber Solutions develops cyber threat intelligence monitoring and management platforms.	[REDACTED] 20.0
24-Mar-15	Bain Capital Ventures, Commerce Ventures, Lightspeed Venture Partners	 <b>InAuth</b>	InAuth is the most complete mobile authentication and anti-fraud solution offering multiple security options to financial institutions and the mobile transaction market.	[REDACTED] 29.9
20-Mar-15	August Capital, Engineering Capital, Norwest Venture Partners, Wing Venture Partners	 <b>palerra</b>	Palerra provides software that combines threat detection, predictive analytics, security configuration management and automated incident response & remediation in one platform	[REDACTED] 17.0
19-Mar-15	ONSET Ventures, Voyager Capital, Presidio Ventures, LDV Partners, Envision Ventures	 <b>VIDDER</b>	Vidder mitigates network-based attacks by making servers invisible to everyone except authorized users.	[REDACTED] 12.0
19-Mar-15	Benchmark Capital, GV, Lead Edge Capital, Radar Partners, Redpoint Ventures, others	 <b>DUO</b>	Duo Security provides two-factor authentication as a service to prevent account takeover and data theft.	[REDACTED] 30.0
18-Mar-15	Invoke Capital, Hoxton Ventures, Talis Capital	 <b>DARKTRACE</b>	Darktrace, a cyber security company, offers intelligence-led behavioral cyber defense solutions for cyber-attack vectors.	[REDACTED] 18.4
10-Mar-15	Allegis Capital, March Capital Partners, The Hive	 <b>E8 SECURITY</b>	E8 Security helps enterprises analyze and detect advanced attacks and malicious insider activities.	[REDACTED] 10.7

Source: Capital IQ, PitchBook Data, CrunchBase.

# Venture Capital Activity

Venture Capital Raises >\$10 Million Since Q1 2014.

Investment Date	Selected Investor(s)	Company	Business Description	Amount Raised (\$M)
26-Feb-15	Undisclosed	 silent circle	Silent Circle is a global encrypted communications service that provides cutting-edge encrypted text, e-mail, mobile phone and video teleconferencing services.	 50.0
26-Feb-15	Sierra Ventures, Samsung Ventures, Telstra Ventures, Lazarus Israel, Toyo Corporation	 ZIMPERIUM	Zimperium, a mobile cyber security company, develops Mobile Intrusion Prevention System.	 12.0
25-Feb-15	Wing Venture Capital, Norwest Venture Partners	 Dtex Systems	Dtex Systems develops and provides secure user activity solutions.	 15.4
25-Feb-15	Rogers Venture Partners, Blue Sky Capital	 SECURE KEY	SecureKey develops platform-as-a-service based hardware and software solutions for chip-based identity and payment technologies.	 19.0
18-Feb-15	Institutional Venture Partners, Andreessen Horowitz, Felicis Ventures, Redpoint, Citi	 pindrop security	Pindrop Security provides caller-ID products to detect, report, and mitigate phone fraud.	 35.0
17-Feb-15	BOLDStart Ventures, Evolution Equity Partners, Sequoia Capital	 SecurityScorecard	SecurityScorecard is a provider of security risk assessment service for cloud-based information systems.	 13.7
10-Feb-15	Alcatel Lucent, Bessemer Venture Partners, Cisco, Innovation Endeavors, Marker	 TEAM8	Team 8 is an incubator for cyber-security firms with specialty in defending against targeted, human-driven cyber-attacks.	 18.0
10-Feb-15	83North, Bessemer Venture Partners	 wandera	Wandera provides security and management of mobile data for global enterprises.	 15.0
26-Jan-15	Bessemer Venture Partners, Columbia Capital	 verato	Verato helps rightly identifying individuals regardless of whether their names, addresses or other personal information was incorrect or out-of-date.	 12.5
16-Jan-15	Avalon Ventures, NHN Investment Corp	 aeroFS	Air Computing cloud platform AeroFS allows enterprise customers to sync and share all data securely behind a firewall with unlimited storage.	 10.0
13-Jan-15	KPCB, Meritech Capital Partners, Icon Ventures, Google Ventures, TechOperators	 IONIC SECURITY	Ionic Security offers a unified data and mobility security platform.	 40.1
31-Dec-14	Bessemer Venture Partners	 iSIGHTPARTNERS	iSight Partners provides cyber threat intelligence solutions to public sector and commercial entities.	 30.0

Source: Capital IQ, PitchBook Data, CrunchBase.

# Venture Capital Activity

Venture Capital Raises >\$10 Million Since Q1 2014.

Investment Date	Selected Investor(s)	Company	Business Description	Amount Raised (\$M)
19-Dec-14	KPCB, Google Ventures, Greylock Partners, GGV Capital, Icon Ventures	 <b>Synack</b>	Synack provides a cloud-based platform that enables customer data integrity, privacy, and confidentiality.	 25.0
16-Dec-14	Charles River Ventures, Scale Venture Partners, Social+Capital Partnership	 <b>OneLogin</b>	OneLogin's cloud-based Identity and Access Management solution allows enterprises of all sizes to secure their cloud and on-premise apps for all users and devices.	 25.0
16-Dec-14	ATA Ventures, Northgate Capital, RWI Ventures, TVC Capital	 <b>EdgeWave</b>	EdgeWave engages itself in the design, development and marketing of internet security appliances, services and offers secure content management and policy compliance services.	 13.0
16-Dec-14	Technology Crossover Ventures, Bain Capital Ventures	 <b>RAPID7</b>	Rapid7 provides vulnerability management and security data and analytic software solutions and services.	 31.0
9-Dec-14	Grotech Ventures, Khosla Ventures, Citi Ventures	 <b>DB NETWORKS</b>	DB Networks provides behavioral analysis solutions for intrusion detection and database security.	 17.0
9-Dec-14	DCM, DDS, DoCoMo Capital, ONSET Ventures, Raven Venture Partners and others	 <b>Nok Nok LABS</b>	Nok Nok Labs develops products and services for online security and authentication.	 16.3
8-Dec-14	Summit Partners, Battery Ventures, Florence Venture Partners	 <b>RiskIQ</b>	RiskIQ provides a software-as-a-service product that eliminates online and mobile threats.	 27.5
8-Dec-14	Auriga Partners, VI Partners, Mannai Corp	 <b>nexthink</b>	Nexthink is the innovator of End-user IT Analytics for security, ITSM and workplace transformation.	 14.5
4-Dec-14	Palladin Capital, Google Ventures, IVP, General Catalyst Partners	 <b>ANOMALI</b>	Anomali's platform is a security intelligence solution that aggregates millions of threat indicators into existing security systems.	 22.5
19-Nov-14	T-Venture, Delta Partners, Andreessen Horowitz, Transamerica Ventures	 <b>CipherCloud™ Trust in the Cloud</b>	CipherCloud provides cloud information protection solutions.	 50.0
19-Nov-14	Bessemer, Columbia Capital, KPCB, Paladin Capital, Top Tier, Edgemore Capital, Savano	 <b>ENDGAME.</b>	Endgame provides security intelligence and analytics solutions for real-time visibility and actionable insight across their digital domains.	 30.0
18-Nov-14	Osage Partners, General Catalyst Partners	 <b>Menlo Security</b>	Menlo Security, a stealth cyber security company, develops a security solution that eliminates the threat of advanced malware.	 10.5

Source: Capital IQ, PitchBook Data, CrunchBase.

# Venture Capital Activity

Venture Capital Raises >\$10 Million Since Q1 2014.

Investment Date	Selected Investor(s)	Company	Business Description	Amount Raised (\$M)
18-Nov-14	IPV Capital, ANT Financial		V-Key provides mobile application threat research, protection, and intelligence solutions.	12.0
18-Nov-14	Battery Ventures, Amplify Partners, Chris Rust, Nick Mehta		Vera operates as a data-security company that enables enterprises, IT organizations, and end-users to secure and share digital information across platforms and devices.	14.0
11-Nov-14	NEA, Sequoia Capital		Forter provides a software to reduce frauds during transaction.	15.0
22-Oct-14	Benhamou Global Ventures, Javelin Venture Partners, Lakewood & Co, Vital Venture		Spikes Security provides browser-based security software solutions to businesses.	12.0
30-Sep-14	NTT DoCoMo Ventures, Octopus Investments, Paladin Capital		Certivox provides application and content security, as well as on-demand encryption key generation services.	11.3
30-Sep-14	Draper Fisher Jurvetson, Meritech Capital Partners		Good Technology Corporation provides secure mobility solutions for enterprises and governments worldwide.	11.0
30-Sep-14	Pelion Venture Partners, Third Point Ventures, Akamai Technologies		Krimmeni Technologies manufactures, markets, and licenses data security systems for device manufacturers and content providers.	11.7
23-Sep-14	Alloy Ventures, Battery Ventures, Scale Venture Partners, First Round Capital		Agari Data provides email security solutions.	15.0
22-Sep-14	Benchmark Capital, True Ventures, Radar Partners, Google Ventures		Duo Security provides two-factor authentication as a service to prevent account takeover and data theft.	12.8
18-Sep-14	DFJ, KKR, Sapphire Ventures, General Catalyst, Volition Capital, Ten Eleven		Ping Identity Corporation provides cloud identity security and management solutions.	35.0
16-Sep-14	Cisco, Edison Partners, Georgian Partners, Northleaf Capital Partners, VentureLink		eSentire protects mid-sized organizations from sophisticated cyber threats in real-time 24/7 by leveraging behavioral, reputational and signature-based capabilities.	12.7
18-Aug-14	Battery Ventures, 83North, Wellington, .406, Atlas, In-Q-Tel, Symantec, Telus, Meritech		Veracode offers a cloud-based application security platform for managing enterprise-wide governance programs.	40.0

Source: Capital IQ, PitchBook Data, CrunchBase.

# Venture Capital Activity

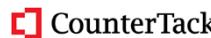
Venture Capital Raises >\$10 Million Since Q1 2014.

Investment Date	Selected Investor(s)	Company	Business Description	Amount Raised (\$M)
10-Sep-14	Battery Ventures, Glilot Capital Partners, Amplify Partners	 <b>LIGHTCYBER</b>	Light Cyber develops solutions for identifying and preventing cyber-attacks and advanced persistent threats.	10.0
20-Aug-14	Citi Ventures, Columbus Nova Technology Partners, Work-Bench	 <b>vARMOUR</b>	vArmour Networks provides software-defined security solutions for virtualized data centers and government cloud operators.	21.0
18-Aug-14	Battery Ventures, 83North	 <b>GuardiCore Securing SDN</b>	GuardiCore provides network security solutions for software-defined data centers.	11.0
13-Aug-14	Accel, Goldman Sachs, Index Ventures, T.Rowe Price, A16, Khosla, Wellington, Bezos	 <b>Lookout</b>	Lookout develops and delivers cloud-based consumer mobile device security applications for iPhones and iPads.	150.0
13-Aug-14	China Broadband Capital Partners, Linear Venture, IDG Capital Partners	 <b>FraudMetrix</b>	FraudMetrix provides network risk and fraud services, serving institutional clients in the banking, third party payment, credit dealers and gaming industries.	10.0
12-Aug-14	Dell Ventures, Presidio Ventures, Redpoint Ventures, eVentures	 <b>lastline</b>	Lastline provides cloud-based systems and processes for the analysis of malware.	10.0
6-Aug-14	Sequoia Capital, Tenaya Capital, Nexus Venture Partners	 <b>druva</b>	Druva Software provides data protection and governance solution for public and private clouds in an enterprise.	25.0
6-Aug-14	Toba Capital	 <b>SECUREAUTH</b>	SecureAuth is a technology leader in universal identity enforcement for mobile devices, cloud applications and networks.	10.0
5-Aug-14	New Enterprise Associates, Norwest Venture Partners, SingTel Ventures	 <b>bitglass</b>	Bitglass provides security solutions that automatically segments, tracks, and secures businesses' sensitive data across cloud and mobile.	25.0
5-Aug-14	Accel Partners, Intel Capital, Khosla Ventures, Juniper, AME Ventures, IA Ventures	 <b>VECTRA</b>	Vectra Networks' X-series platform uses next-gen compute architecture and combines data analytics and machine learning to detect attacks.	25.1
29-Jul-14	Jerusalem Venture Partners, Poalim Ventures	 <b>ThetaRay</b>	Theta Ray offers malware detection and prevention solutions for critical infrastructure, communication systems, and financial systems.	10.0
25-Jul-14	Baird Venture Partners, Jump Capital, Math Venture Partners	 <b>NowSecure™</b>	NowSecure develops and provides mobile security solutions for the financial, healthcare, and governmental institutions.	12.5

Source: Capital IQ, PitchBook Data, CrunchBase.

# Venture Capital Activity

Venture Capital Raises >\$10 Million Since Q1 2014.

Investment Date	Selected Investor(s)	Company	Business Description	Amount Raised (\$M)
23-Jul-14	ABS Capital Partners, Signal Peak Ventures		Bask Technology provides remote technology and proactive maintenance services for private homes and small businesses in the United States and internationally.	<div style="width: 17.8%; background-color: #0056b3; height: 10px;"></div> 17.8
22-Jul-14	Riverwood Capital, Adams Street Partners, Access Venture Partners, Piper Jaffray		LogRhythm provides log management and security information and event management solutions.	<div style="width: 40.0%; background-color: #0056b3; height: 10px;"></div> 40.0
22-Jul-14	Frontier Capital		IntelSecure provides a portfolio of information and network security services to help organizations protect their most critical assets.	<div style="width: 14.3%; background-color: #0056b3; height: 10px;"></div> 14.3
10-Jul-14	Highland Capital Partners		Malwarebytes develops anti-malware technologies to detect and remove malicious programs from PCs.	<div style="width: 30.0%; background-color: #0056b3; height: 10px;"></div> 30.0
4-Jul-14	Adams Street Partners, March Capital Partners, Summit Partners, Telstra Ventures		Telesign provides mobile identity solutions.	<div style="width: 49.4%; background-color: #0056b3; height: 10px;"></div> 49.4
27-Jun-14	Mayfield Fund, Pelion Venture Partners, Third Point Ventures		Elastica provides cloud security solutions for businesses and their employees.	<div style="width: 20.0%; background-color: #0056b3; height: 10px;"></div> 20.0
25-Jun-14	Alsop Louie Partners, Breyer Capital, CME Ventures, Dolby Family Ventures		Wickr develops a mobile messaging platform that specializes in offering data security services.	<div style="width: 30.0%; background-color: #0056b3; height: 10px;"></div> 30.0
24-Jun-14	Grotech Ventures, Paladin Capital		White Ops detects bots, in real time, at web scale.	<div style="width: 11.1%; background-color: #0056b3; height: 10px;"></div> 11.1
23-Jun-14	Sequoia Capital, Salesforce Ventures, Greylock Partners		Skyhigh Networks enables companies to adopt cloud services with appropriate security, compliance and governance.	<div style="width: 40.0%; background-color: #0056b3; height: 10px;"></div> 40.0
22-Jun-14	Andreessen Horowitz		Tanium provides security and systems management solutions to allow real-time data collection to enterprises and Fortune 500 customers.	<div style="width: 90.0%; background-color: #0056b3; height: 10px;"></div> 90.0
19-Jun-14	Accel Partners, Foundation Capital, Meritech Capital Partners		ForgeRock creates identity relationship management solutions for the modern Web including public cloud, private cloud, hybrid cloud, and enterprise and mobile environments.	<div style="width: 29.9%; background-color: #0056b3; height: 10px;"></div> 29.9
16-Jun-14	Arsenal Venture Partners, Fairhaven Capital, Lucent Asset Management, Goldman Sachs		CounterTack provides real-time endpoint threat detection and response solutions to enterprises and government organizations.	<div style="width: 20.0%; background-color: #0056b3; height: 10px;"></div> 20.0

Source: Capital IQ, PitchBook Data, CrunchBase.

# Venture Capital Activity

Venture Capital Raises >\$10 Million Since Q1 2014.

Investment Date	Selected Investor(s)	Company	Business Description	Amount Raised (\$M)
16-Jun-14	Redpoint Ventures, Founders Fund, Bridgescale, Radar Partners, A-Grade	 BitGo™	BitGo operates a Bitcoin security platform that offers multi-signature security-as-a-service solutions.	12.0
10-Jun-14	Norwest Venture Partners, Aspect Ventures, Shlomo Kramer	 exabeam	Exabeam offers machine-learning technology that focuses on cyber attacker behavior to detect modern cyber attacks.	10.0
10-Jun-14	Crosslink Capital, Trinity Ventures, Paladin Capital, Arsenal Venture	 PROTECTWISE™	ProtectWise offers cloud-based network security services.	14.1
9-Jun-14	Altimeter Capital, Andreessen Horowitz, Greylock Partners, Janus Capital	 okta	Okta is an integrated identity and mobility management service.	75.0
2-Jun-14	Blumberg Capital, Intel Capital, Swarth Group	 FORTSCALE	Fortscale Security develops data security systems which analyzes information and tracks patterns of potential security threats.	10.0
28-May-14	Bessemer Venture Partners, Correlation Ventures, IDEA Fund Partners, Techstars	 distil networks	Distil's SaaS bot detection and mitigation solutions work like a protective shield and block malicious bots, malware and competitors' that try to scrape websites without permission.	10.1
21-May-14	Cain Capital, Ross Perot	 silent circle	Silent Circle is a global encrypted communications service that provides cutting-edge encrypted text, e-mail, mobile phone and video teleconferencing services.	30.0
20-May-14	Sequoia Capital, Accel, Greylock, Sutter Hill	 sumologic	Sumo Logic is a log management and analytics company that leverages Big Data for real-time IT insights.	30.0
20-May-14	Samsung Venture, Fortinet, DoCoMo Capital, Accel, Mayfield, Northgate, BDCA Venture	 Centrify	Centrify Corporation provides unified identity management across data center, cloud, and mobile.	42.0
15-May-14	Accel Partners, Lightspeed, Social+Capital Partnership	 netskope	Netskope performs deep usage analytics and enforces business and security policies in cloud apps.	35.0
15-May-14	Glynn Capital, Mohr Davidow, Greylock, Sequoia Capital, Cisco, Lumia, Sutter Hill	 OpenDNS	OpenDNS operates as a security company that provides Internet security and domain name system services to secure the networks.	35.0
15-May-14	Bank of Montreal, Business Development Bank of Canada	 BlackRidge TECHNOLOGY	BlackRidge helps in authenticating and authorizing all network connections before they are established, stopping malicious attacks that would bypass conventional security measures.	20.2

Source: Capital IQ, PitchBook Data, CrunchBase.

# Venture Capital Activity

Venture Capital Raises >\$10 Million Since Q1 2014.

Investment Date	Selected Investor(s)	Company	Business Description	Amount Raised (\$M)
14-May-14	First Round Capital, Max Levchin, Spark Capital, Union Square Ventures	 <b>sift science</b>	Sift science provides a platform that monitors website traffic to alert clients of fraudulent activity.	 18.1
14-May-14	Spectrum Equity	 <b>VERAFIN</b> A STEP AHEAD	Verafin is a leading provider of compliance, anti-money laundering (AML) and fraud detection software.	 55.1
29-Apr-14	NEA, Core Capital, Genacast Ventures, Enrique Salem, Comcast Ventures, TCP	 <b>ZEROFOX</b> ADVANCED CYBERSECURITY	ZeroFOX provides real-time social threat analytics, intelligence, and advanced security protection via its cloud-based cyber platform.	 10.3
23-Apr-14	Accel Partners, Tiger Global, Westly Group, Granite Hill Capital, Data Collective	 <b>SENTINELONE</b>	Sentinel One uses predictive execution inspection to detect and protect all devices against targeted zero day threats in real-time.	 12.0
22-Apr-14	Adams Street Partners, Bloomberg Capital, GRA Venture Fund, Imlay Investments	 <b>DAMBALLA</b>	Damballa discovers active threats that bypass all security prevention layers.	 13.0
16-Apr-14	The Stephens Group, Treetop Ventures	 <b>ARMOR</b> BETWEEN YOU AND THE THREAT	Armor offers customer-centric security outcomes for retail and eCommerce enterprises, healthcare organizations, payment leaders and financial institutions.	 25.0

Total Amount Raised (\$M)

6,587.1

Median Amount Raised (\$M)

22.8

Source: Capital IQ, PitchBook Data, CrunchBase.

# Cybersecurity Public Trading Analysis



# Cybersecurity Sector vs Benchmark Performance

Equity Performance Rebounded Late In Q1 2016 From Early February Lows.

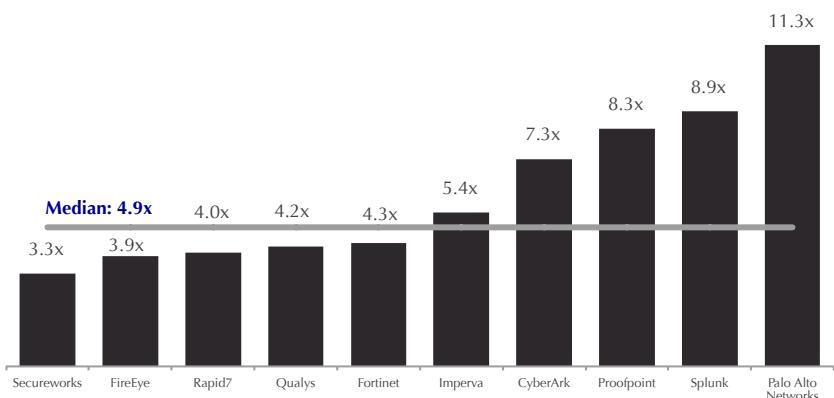


# Trading Multiples: High Growth & Low Growth

Valuation Multiples For High Growth & Low Growth Cybersecurity Companies.

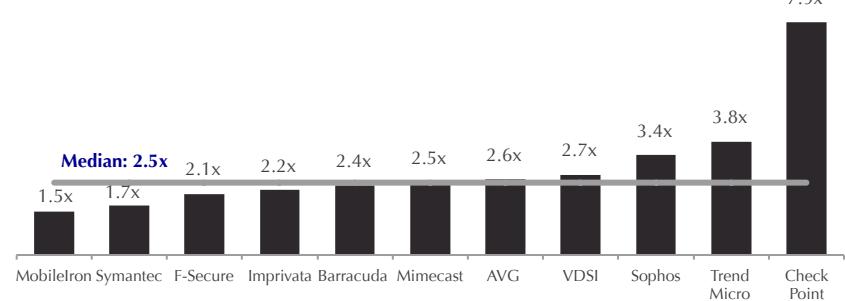
## High Growth Cybersecurity\*

(Current: EV / LTM Revenue Multiples)



## Low Growth Cybersecurity\*

(Current: EV / LTM Revenue Multiples)

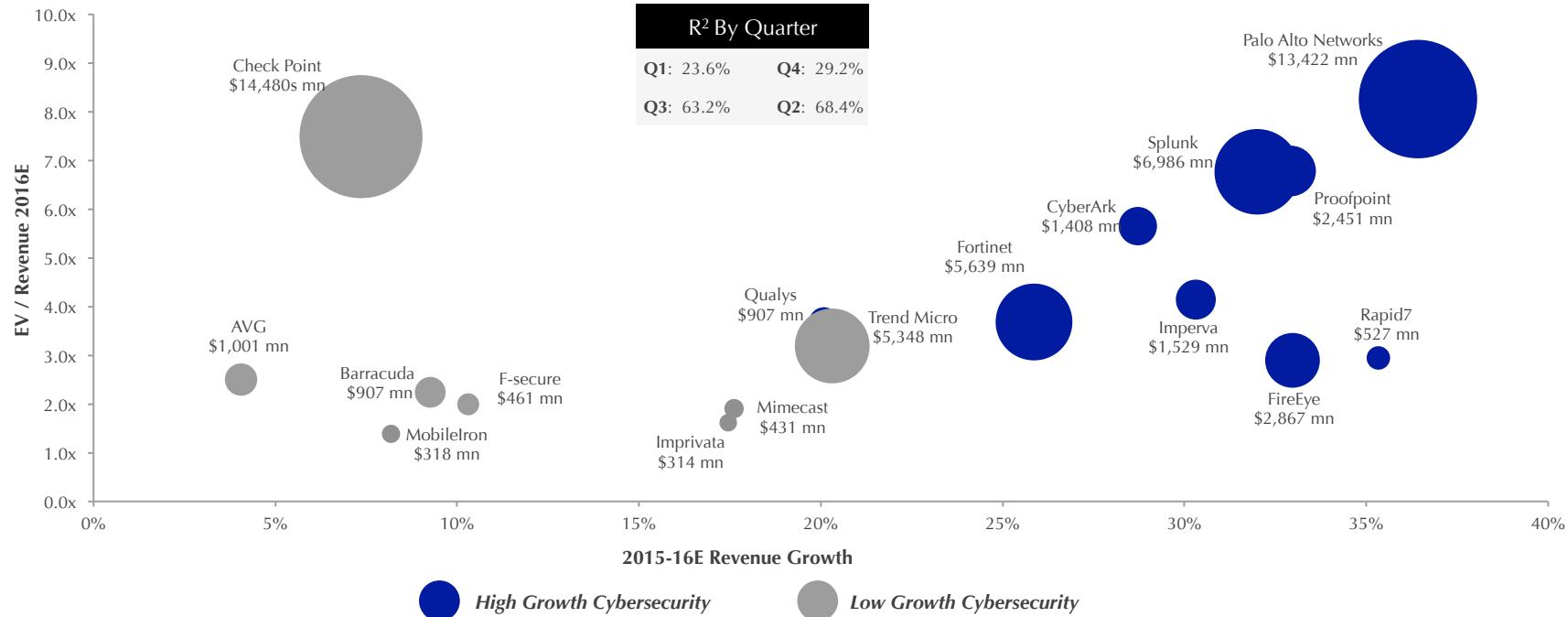


Source: Capital IQ, market data as of May 2, 2016.

\* High Growth represented by companies with >20% revenue CAGR; Low Growth represented by companies with <20% revenue CAGR.

# Severe Decline In Correlation Of Value To Growth

The Market Continues To Devalue Growth In Favor of Profitability & Predictability (Back to Basics).



Note: Size of the bubble indicates Market Cap. In USD; Market data as of May 2, 2016.

Source: Capital IQ.

# Public Company Trading Analysis

## High Growth & Low Growth Cybersecurity.

Company Name	Stock Price	LTM Price Performance	Market Cap (\$M)	Enterprise Value (\$M)	2015-16E Revenue Growth	2016E-17E Revenue Growth	EV / Revenue			EV / EBITDA			P / E
							LTM	CY2016	CY2017	LTM	CY2016	CY2017	
<b>High Growth Cybersecurity (&gt;20% CAGR)</b>													
Palo Alto Networks	151.88	0.7%	13,422	12,955	36.4%	30.2%	11.3x	8.3x	6.3x	60.7x	35.9x	25.5x	72.1x
Splunk	52.71	(21.0%)	6,986	5,977	32.0%	28.2%	8.9x	6.8x	5.3x	NM	NM	60.9x	NM
Fortinet	32.86	(14.4%)	5,639	4,687	25.9%	19.0%	4.3x	3.7x	3.1x	26.0x	20.4x	16.1x	46.9x
FireEye	17.24	(60.2%)	2,867	2,403	33.0%	24.9%	3.9x	2.9x	2.3x	NM	NM	NM	NM
Proofpoint	59.06	9.4%	2,451	2,392	32.9%	28.1%	8.3x	6.8x	5.3x	NM	NM	61.1x	NM
Imperva	47.39	4.7%	1,529	1,264	30.3%	24.8%	5.4x	4.1x	3.3x	NM	NM	43.6x	NM
CyberArk	42.28	(36.8%)	1,408	1,170	28.7%	22.6%	7.3x	5.7x	4.6x	26.2x	26.0x	19.9x	48.9x
SecureWorks*	13.34	(4.7%)	1,112	1,106	NA	NA	3.3x	NA	NA	NM	NA	NA	NA
Qualys	25.99	(50.2%)	907	728	20.1%	19.3%	4.2x	3.7x	3.1x	12.0x	11.5x	9.2x	33.7x
Rapid7*	12.58	(21.4%)	527	440	35.3%	25.9%	4.0x	2.9x	2.3x	NM	NM	NM	NM
		Mean	30.5%	24.8%	6.1x	5.0x	4.0x	31.2x	23.5x	33.8x	50.4x		
		Median	32.0%	24.9%	4.9x	4.1x	3.3x	26.1x	23.2x	25.5x	47.9x		
<b>Low Growth Cybersecurity (&lt;20% CAGR)</b>													
Check Point Software	82.79	(1.4%)	14,480	13,109	7.4%	7.2%	7.9x	7.5x	7.0x	13.8x	13.4x	12.4x	18.2x
Symantec	16.75	(33.4%)	10,925	10,396	(42.9%)	0.2%	1.7x	2.9x	2.9x	6.1x	8.8x	7.6x	16.5x
Trend Micro	39.04	11.8%	5,348	3,980	20.3%	7.6%	3.8x	3.2x	3.0x	12.2x	10.3x	8.6x	28.1x
Sophos*	3.00	(15.1%)	1,359	1,581	NM	11.9%	3.4x	3.1x	2.8x	26.5x	19.7x	17.4x	33.4x
AVG Technologies	19.71	(17.4%)	1,001	1,113	4.1%	6.4%	2.6x	2.5x	2.3x	7.1x	6.8x	6.6x	10.2x
Barracuda Networks	17.08	(58.0%)	907	756	9.3%	7.9%	2.4x	2.2x	2.1x	12.8x	12.7x	11.8x	34.8x
VDSI	18.40	(27.6%)	732	607	(12.3%)	13.3%	2.7x	2.9x	2.5x	13.3x	18.0x	14.0x	25.6x
F-Secure	2.96	(6.7%)	461	354	10.3%	5.5%	2.1x	2.0x	1.9x	10.9x	12.2x	10.1x	27.4x
Mimecast*	7.97	(20.3%)	431	333	16.3%	21.8%	2.5x	2.1x	1.7x	16.4x	37.1x	23.2x	NM
MobileIron	3.74	(43.8%)	318	225	8.2%	14.9%	1.5x	1.4x	1.2x	NM	NM	NM	NM
Imprivata	12.50	(16.3%)	314	263	16.2%	16.3%	2.2x	1.9x	1.6x	NM	NM	NM	NM
		Mean	3.7%	10.3%	3.0x	2.9x	2.6x	13.2x	15.4x	12.4x	24.3x		
		Median	8.7%	7.9%	2.5x	2.5x	2.3x	12.8x	12.7x	11.8x	26.5x		

Note: NM – Not Meaningful, NA – Not Available; market data as of May 2, 2016; \* price performance from IPO price.

Source: Capital IQ.



Advise. Network. Invest.

---

**Momentum Partners, LLC**

**Momentum Capital Markets, LLC**

340 Brannan Street | Suite 501

San Francisco, California 94107

**Michael Tedesco**

Executive Chairman

michael@wellspring.partners

**Eric McAlpine**

Managing Partner

eric@momentum.partners

**Keith Skirbe**

Director

keith@momentum.partners

**Dino Boukouris**

Director

dino@momentum.partners