

Wendel Group

Discussion Materials

April 2022

Discussion Materials



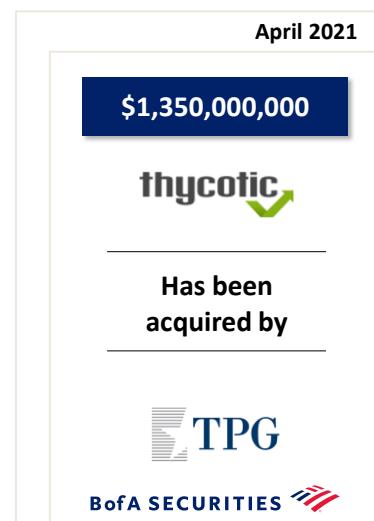
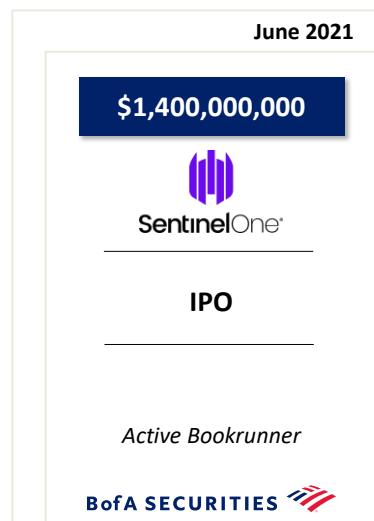
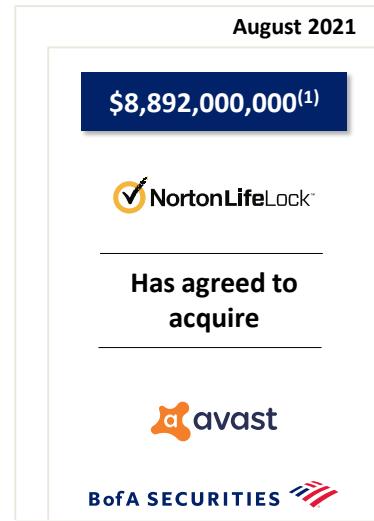
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BofA's Unmatched Leadership in Cybersecurity



Advised on Top 9/10 Cybersecurity Transactions in 2021



1. Represents mid-point of transaction value range. Final transaction value to be confirmed depending on Avast shareholders' elections.

BofA's Leadership in Cybersecurity



BofA Cybersecurity Commitment



"The only place in the company that doesn't have a budget constraint is [cybersecurity] because how would I know how to assess, why would I take my judgment and say you could do this cheaper...They're judicious in how they spend it, but the reality is you've got to be willing to do what it takes at this point."

Brian Moynihan
Chairman of the Board and CEO,
Bank of America
Interview with Bloomberg TV

Advised on Top 9/10 Cybersecurity Transactions in 2021

IPOs & Equity

Nov 2021/Aug 2021/April 2021
\$206,000,000
\$216,000,000
\$152,000,000

KnowBe4
Human error. Conquered.
Follow-On Offering IPO
Active Bookrunner

Sep 2021/Oct 2020
\$740,000,000
\$450,000,000

McAfee
Together is power.
Follow-On Offering IPO
Joint Bookrunner
Active Bookrunner

June 2021
\$1,400,000,000

SentinelOne
IPO
Active Bookrunner

December 2021
\$5,800,000,000

PERMIRA
Has agreed to acquire
mimecast

November 2021
\$14,000,000,000+

PERMIRA
Has acquired
McAfee
Lead Financial Advisor and Arranger

October 2021
\$1,200,000,000

symphony
Has acquired
FIRE EYE
(Products Business)

Jun 2020/July 2018
\$2,000,000,000
\$1,500,000,000*

paloalto
NETWORKS
2 Convertible Notes
Active Bookrunner* Co-manager

Jun 2020/Sep 2018/Jan 2014/Apr/Jul 2012
\$558,900,000
\$381,565,262
\$263,925,000
\$1,265,000,000
\$2,127,500,000

splunk>
2 Convertible Notes IPO
2 Follow-Ons
Active/Joint Bookrunner

July 2020/Nov 2019/Sept 2019
\$330,000,000
\$150,000,000
\$187,500,000

Ping
IPO
2 Follow-Ons
Lead Active Bookrunner
Lead Left Arranger

August 2021
\$12,300,000,000

THOMABRAVO
Has acquired
proofpoint.

August 2021
\$8,100,000,000

NortonLifeLock
Has agreed to acquire
avast

July 2021
\$4,000,000,000

symphony
Has acquired
McAfee
(Enterprise Business)

Sep 2019/Aug 2018/May 2018/Nov 2017
\$350,000,000
\$388,440,000
\$400,680,000
\$276,000,000

SailPoint
Convertible Notes IPO*
2 Follow-Ons*
Active Bookrunner & Capped Call Counterparty

Aug 2019/Dec 2013/Apr 2012
\$201,000,000
\$94,000,000
\$800,000,000

proofpoint>
2 Convertible Notes IPO*
Active Bookrunner & Capped Call Counterparty

Jan 2021/Jun 2019
\$750,000,000
\$750,000,000
\$703,800,000

CROSSCREDIT
IPO
Senior Unsecured Notes Revolving Credit Facility
Active Bookrunner Joint Bookrunner & Co-Syndication Agent

April 2021
\$3,400,000,000

symphony
Have acquired
RSA

April 2021
\$1,350,000,000

thycotic
Has been acquired by
TPG

December 2020
\$872,000,000

ivanti
Has acquired
mobileiron

May 2018/Mar 2014/Sep 2013
\$201,000,000
\$94,000,000
\$800,000,000

FireEye
IPO Follow-On* Convertible Notes
Active/Joint Bookrunner

March 2018
\$1,400,000,000

zscaler
IPO
Joint Bookrunner

Mar/June 2015/Sep 2014
\$94,000,000
\$201,000,000
\$800,000,000

CYBERARK
IPO*
2 Follow-Ons
Active Bookrunner

March 2020
\$872,000,000

THOMABRAVO
Has acquired
SOPHOS

January 2020
\$1,000,000,000

f5
Has acquired
shape

November 2019
\$10,700,000,000

BROADCOM
Has acquired
Symantec
(Enterprise Business Unit)

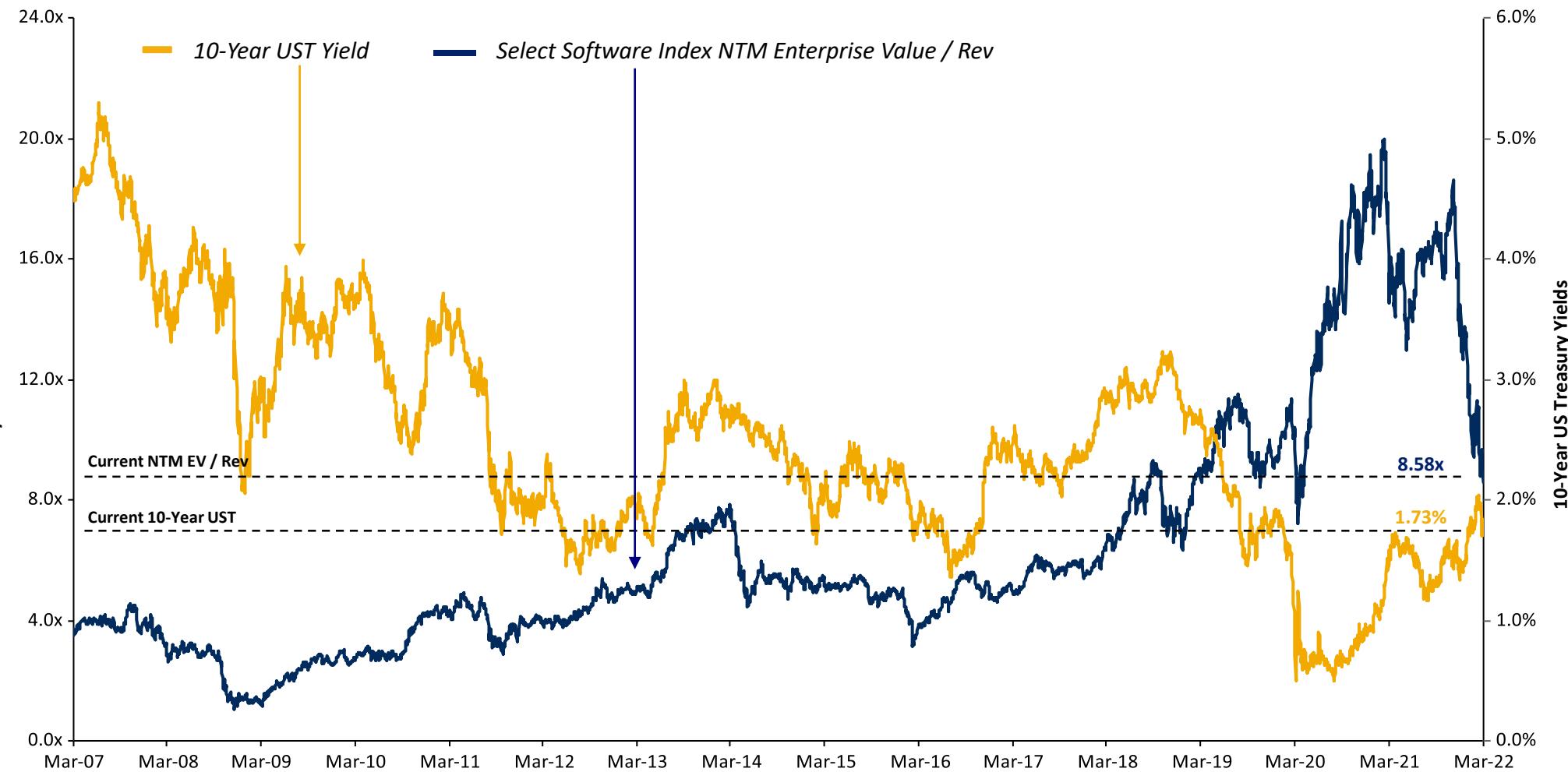
Software Market Update



Rising Interest Rates are Impacting Software Valuations



Select Software Index NTM Enterprise Value / Revenue Multiple vs. US Treasury Yield (Last 15 Years)



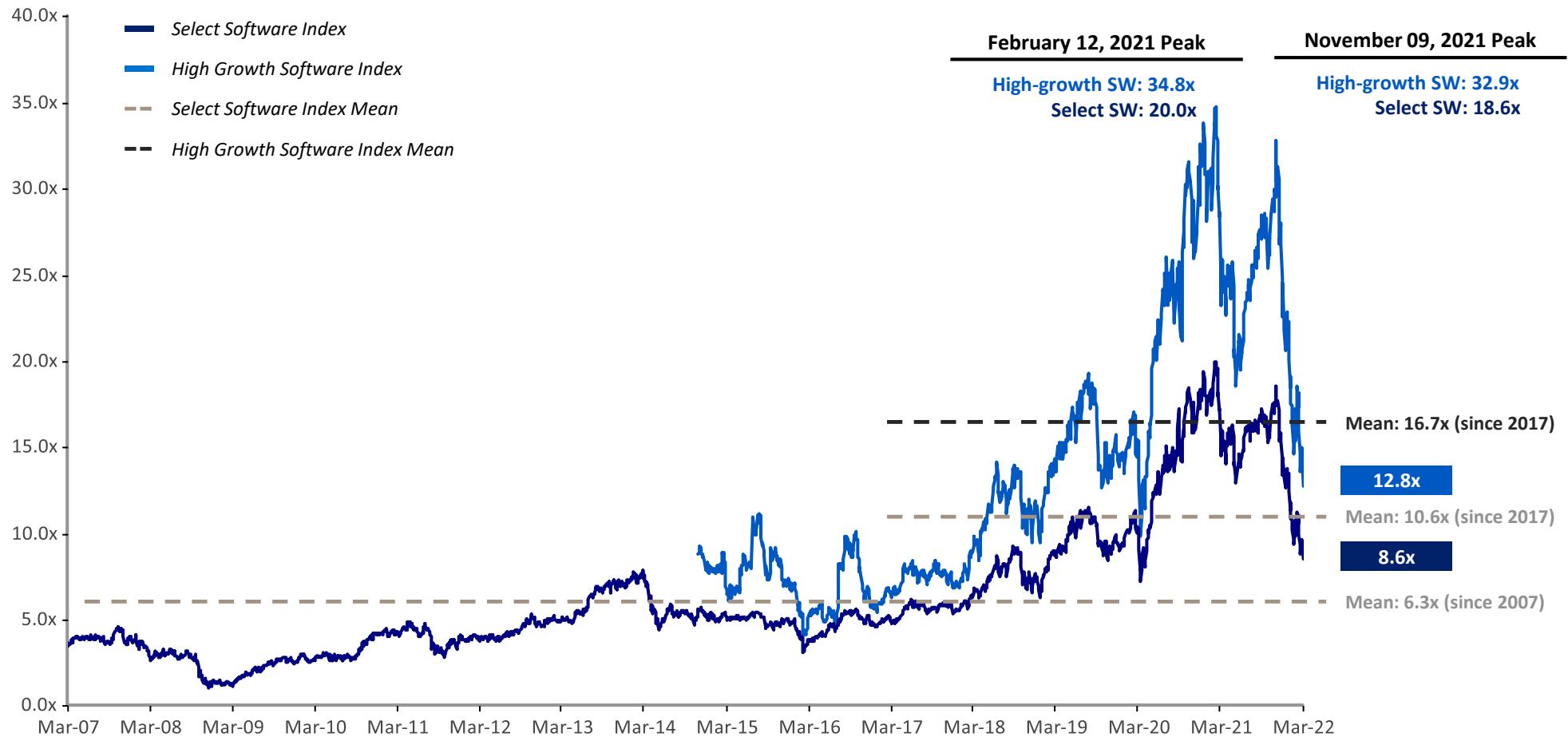
Source: Public company filings and FactSet as of March 4, 2022. Estimates per Wall Street research.

Note: **Select Software Index** includes ALKT, AMPL, APP, APTI, ARBA, ASAN, AVDX, AVR, BAND, BIGC, BILL, BL, BLND, BNFT, BOX, BRZE, CALD, CDAY, CFLT, CISN, CNQR, CNVO, COUP, CRM, CSOD, CTCT, CVT, CXM, DBX, DCT, DDOG, DOCN, DOCS, DOCU, DOMO, DSP, DT, DV, DWRE, ELOQ, EVBG, EVCM, EXFY, FIVN, FLTX, FROG, FRSH, GTLB, HUBS, IAS, IL, INST, JAMF, KLTR, KNXA, LAW, LOGM, LPSN, MDLA, MDSO, MKTG, MKTO, MNDF, MNTV, N, NCNO, NOW, OKTA, OLO, ONTF, OPWR, PAYC, PCOR, PCTY, PD, PLAN, PS, PWSC, PYCR, QTWO, RALY, RAMP, RNG, RP, SEMR, SEND, SFSF, SHOP, SLRY, SMAR, SMIWB, SNCR, SNOW, SPSC, SPT, SQI, SUMO, TEAM, TLEO, TRAK, TWLO, TXTR, ULTI, UPDL, USER, VEEV, VOCS, VTEX, WDAY, WEBX, WK, WORK, XM, YEXT, ZEN, ZETA, ZI, ZM, ZS, and ZUO.

Software Multiples Have Been Cut in Half



NTM Enterprise Value / Revenue (Last 15 Years)



- Revenue multiples have compressed from their highs given concerns over a less accommodative Fed and anticipation of rising interest rates as we enter a mid-cycle phase of the economy and stock market

Source: Public company filings and FactSet as of March 4, 2022. Estimates per Wall Street research.

Note: **Select Software Index** includes ALKT, AMPL, APP, APTI, ARBA, ASAN, AVDX, AVL, BAND, BIGC, BILL, BL, BLND, BNFT, BOX, BRZE, CALD, CDAY, CFLT, CISN, CNQR, CNVO, COUP, CRM, CSOD, CTCT, CVT, CXM, DBX, DCT, DDOG, DOCN, DOCS, DOCU, DOMO, DSP, DT, DV, DWRE, ELOQ, EVBG, EVCM, EXFY, FIVN, FLTX, FROG, FRSN, GTLB, HUBS, IAS, IL, INST, JAMF, KLTR, KNXA, LAW, LOGM, LPSN, MDLA, MDSO, MKTG, MKTO, MNDA, MTV, N, NCNO, NOW, OKTA, OLO, ONTF, OPWR, PAYC, PCOR, PCTY, PD, PLAN, PS, PWSC, PYCR, QTWO, RALY, RAMP, RNG, RP, SEMR, SEND, SFSF, SHOP, SLRY, SMAR, SMWB, SNCR, SNOW, SPSC, SPT, SQI, SUMO, TEAM, TLEO, TRAK, TWLO, TXTR, ULTI, UPLD, USER, VEEV, VOCS, VTEX, WDAY, WEBX, WK, WORK, XM, YEXT, ZEN, ZETA, ZI, ZM, ZS, and ZUO. **High Growth Software Index** includes AMPL, APP, ASAN, BILL, BRZE, CFLT, DDOG, DOCN, DOCS, DV, FROG, FRSN, GTLB, HUBS, LAW, MNDA, OKTA, SHOP, SMAR, SMWB, SNOW, SPT, TWLO, USER, XM, ZI, and ZS.

Growth-Adjusted Multiples are Back to Pre-Pandemic Levels



NTM EV / Revenue / Growth (Last 15 Years)



- Solid demand environment and strong fundamentals accelerated by the COVID-19 pandemic drove Software growth-adjusted multiples to historical highs in recent years
- Despite secular growth trends poised to accelerate into 2022, rising inflation and interest rates are exerting significant downward pressure on valuations
- **Growth-adjusted multiples across broader software and high-growth names have pulled back ~70% since their December 2020 peaks**
 - Average multiples YTD now in line with 5-year averages across both groups

Source: Public company filings and FactSet as of March 4, 2022. Estimates per Wall Street research.

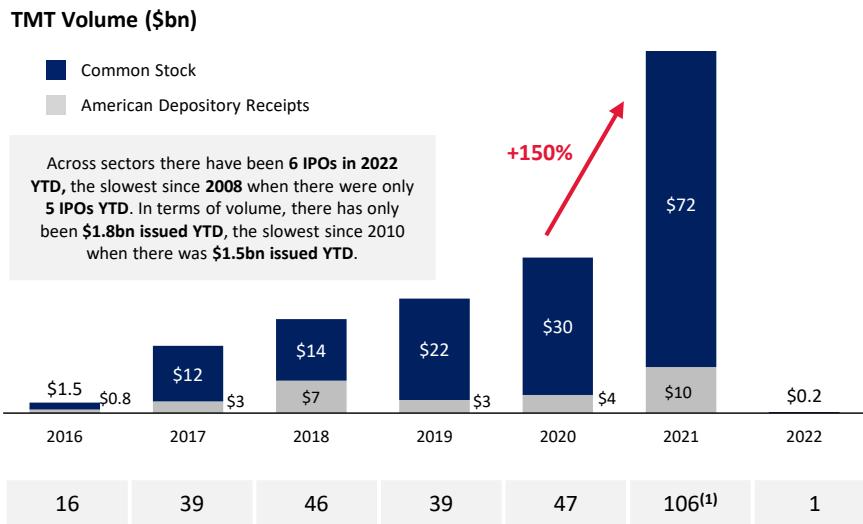
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Risk-off Sentiment Exacerbates IPO New Issue Drought



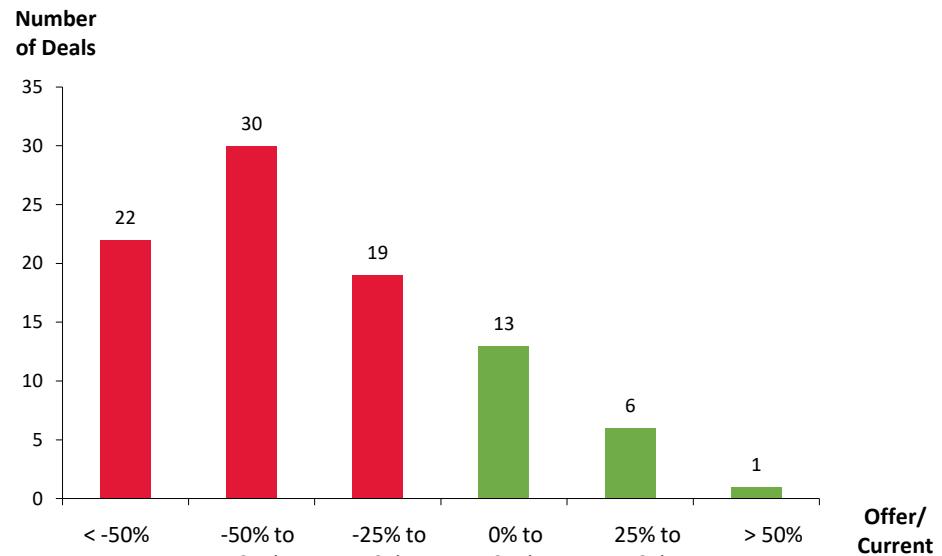
IPOs Had a Record 2021

2021 saw record issuance across sectors, with \$151bn in IPOs pricing (+78% vs. 2020)

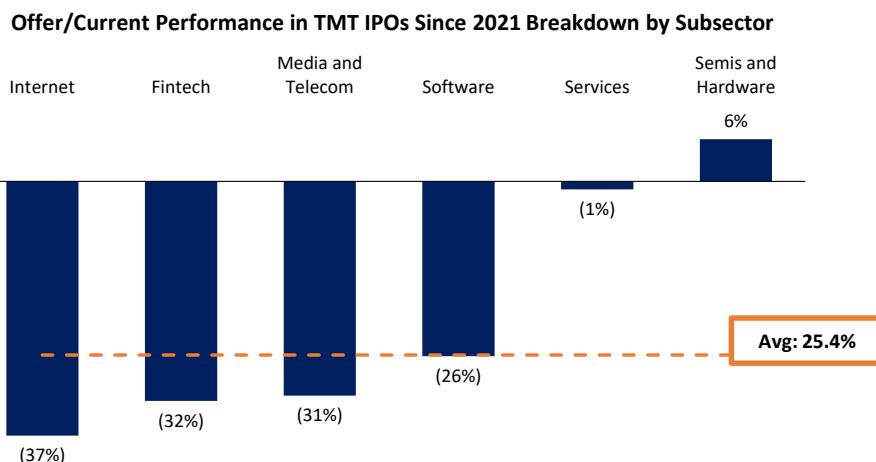


However, the Majority of TMT IPOs Are Now Below Issue

71 TMT 2021 and 2022 IPOs are below issue, representing 78% of their class

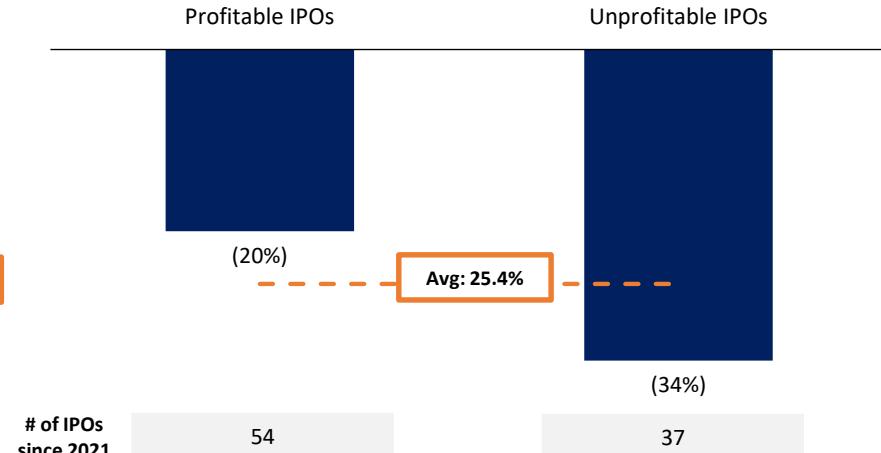


Most TMT Subsectors Vulnerable to IPO Sell-Off



Unprofitable Companies Receiving the Most Pushback⁽²⁾

Offer/Current Performance in TMT IPOs Since 2021



6 Source: BofA Internal Database, and Dealogic as of March 3, 2022.

(1) Includes 13 TMT ADRs and 93 domestic IPOs.

(2) Profitability defined as LTM EBITDA positive at time of IPO

Cybersecurity Market Update



Summary Trends



Private Markets	<ul style="list-style-type: none">▪ While global funding to startups has exploded, cybersecurity seems to be riding its own wave on the back of ransomware and supply chain attacks▪ Investors poured \$21.8 billion in total venture capital financing into cybersecurity startups in 2021, up \$12.9 billion from 2020▪ In 2021, more than 27 of the 686 total transactions surpassed the \$200 million mark▪ Some of the largest rounds included Lacework (\$1.3bn Series D) and Snyk (\$605mm Series F)
Public Markets	<ul style="list-style-type: none">▪ Amid macro-economic trends, Cybersecurity, along with the broader software index has seen a deep valuation cut in 2022<ul style="list-style-type: none">○ High growth security (trending with high growth SaaS) has been cut in half from ~40x to ~20x, a reversion to the mean to pre-pandemic levels▪ However, cybersecurity company fundamentals continue to remain strong as demand for cybersecurity products continues to grow▪ Growth continues to be key to valuation, with any sign of slowing growth or reduced guidance negatively impacting valuation▪ Scaled assets with large TAM trading at a premium to smaller mid-market companies
M&A	<ul style="list-style-type: none">▪ Cybersecurity M&A volume in 2021 reached \$62.0 billion, up \$43.6 billion (~3.4x) from 2020 volume and exceeds all-time annual record driven by a number of megadeals▪ The M&A boom has been fueled by private equity and corporates with enormous firepower, historically low interest rates as well as record fundraising▪ PE acquisitions have accelerated as pandemic fears eased and major cybersecurity incidents continue▪ Strategic M&A highly active as legacy players and startups look to add additional security offerings to their existing products

Security Stocks Have Performed Well



Source: FactSet. Market data as of March 28, 2022.

(1) Cloud Security includes: CRWD, NET, VMW, ZS, S, OKTA

(2) Network & Data Security includes: FTNT, JNPR, FFIV, VRNS, CHKP, PANW.

(3) Security and Risk Management includes: QLYS, SPLK, RPD, TENB.

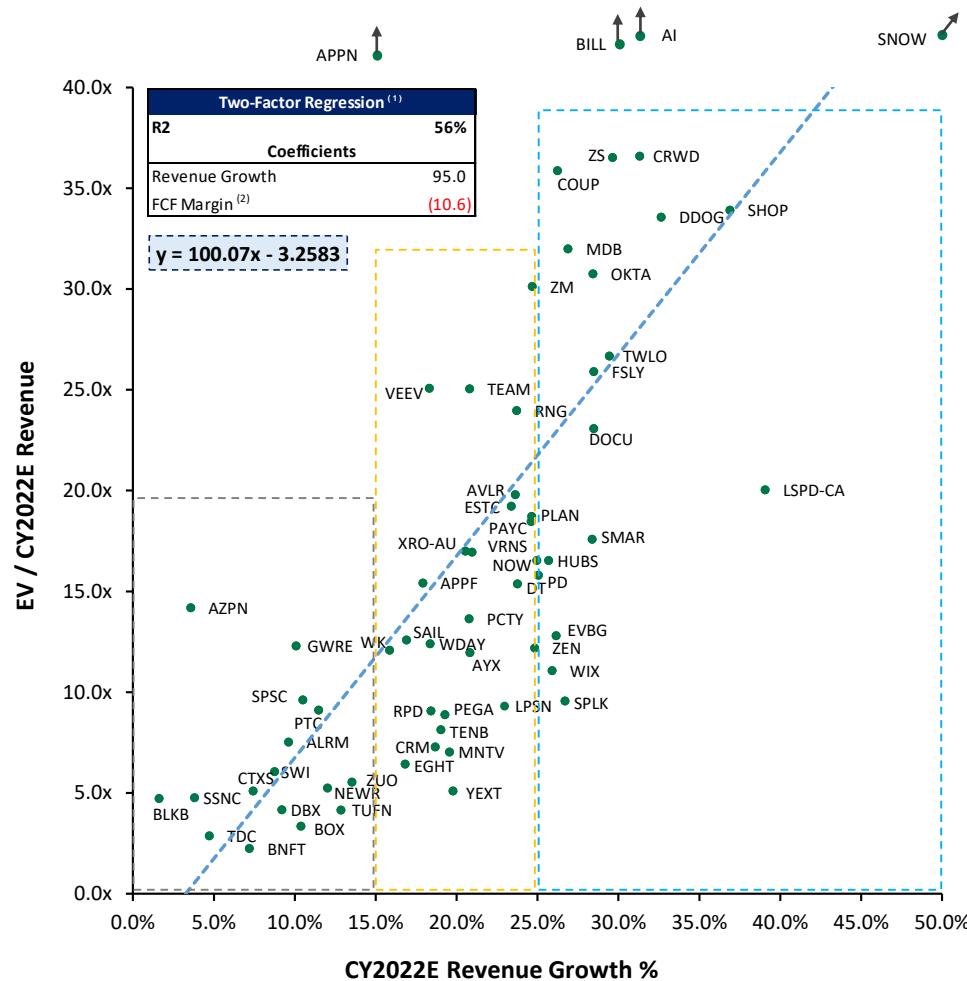
(4) Identity Management: PING, SAIL, CYBR, FORG.

(5) Performance and percentage of high since first day of trading closing price shown.

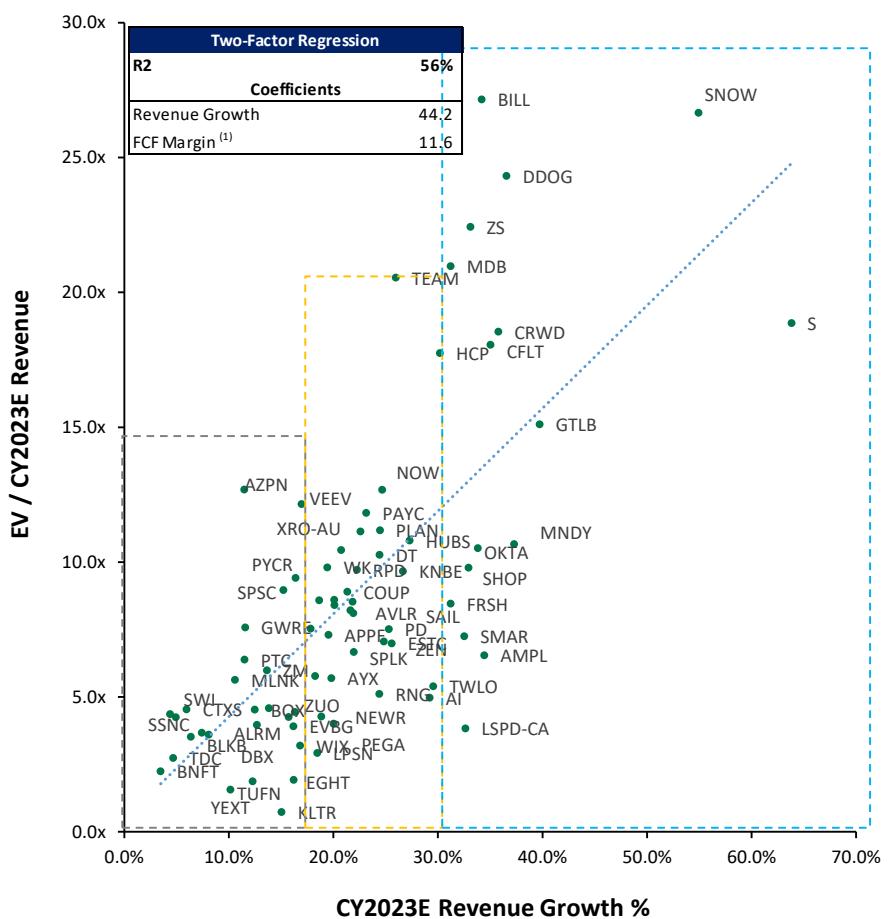
Market Pullback Resulting in a More Compressed Valuation Landscape vs. 2021 Peak



EV / Revenue at Peak Valuations (2/12/21)



EV / Revenue at Current Valuations⁽¹⁾



Mature Software

Valuations driven by earnings growth durability with optionality (i.e. restructuring, return of capital, etc...)

FCF Story Stocks

Looking for accelerating or mis-priced growth, with near-to-mid-term profitability

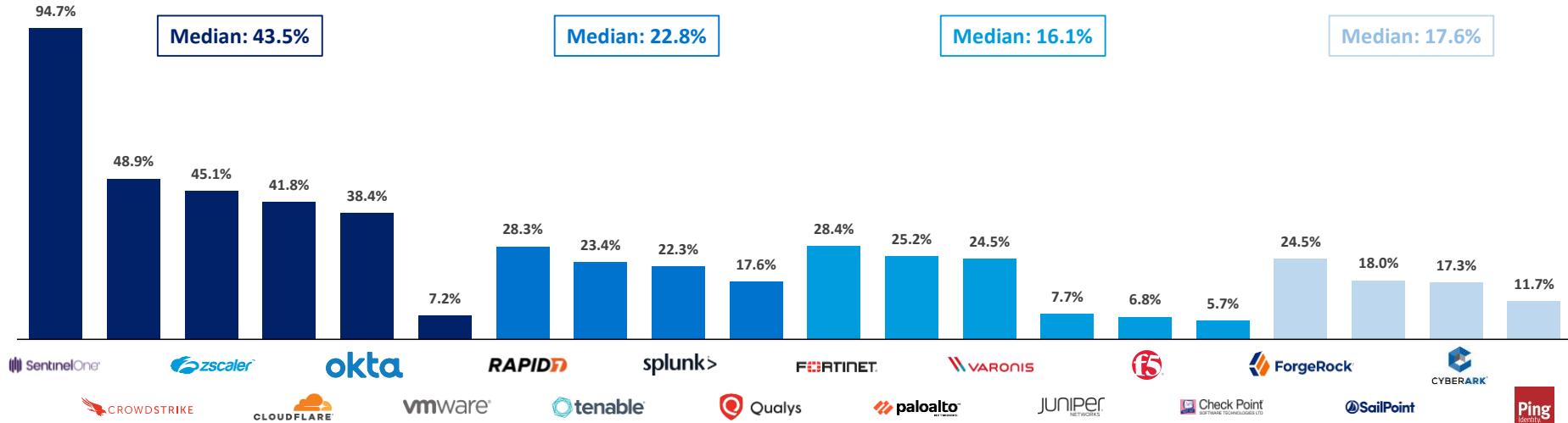
Hyper-Growth

Market opportunity and defensibility of competitive positioning driving durability of revenue growth

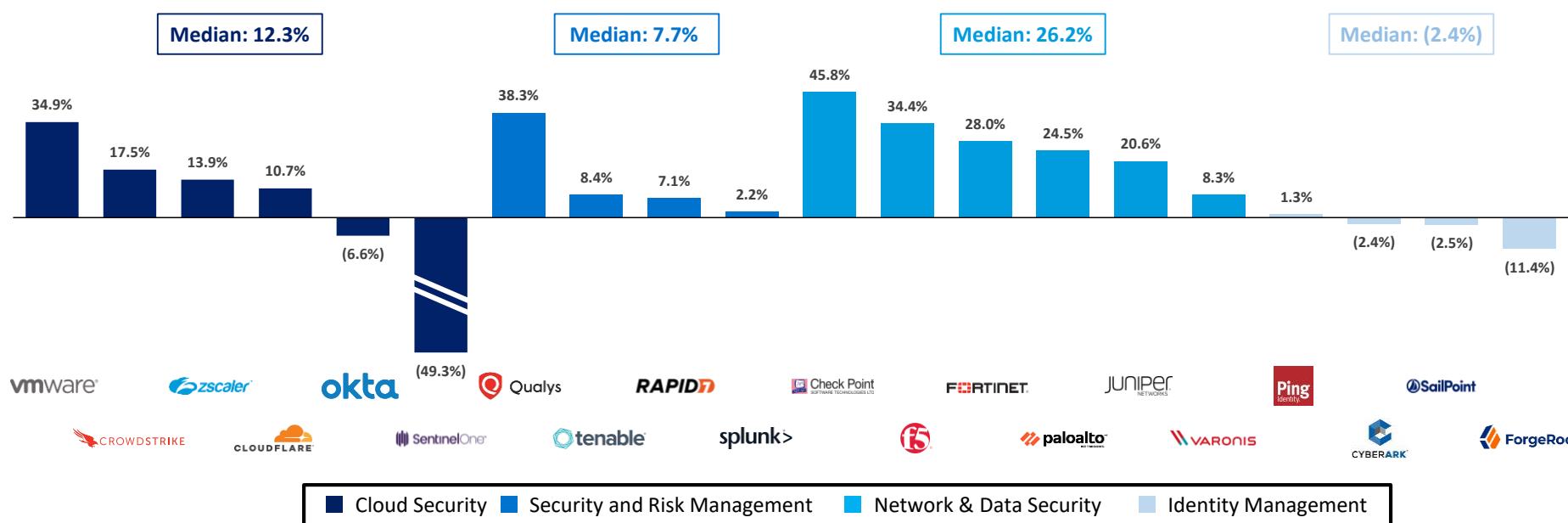


Select Cybersecurity Public Company Benchmarking

CY22 Revenue Growth



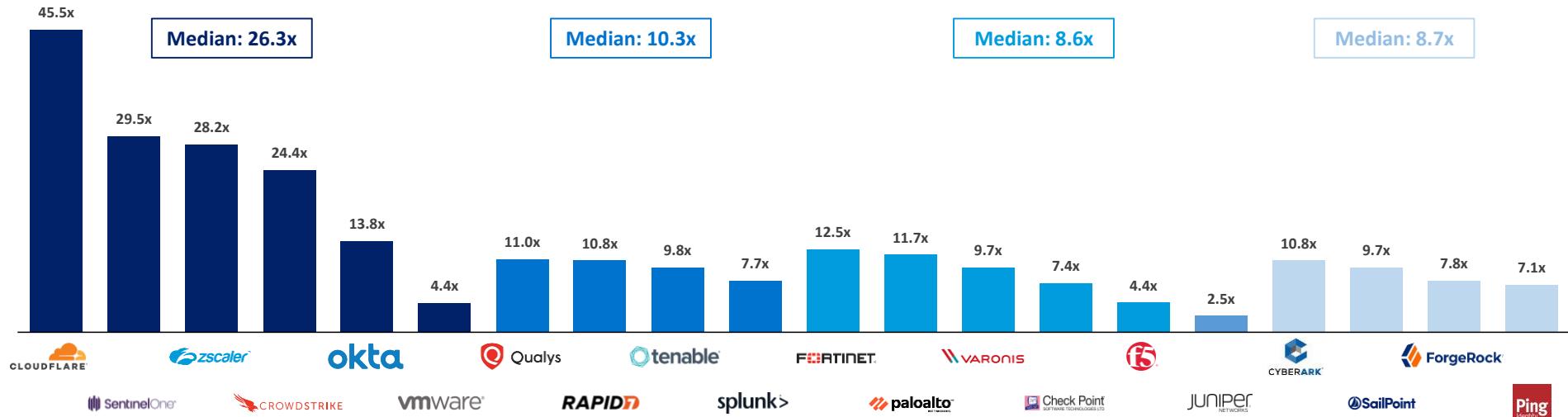
CY22 EBITDA Margin



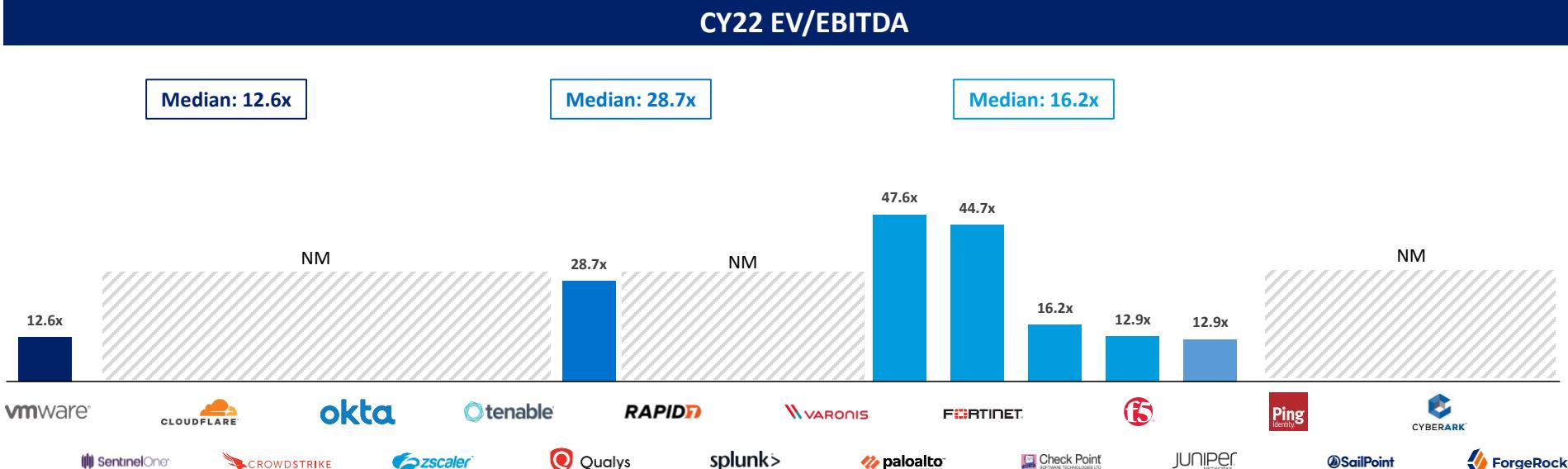
Select Cybersecurity Public Company Benchmarking(Cont'd)



CY22 EV/Revenue



CY22 EV/EBITDA



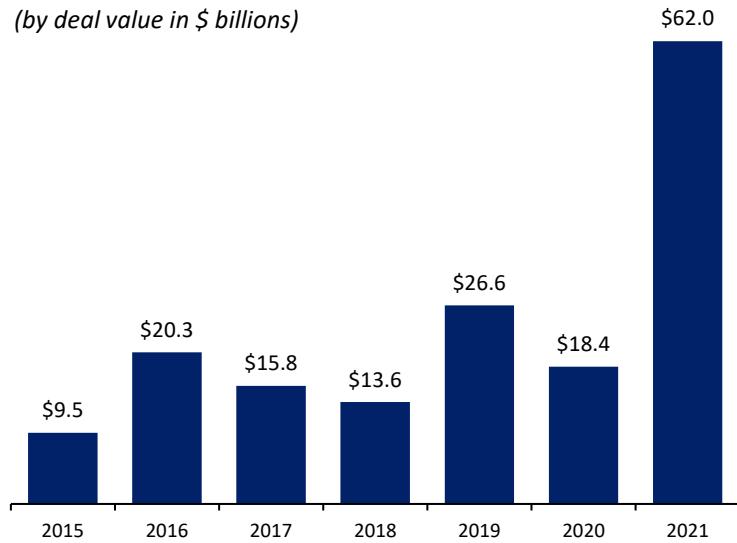
■ Cloud Security ■ Security and Risk Management ■ Network & Data Security ■ Identity Management



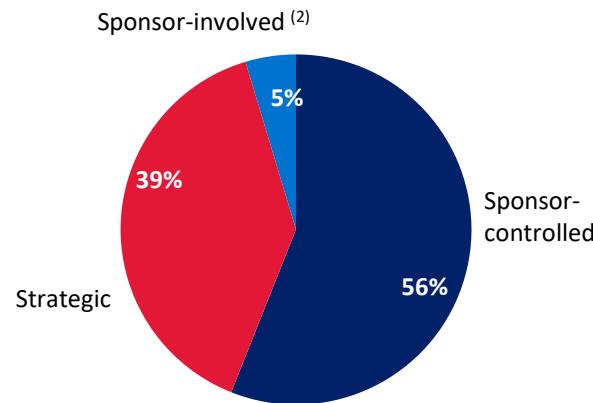
Cybersecurity M&A Activity at Record Levels

Security M&A Activity ⁽¹⁾

(by deal value in \$ billions)



Mix of Strategic vs Private Equity M&A ⁽¹⁾



Source: Dealogic and FactSet.

Note: As of Nov'21. Excludes deals with transaction value lower than \$100mm or if transaction value not disclosed.

(1) Share of aggregate security M&A activity 2015 – 2021 Q4 by deal value.

(2) Sponsors are minority stakeholders of strategic acquirors.

Key Themes in the Market

- ✓ *Undervalued high-quality SaaS*



- ✓ *Separation of enterprise & consumer*



- ✓ *Developer focus*



- ✓ *Shed low growth high margin assets*



- ✓ *Cloud capabilities*



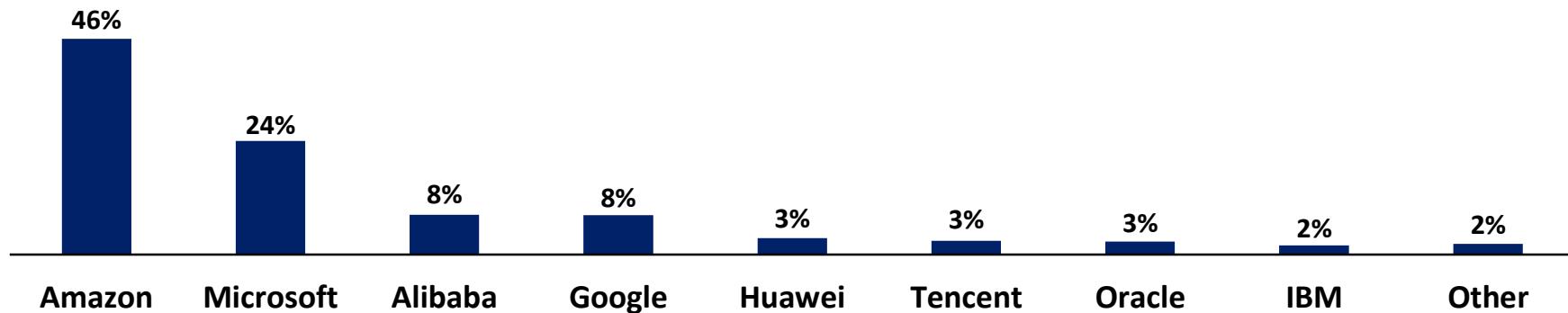
- ✓ *Cross sector strategic acquisitions*





In the Race for Market Share, Leading Cloud Providers Increasing Activity in Cybersecurity M&A

Cloud Infrastructure and Platform Services Market Share ⁽¹⁾



Announced July 12, 2021

\$500 million

- RiskIQ will help Microsoft's customers defend their growing digital estate against cyber threats



Announced July 21, 2021

- Cloudknox will help Microsoft offer unified privileged access and cloud entitlement



Closed January 4, 2022

\$500 million

- Siemplify will help Google's enterprise clients modernize and automate their security operations



Announced March 8, 2022

\$5.4 billion

11.1x LTM Revenue

- Mandiant will complement Google Cloud's existing strengths in security
- Mandiant will also help Google deliver an end-to-end security operations suite



Closed February 22, 2021

\$500 million

- StackRox's complementary capabilities will strengthen IBM's integrated security across its open hybrid cloud portfolio with simplicity and consistency

Strategic Acquisitions Focus on Growth Markets



Cloud Security				
Acquiror	Target	Year	Size (\$MM)	
Cloud Security	RAPID7	DivvyCloud	2020	\$145
	paloalto [®] NETWORKS	CLOUDGENIX	2020	420
	Google	MANDIANT	2022	5,400
	Tenable	accurics	2021	160
	IBM	StackRox	2021	500
	cisco	portshift	2020	100
	paloalto [®] NETWORKS	Aporeto	2019	150
	paloalto [®] NETWORKS	Twistlock	2019	410
	CHECK POINT Software Technologies Ltd.	Dome9 SECURITY	2018	175

Endpoint Security				
Acquiror	Target	Year	Size (\$MM)	
Endpoint	WatchGuard	panda	2020	\$300
	vmware [®]	Carbon Black.	2019	2,106
	elastic	ENDGAME.	2019	234
	CARBONITE [®]	WEBROOT [®]	2019	619
	BlackBerry	CYLANCE	2018	1,400
	paloalto [®] NETWORKS	SECDO	2018	100

Threat Detection and Mitigation				
Acquiror	Target	Year	Size (\$MM)	
Attack Surface	paloalto [®] NETWORKS	EXPANSE	2020	\$800
	Tenable	Indegy	2019	78
	imperva	JSONAR	2020	300
	f5	Volterra	2021	500
	fastly	Signal Sciences	2020	775
Data Security	Microsoft	CYBERX	2020	180
Web App Security	proofpoint [®]	wombat [®] security technologies	2018	225
IoT Security Awareness				

Security Analytics and Automation				
Acquiror	Target	Year	Size (\$MM)	
XDR	Barracuda	SKOUT CYBERSECURITY	2021	Undisclosed
	SentinelOne [®]	SCALYR [®]	2021	\$155
	CROWDSTRIKE	humio	2021	400
	Microsoft	RISKIQ [®]	2021	500
	RAPID7	INTSIGHTS	2021	335
UEBA Fraud	f5	SH-PE	2019	1,000
	proofpoint [®]	observe it	2019	225
	FIREEYE [®]	VERODIN SECURITY INSTRUMENTED	2019	250
SOAR	paloalto [®] NETWORKS	DEMISTO	2019	560
	splunk [®]	Phantom [®]	2018	350

Identity and Zero Trust				
Acquiror	Target	Year	Size (\$MM)	
Zero Trust	SentinelOne [®]	Attivo NETWORKS [®]	2022	\$617
	Microsoft	CLOUDKNOX	2021	Undisclosed
	jamf	wandera	2021	400
	CROWDSTRIKE	preempt	2020	100

Acquiror	Target	Year	Size (\$MM)	
Identity	cisco	DUO SECURITY	2018	\$2,350
	PingIdentity	SECUREDTOUCH	2021	Undisclosed
	TPG	thycotic [®] Centrify	2021	2,175
	okta	Auth0	2021	6,500
	Tenable	ALSID	2021	98
	CYBERARK [®]	idaptive [®]	2020	70

Cybersecurity Training Market Overview





Cybersecurity Training: Market Defined

Professional Training vs Security Awareness

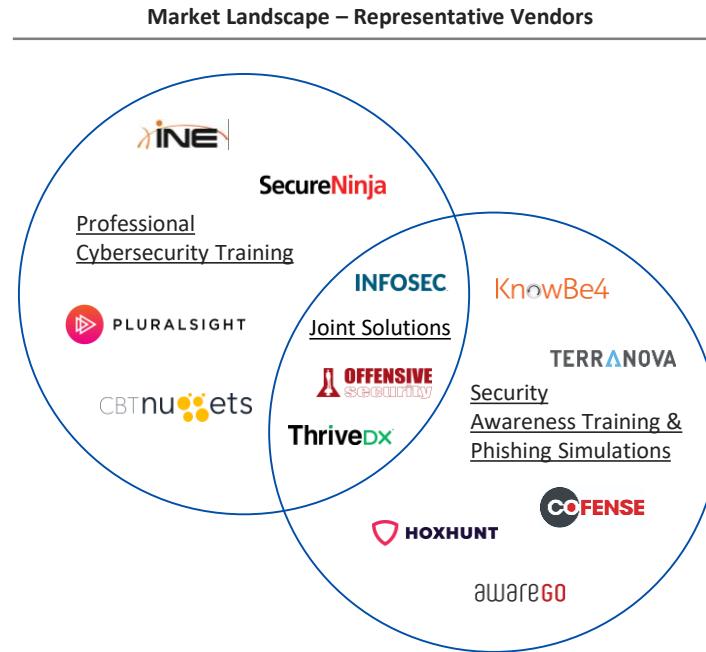


- Professional cybersecurity training programs are designed for existing cybersecurity / IT professionals or those looking to enter the field
- A variety of courses are offered for the purpose of enhancing skill sets or in preparation for a number of certification exams
- A few vendors also provide advanced workshops and bootcamps covering a wide range of digital skill content such as software development, UI/UX design, and data science and analytics



- Security awareness training solutions are geared towards all employees across an organization, regardless of position or corporate function, with little to no technical aptitude or cybersecurity knowledge
- Training focuses on best practices to prevent information security breaches, often delivered via online learning modules and simulations
- Combines the importance of forethought with simulated phishing attacks to help quell human error

Differences and Similarities



Shared Benefits

Enhances Workforce Security Posture	Focused on Addressing Cyber Skills Shortage
Addresses Disconnect Between Technology and Human Aspects	Provides Up-to-Date Knowledge of Evolving Threat Landscape
Flexible and Scalable Solutions	Customizable Content and Training Formats for Company-Specific Needs



CYBERSECURITY TRAINING SEGMENT ANALYSIS

	DESIGNED FOR CYBER / IT PROS	DESIGNED FOR GENERAL EMPLOYEES	PHISHING SIMULATIONS	CERTIFICATION EXAM PREP	DIGITAL SKILL WORKSHOPS	PERFORMANCE TRACKING & METRICS	PROPRIETARY CONTENT
STANDARD OFFERINGS							
PROFESSIONAL CYBERSECURITY TRAINING	✓	X	X	✓	✓	✓	✓
SECURITY AWARENESS TRAINING	X	✓	✓	X	X	✓	✓
JOINT SOLUTIONS	✓	✓	✓	✓	✓	✓	✓

Cybersecurity Training: Market Overview



Key Trends		Sector Outlook					
Rising Demand for Professional Training and Certifications	<ul style="list-style-type: none"> Cybersecurity jobs grew 94% since 2013 and are expected to grow by 31% in the next 10 years, exceeding all occupations Currently 70% of cybersecurity positions require at least one certification 			Growth	Disruption	M&A	Market Sentiment
Addressing the "Human Element"	<ul style="list-style-type: none"> The rise in social engineering and phishing attacks continues to drive demand for cybersecurity awareness training Solutions aim to train all employees of a company in order to leverage human performance as an additional layer of defense 						
Risk Assessment and Tracking Metrics	<ul style="list-style-type: none"> Security awareness solutions are starting to offer more insightful KPIs that include identifying high-risk employees, mean time between failures, and security readiness across the company or within specific teams 						
"In-the-Moment" Intervention Platforms	<ul style="list-style-type: none"> Leverages behavioral analytics, AI, ML, across end-user activity, log data, SIEM alerts, and other data to detect or predict risky behavior and then deliver appropriate training to change behaviors 						

M&A Activity								
Date	Buyer	Target	Date	Buyer	Target	Date	Buyer	Target
April-2019			April-2021			October-2021		
January-2020		*	April-2021			October-2021		
June-2020			April-2021			January-2022		TC ENGINEER
November-2020			July-2021			January-2022		
December-2020			August-2021		*	February-2022		
January-2021			September-2021		*	March-2022		*
March-2021			September-2021			March-2022		

VC Activity			
Date	Company	\$ Raised	\$ Post Valuation
March-2019		* \$18 million (Series B)	\$218 million
June-2021		\$75 million (Series C)	\$390 million
August-2021		\$75 million (Series C)	\$370 million
Date	Company	\$ Raised	\$ Post Valuation
December-2021		\$73 million (Series B)	\$402 million
December-2021		\$64 million (Series C)	\$125 million (est.)
January-2022		* \$100 million (Later Stage)	\$175 million (est.)



Cybersecurity Training: Research Insights

Security Awareness Training – Demand Drivers



Managed Services
Managed security services are expected to grow at an annual rate of 15% from 2022 to 2026. Managed security awareness is expected to emerge given the complexity of understanding both cybersecurity and organizational behavior.



Cloud Security
Outside of the OWASP Top 10, cloud security training is the most in-demand content amongst IT/cyber professionals. **Cloud-based attacks are up more than 625%** making it a high priority for organizations at the enterprise level as well.



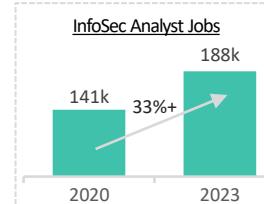
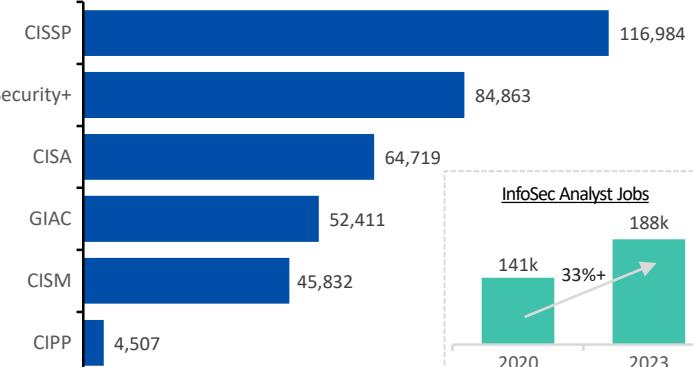
Phishing Attacks
Phishing has increased by 667% since 2019 with employees viewed as one of the most fallible security components. Solutions now extend beyond email to include spear phishing, smishing, vishing, CEO fraud, and more.



Vendor Risk Mgmt
By 2025, 60% of organizations will use cybersecurity risk as a primary determinant in conducting third-party transactions. Whether a security awareness training program is in place will be a key determinant of a company's security posture.

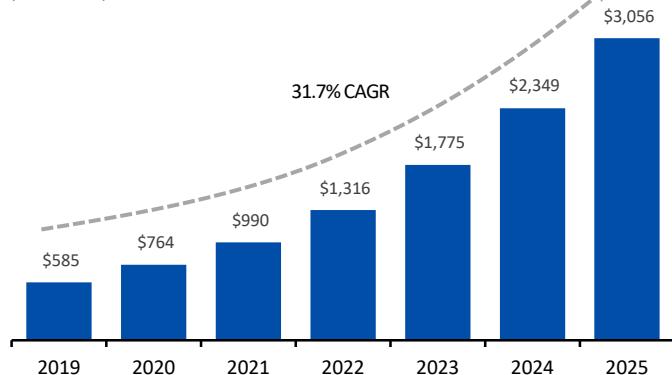
Professional Cybersecurity Training – Top Certifications

U.S. Job Openings Requesting Select Cybersecurity Certifications (#)

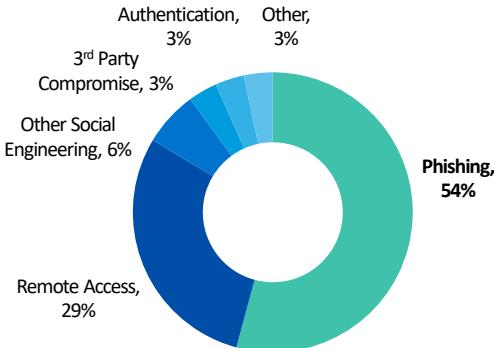


Global Cloud Security TAM

(\$ in millions)



Attacks by Technique (#)



CISSP: Access control , network security, cryptography, security architecture, business continuity planning, and disaster recovery



Security +: Validates the baseline skills necessary to perform core security functions and pursue an IT security career



CISA: Vulnerability assessment, compliance reporting, and enterprise-level security controls



GIAC: Focus on network design and vulnerability control



CISM: Information security governance, program development and management, incident management and risk management



iapp: Focus on privacy and data protection laws and best practices



CEH: Provides an in-depth understanding of ethical hacking phases, various attack vectors, and preventative countermeasures

Security Awareness Training – Research Commentary

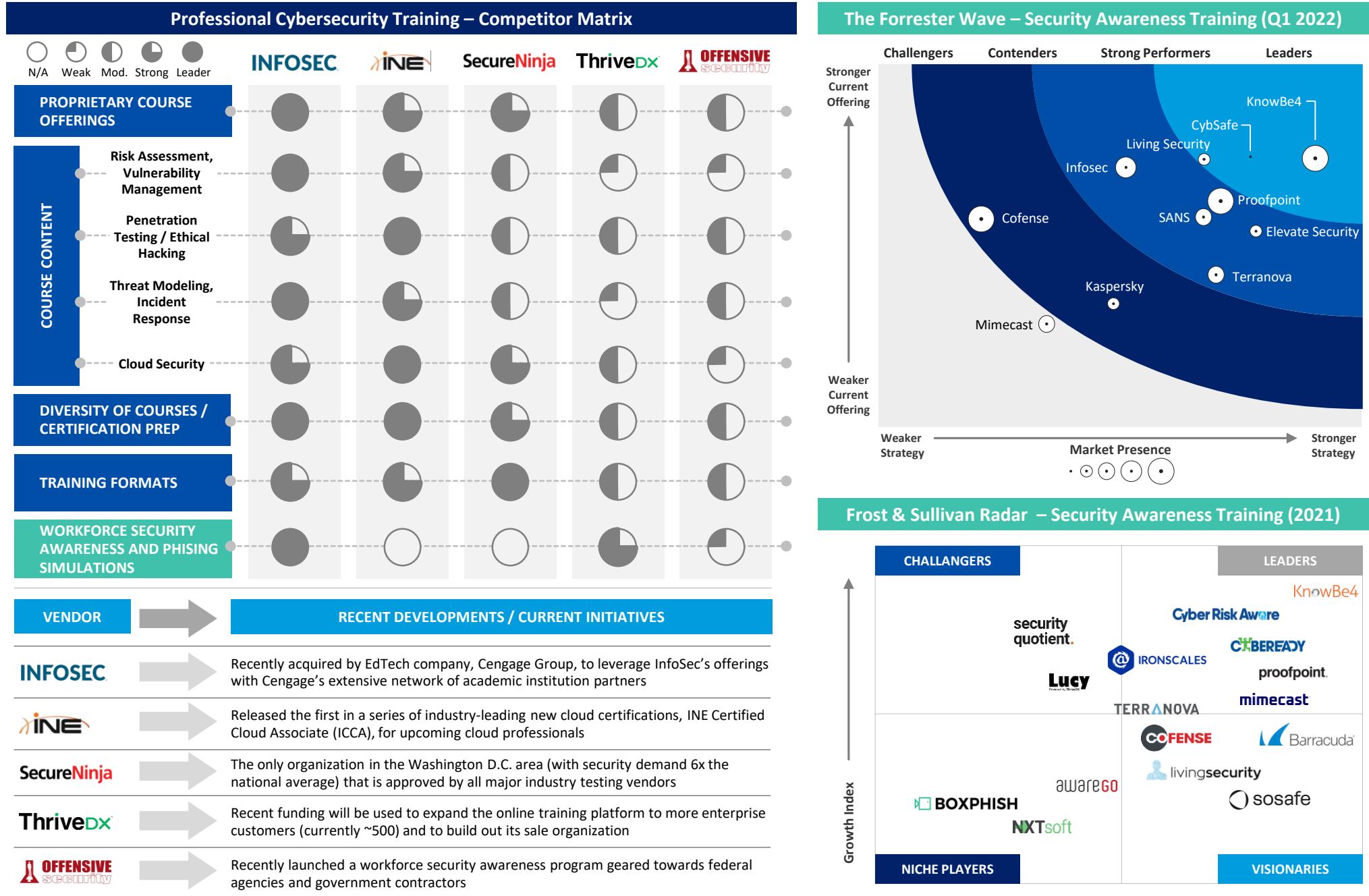
"Security awareness is more than phishing simulation and computer-based training. Leading programs leverage vendor platforms that enable and augment the execution of a multichannel, context-specific and employee-centric approach to educate employees and change behaviors"

Gartner Market Guide

"With employees operating remotely or physically, security awareness is now borderless so it's paramount to instill a "security everywhere" culture. All of this is causing well-needed disruption in a long-stagnant market. Fortunately, many vendors have risen to the challenge"

The Forrester Wave

Cybersecurity Training: Competitive Landscape

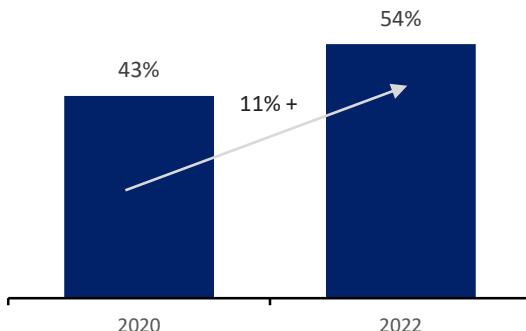


Cybersecurity Training: Value Proposition

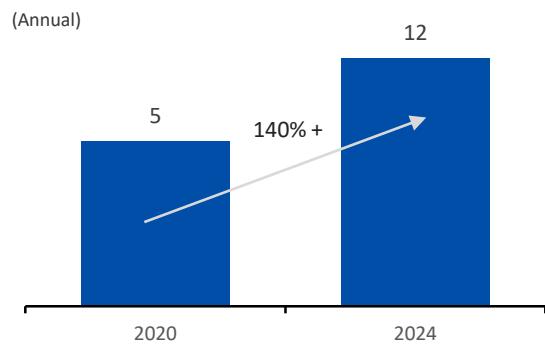


"Leading Indicators" of High ROI

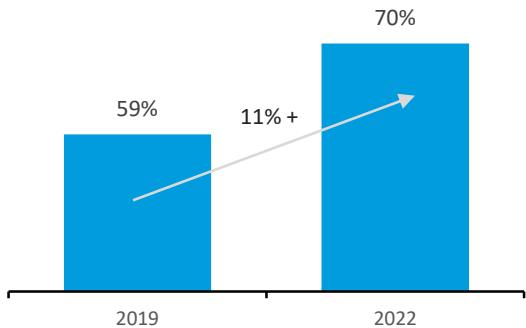
Phishing Breaches Due to Lack of Training



Enterprise Cybersecurity Training Sessions (#)



Security Jobs Requiring Certifications



Security Awareness Training Case Study: KnowBe4

KnowBe4

Security Awareness Training
Simulated Phishing Platform

\$285M ARR

44%+ ARR Growth

40% Revenue Growth

85%+ Gross Margin

11%+ Op. Margin*

28%+ FCF Margin*

90%+ CX Retention

178%+ Adoption Growth

Replicable Company Growth Story

Products sold to SMBs (51%) and enterprises (49%) directly and indirectly through channel partners and MSPs with no vertical or customer concentration

Multi-product leverage, continued upmarket move into enterprise, subscription-based model promotes renewals, scalability creates upsell opportunities as customers grow

New products, content, capabilities, and features; vendor/third-party integrations via technology partnerships, unique/niche offerings

Customer Base Growth

Upsell / Cross Sell Ability

Platform Expansion (Organic and Inorganic)

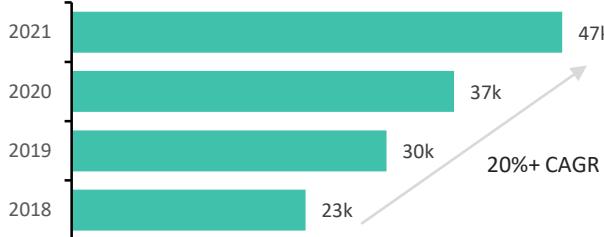
Phase 1

Phase 2

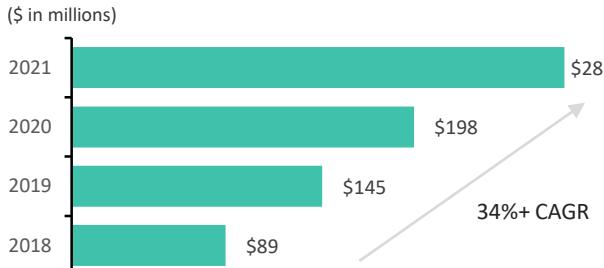
Phase 3

Phase 3

Total Customers



Annual Recurring Revenue (ARR)



Platform Highlights



Integrated platform that combines all functions into one, easy to use GUI and allows for customized templates, landing pages, and simulated attacks



First to provide **"double-random"** message delivery with every employee receiving a different phishing email at varying times



Phishing simulation templates are updated frequently, incorporating **real-world security behavior** from various integrations to deliver training reflecting current events



Unlimited use of KnowBe4's content library of 1,000+ items based on varying subscription levels, providing **flexible and scalable features** and licensing



Advanced enterprise-level reporting provides visibility into an entire organization's performance while reporting APIs can create customized reports to integrate with other BI systems



Risk scoring a new innovative Virtual Risk Officer functionality allows for identifying risk at the user, group, and organization level



KnowBe4 assessments use **industry benchmarks** to compare an organization's security awareness proficiency and culture ratings with other companies in its respective industry

Cybersecurity Training (All): Top 5 VC-Backed Companies



Company	HQ	Key Investors	Key Professionals	Funding & Valuation	Description
 CIRCADENCE *	Boulder, CO	<ul style="list-style-type: none"> ■ VC23 Investors ■ Runway Growth Capital ■ BDC ■ Hewlett-Packard ■ PSINet ■ Wall Street investors ■ PCCW Group 	<ul style="list-style-type: none"> ■ Michael Moniz (Co-founder and CEO) ■ Christopher Blisard (Co-founder and COO) ■ Bradley Hayes (Chief Technology Officer) 	<p>Mar'18 (Series B1): \$18mm Latest Valuation: \$218mm Total Funding: \$171mm</p>	<ul style="list-style-type: none"> ■ Founded in 1995 ■ Operator of a cyber training and education platform intended to train and develop cybersecurity skills and competencies ■ The Company's platform acknowledges each person's different story and employs a diverse group of individuals to function cohesively and enthusiastically to create innovative solutions to guide the collective output
 IMMERSIVELABS	Bristol, UK	<ul style="list-style-type: none"> ■ Citi Ventures ■ Insight Partners ■ Goldman Sachs Asset Management ■ Menlo Ventures ■ Tech Nation 	<ul style="list-style-type: none"> ■ James Hadley (CEO) ■ Stuart Goldblatt (CFO and COO) 	<p>Jun'21 (Series C): \$75mm Latest Valuation: \$390mm (As of 13-Jun-21) Total Funding: \$123mm</p>	<ul style="list-style-type: none"> ■ Founded in 2017 ■ Developer of a human cyber readiness platform designed to empower organizations to increase, measure, and demonstrate human capabilities in every part of their cybersecurity ■ The Company's platform helps in interaction, exploration and incident simulation, and discover hidden cybersecurity talent across organizations
 IRONSCALES	Atlanta, GA	<ul style="list-style-type: none"> ■ Climb Channel Solutions ■ Jump Capital ■ Rdseed ■ K1 Investment Management ■ Blackbox 	<ul style="list-style-type: none"> ■ Eyal Benishti (Co-Founder and CEO) ■ Lior Tenzer (CFO) 	<p>Dec'21 (Series C): \$64mm Latest Valuation: \$125mm (estimated as of Dec-21) Total Funding: \$97mm</p>	<ul style="list-style-type: none"> ■ Founded in 2013 ■ Developer of an email security platform designed to address the challenges of email phishing ■ The Company's platform uses a combination of machine learning and human intelligence to offer phishing simulation training, detection, incidence responses and automated intelligence sharing
 TESSIAN	London, UK	<ul style="list-style-type: none"> ■ Citi Ventures ■ Schroders Capital ■ Okta Ventures ■ Sequoia Capital ■ Balderton Capital 	<ul style="list-style-type: none"> ■ Timothy Sadler (Co-founder & CEO) ■ Sabrina Castiglione (CFO) ■ Nicolas Draca (Chief Marketing Officer) 	<p>Aug'21 (Series C): \$75mm Latest Valuation: \$370mm (As of 10-Aug-21) Total Funding: \$131mm</p>	<ul style="list-style-type: none"> ■ Founded in 2013 ■ Developer of a next-generation email security platform intended to detect and prevent inadvertent data loss ■ The Company's platform uses machine intelligence to prevent sensitive emails from being sent to the wrong people with minimal end-user disruption
 sosafe	Cologne, Germany	<ul style="list-style-type: none"> ■ Highland Europe ■ La Famiglia ■ Acton Capital ■ Rocket Internet ■ Global Founders Capital 	<ul style="list-style-type: none"> ■ Lukas Schaefer (Co-Founder and MD) ■ Niklas Hellemann (Co-Founder and MD) 	<p>Dec'21 (Series B): \$73.0mm Latest Valuation: \$402.0mm (As of 17-Dec-21) Total Funding: \$73.0m</p>	<ul style="list-style-type: none"> ■ Founded in 2018 ■ Developer of a cybersecurity training platform intended to sensitize, train, and test employees with regard to information technology security topics ■ The Company's platform offers phishing simulations and interactive e-learning that teach employees in an effective and sustainable way, how to use e-mails, passwords, or social media correctly

Cybersecurity Training (All): Top 5 PE-Backed Companies



Company	HQ	Key Investors	Key Professionals	Key Investments	Description
COFENSE	Leesburg, VA	<ul style="list-style-type: none"> ■ Adams Street Partners ■ BlackRock ■ Telstra Ventures 	<ul style="list-style-type: none"> ■ Rohyt Belani (CEO) ■ Mel Wesley (CFO) ■ Brandi Moore (COO) 	Feb'18 (LBO): \$400mm Apr'20 (Growth): \$11mm	<ul style="list-style-type: none"> ■ Founded in 2007 ■ Developer of phishing defense cybersecurity software solutions to defense, industrial base, energy, financial services, healthcare and manufacturing industries ■ The Company's software offers penetration testing, social engineering, abuse management, incident response and forensics
EC-Council *	Albuquerque, NM	<ul style="list-style-type: none"> ■ EQT 	<ul style="list-style-type: none"> ■ Jay Bavisi (CEO) ■ Sean Lim (COO) 	Sep'21 (Growth): Undisclosed	<ul style="list-style-type: none"> ■ Founded in 2001 ■ Provider of proprietary cybersecurity training and certification programs intended to help individuals, organizations, educators and governments address global workforce problems ■ The Company specializes in ethical hacking and offers students an understanding of various cyber-attack vectors and preventative countermeasures and offers a wide range of certification programs
NINJIO *	Westlake Village, CA	<ul style="list-style-type: none"> ■ Gauge Capital 	<ul style="list-style-type: none"> ■ Shaun McAlmont (President and CEO) ■ Matt Lindley (COO) 	Jul'21 (Growth): Undisclosed	<ul style="list-style-type: none"> ■ Founded in 2015 ■ Provider of cybersecurity awareness service dedicated to empowering individuals and organizations to become defenders against cyberthreats ■ The Company creates short Hollywood-style animated micro-learning videos every month that teaches individuals how to avoid the latest threats and breaches
PLURALSIGHT	Draper, UT	<ul style="list-style-type: none"> ■ Vista Equity Partners 	<ul style="list-style-type: none"> ■ Aaron Skonnard (Co-founder and CEO) ■ James Budge (CFO) 	Apr'21 (LBO): \$4bn	<ul style="list-style-type: none"> ■ Founded in 2004 ■ Developer of a cloud-based technology learning platform designed to democratize professional technology learning ■ The Company primarily offers technology skill development courses across a range of subject areas, including cloud, mobile, security, information technology and data
TitanHQ	Galway, Ireland	<ul style="list-style-type: none"> ■ Livingbridge ■ Enterprise Ireland 	<ul style="list-style-type: none"> ■ Ronan Kavanagh (CEO) 	Jun'20 (Growth): Undisclosed Oct'18 (Growth): Undisclosed	<ul style="list-style-type: none"> ■ Founded in 1999 ■ Developer of email and web security software intended to offer protection from cyber threats ■ The Company offers anti-spam, web filtering and email archiving software that help to protect networks and employees from spam, malware and phishing attack

Professional Cybersecurity Training: Top 5 Companies



Company	HQ	Key Investors	Key Professionals	Key Investments	Description
INE	Cary, NC	<ul style="list-style-type: none"> ■ Providence Strategic Growth 	<ul style="list-style-type: none"> ■ Richard McLain (CEO) ■ Joshua Smith (CFO) 	Jan'18 (LBO): Undisclosed	<ul style="list-style-type: none"> ■ Founded in 2003 ■ Provider of technical training services focused on networking, cyber security, cloud and data science domains ■ The Company offers technical learning that includes advanced networking technologies, security and infrastructure programming and development, through the implementation of adaptive technologies
INFOSEC	Madison, WI	<ul style="list-style-type: none"> ■ Cengage Group 	<ul style="list-style-type: none"> ■ Jack Koziol (CEO) ■ John Haushalter (CFO) 	Mar'22 (Acquisition): \$191mm	<ul style="list-style-type: none"> ■ Founded in 2004 ■ Developer of cybercrime education and training platforms designed to help advance careers with certifications and skills ■ The Company's platform provides live boot camps and subscription-based courses, offer skill assessments and custom certification practice exams
OFFENSIVE SECURITY	New York, NY	<ul style="list-style-type: none"> ■ Spectrum Equity ■ Ten Eleven Ventures 	<ul style="list-style-type: none"> ■ Ning Wang Ph.D (CEO) ■ Ari House (CFO) 	Sep'18 (Later Stage VC): \$35mm Total Funding: \$35mm	<ul style="list-style-type: none"> ■ Founded in 2006 ■ Provider of specialized training services in cybersecurity intended to train employees about tackling cyber threats ■ The company's service offers training and certification programs on handling cyber threats, enabling information security professionals and companies to learn about cyber adulteration and protect their organizations
SecureNinja	Alexandria, VA	<ul style="list-style-type: none"> ■ Privately Held (no backing) 	<ul style="list-style-type: none"> ■ Shakeel Tufail (CEO) ■ Joseph McCray (CTO) 	N/A	<ul style="list-style-type: none"> ■ Founded in 2003 ■ Provider of specialized cybersecurity training and consulting services for cybersecurity community ■ The Company's services include career building certifications on information systems security, ethical hacking, etc. enabling companies, professionals and government agencies to improve their information assurance workforce
ThriveDX	Coral Gables, FL	<ul style="list-style-type: none"> ■ NightDragon ■ BIRD Foundation ■ Igor Rybakov ■ Prytek Holdings 	<ul style="list-style-type: none"> ■ Gil Adani (Co-founder and CEO) ■ Dan Vigdor (Co-founder and CEO) ■ Jesus Portillo (CFO) 	Jan'22 (Later Stage VC): \$100mm Latest Valuation: \$175mm (estimated as of Jan-22) Total Funding: \$116mm	<ul style="list-style-type: none"> ■ Founded in 2007 ■ Provider of cyber security training services intended to spread knowledge and saturate the market with competent specialists ■ The Company's services offer advanced, workforce and professional development programs in digital technology

Appendix



Most Valuable Venture Backed Cybersecurity Companies



(\$ in millions)

Total Funding	\$932	\$1,109	\$1,857	\$892	\$1,044	\$920	\$621	\$649	\$534	\$745	\$583
Post-money Valuation	\$9,000	\$8,600	\$8,300	\$8,000	\$7,500	\$7,500	\$6,000	\$4,500	\$4,300	\$3,660	\$2,740
Series Stage	Series H	Series F	Series D	Series E	Series H	Series C	Series C	Series E	Series F	Series F	Series A
Last Raise	NA	\$605 Sept 2021	\$1,300 Nov 2021	\$400 Dec 2021	\$300 July 2021	\$210 Apr 2021	\$250 Oct 2021	\$450 Nov 2021	\$150 July 2021	\$355 July 2021	\$543 June 2021
Lead Investors	WELLINGTON MANAGEMENT [®] TPG	TIGERGLOBAL Accel	SHV	SEQUOIA COATUE	ICONIQ GROWTH SEQUOIA Lightspeed	SoftBank Vision Fund TCV INSIGHT PARTNERS	INSIGHT PARTNERS salesforce ventures	Accel T.RowePrice [®]	OWL ROCK Viking	Liberty Strategic Capital SoftBank Google Cloud	GENERAL ATLANTIC INSIGHT PARTNERS
Capability	Endpoint Security	Application Security	Cloud Security	Fraud Protection	Cloud Security	Privacy	Cloud Security	Fraud Protection	Managed Security	Endpoint Protection	Identity / Access

\$21.8B⁽¹⁾

In 2021 financing, up \$12.9B from 2020 financing

>\$200mm⁽¹⁾

27 of the 686 total transactions

Largest Financings

Lacework (cloud-based security)
\$1.3B Series D Round

snyk (Application Security)
\$605mm Series F Round

Continued Financing

For emerging segments such as **vulnerability assessment, encryption, tokenization, and user and entity behavior**

Software IPO Pipeline – Illustrative



Security	ARCTIC WOLF	BITSIGHT	CHECKMARX	cybereason	exabeam	IMPERVA®
	illumio	Infoblox	Malwarebytes	Menlo Security	netskope	OneTrust
	SECURONIX	snyk	SOPHOS	TANIUM®	VECTRA®	VERACODE
Applications	AMOUNT	BetterUp	Canva	conga®	contentful	Diligent
	Gainsight	GUILD	gupshup	gusto	highradius	icertis
	inVISION	INVOCΑ	ITERABLE	ivalua	JUSTWORKS. ⁽¹⁾	KLAVIYO
Infrastructure	mri	NAVEX GLOBAL	ONESTREAM	Quizlet	SEISMIC	ServiceTitan
	talkdesk	SalesLoft	TEALIUM	tipalti	trax	Tricentis
AI/ML/IoT/ Analytics	Airtable	APP LAUSE°	CloudBees.	COHESITY	ConnectWise	DataStax
	fuze	IDERA	Informatica	LogicMonitor	nextiva	outsystems
	pendo	ripple	rubrik	smash	unqork	VEEAM
	algolia	AUTOMATION ANYWHERE	celonis	collibra®	CONTENTSQUARE	databricks
	DataRobot	GENESYS	gupshup	O9	Outreach	SEISMIC
						sisense
						ThoughtSpot
						uniphore

Cybersecurity Public Comparables



Rev Growth >30%

Rev Growth 10%-30%

Rev Growth <10%

Company	Share Price	Market Cap	% of 52 Week High	Enterprise Value ⁽¹⁾	Rev CAGR	Revenue	Rev Growth	CY22 Margins			CY22 Multiples			
								CY20-22	CY22	CY22	Gross	EBITDA	FCF ⁽²⁾	EV / Rev
CrowdStrike	\$222.12	\$52,099	74.4%	\$50,889	113.6%	\$2,088	48.9%	77.1%	17.5%	30.3%	24.4x	0.5x	NM	
Cloudflare	126.28	42,888	57.0%	42,361	80.1%	931	41.8%	78.3%	10.7%	2.6%	45.5x	1.1x	NM	
Zscaler	237.93	34,668	63.3%	34,036	85.3%	1,205	45.1%	79.0%	13.9%	23.1%	28.2x	0.6x	NM	
Okta	149.86	24,478	52.1%	24,000	75.1%	1,744	38.4%	76.2%	(6.6%)	4.3%	13.8x	0.4x	NM	
SentinelOne	40.46	12,522	51.5%	10,852	181.5%	368	94.7%	66.4%	(49.3%)	(32.2%)	29.5x	0.3x	NM	
KnowBe4	22.88	4,176	62.4%	3,916	65.3%	330	33.8%	85.0%	12.5%	18.1%	11.9x	0.4x	65.8x	
Darktrace	5.90	3,809	43.0%	3,842	46.2%	359	39.4%	83.3%	10.3%	17.4%	10.7x	0.3x	61.3x	
Median								41.8%	78.3%	10.7%	17.4%	24.4x	0.4x	63.5x
Palo Alto Networks	\$625.25	\$68,876	100.0%	\$69,487	39.0%	\$5,958	25.2%	74.4%	24.5%	33.3%	11.7x	0.5x	35.1x	
Fortinet	338.53	55,102	91.1%	53,622	41.1%	4,291	28.4%	75.1%	28.0%	36.5%	12.5x	0.4x	34.3x	
Rapid7	109.40	6,710	75.4%	7,399	44.9%	687	28.3%	72.6%	7.1%	7.1%	10.8x	0.4x	NM	
Tenable	57.19	6,601	97.0%	6,514	37.2%	668	23.4%	81.5%	8.4%	16.3%	9.8x	0.4x	59.8x	
CyberArk	166.98	6,739	82.8%	6,350	16.6%	590	17.3%	81.9%	(2.4%)	(2.5%)	10.8x	0.6x	NM	
Qualys	141.93	5,679	99.3%	5,322	22.6%	484	17.6%	80.5%	38.3%	35.6%	11.0x	0.6x	30.9x	
SailPoint	50.10	5,068	79.1%	5,044	34.0%	518	18.0%	77.1%	(2.5%)	1.3%	9.7x	0.5x	NM	
Varonis	47.11	5,233	64.1%	4,728	38.2%	486	24.5%	88.2%	8.3%	3.3%	9.7x	0.4x	NM	
Ping	26.67	2,294	88.2%	2,384	17.4%	335	11.7%	77.4%	1.3%	(0.4%)	7.1x	0.6x	NM	
ForgeRock	20.57	1,943	42.1%	1,626	41.7%	210	24.5%	77.0%	(11.4%)	(18.6%)	7.8x	0.3x	NM	
Riskified	6.20	1,097	15.3%	587	39.9%	255	11.5%	50.9%	(26.4%)	(31.8%)	2.3x	0.2x	NM	
Tufin	8.80	334	65.2%	292	10.2%	125	13.0%	81.3%	(19.1%)	(10.5%)	2.3x	0.2x	NM	
Median								20.7%	77.3%	4.2%	2.3%	9.7x	0.4x	34.7x
VMware	118.76	\$50,129	69.0%	60,244	16.5%	13,675	7.2%	84.5%	34.9%	27.7%	4.4x	0.6x	15.9x	
NortonLifeLock	28.18	16,646	91.2%	18,809	26.4%	3,965	7.7%	84.9%	52.5%	28.0%	4.7x	0.6x	16.9x	
Check Point Software Technologies	138.37	18,670	92.5%	16,977	7.2%	2,290	5.7%	88.3%	45.8%	52.2%	7.4x	1.3x	14.2x	
Juniper Networks	37.31	12,035	100.0%	12,656	7.1%	5,102	7.7%	59.1%	20.6%	14.8%	2.5x	0.3x	16.8x	
F5	212.17	13,033	85.2%	12,538	11.6%	2,823	6.8%	83.3%	34.4%	22.5%	4.4x	0.6x	19.7x	
Median								7.2%	84.5%	34.9%	27.7%	4.4x	0.6x	16.8x
Overall Median								24.0%	78.7%	10.5%	15.6%	10.2x	0.5x	30.9x

Source: Company filings, FactSet, First Call, and Wall Street research.

Note: Market data as of March 28, 2022. Dollars in millions, except per share values. NM represents negative multiples or multiples over 75x.

25

(1) Market Cap based on shares outstanding under Treasury Stock Method.

(2) Enterprise Value = Market Value + total debt + preferred stock + non-controlling interests - cash & cash equivalents - short-term and long-term liquid investments.

(3) FCF calculated as CFO - CapEx.

(4) NortonLifeLock PF for Avast. PF EV of \$28bn using unaffected stock price as of 7/13/21.

W E N D E L