VISTA POINT ADVISORS

Governance, Risk, and Compliance Technology Market Update

Q4 2024

I. Executive Summary

Executive Summary

Sector Overview

- By 2024, the Global Governance, Risk, and Compliance Software ("GRC Tech") sector had reached a value of $44b and is anticipated to surge to $86b by 2029, exhibiting a growth rate of 14.2%.
- The U.S. drives North America's market growth as financial services adopt integrated data platforms for customer insights and faster decisions.
- Rapid tech evolution, regulatory changes, and advanced security threats are fuelling demand for advanced IT management solutions, driving growth and investor interest in cybersecurity and IT services.

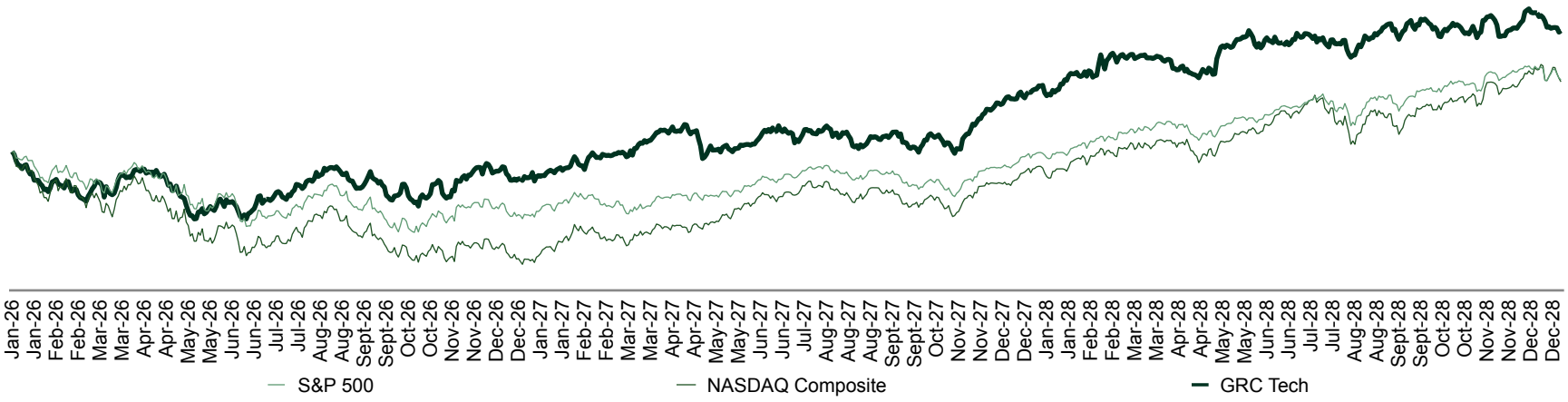
Q4 2024 Report Themes

The growing complexity of global regulations is driving demand for compliance software, including GRC, EHS, and SCRM solutions.

M&A activity in the GRC tech sector is rising as businesses tackle complex risks and seek scalable, automated, compliance-focused solutions, fuelling consolidation and innovation.

Private equity interest in GRC grows with demand for scalable, subscription-based solutions, focusing on profitable, integrated platforms for long-term value.

GRC Tech Companies Performance*



Source: Imarc group, OneTrust, BDO, Verified Market Reports, Straits Research, Industry Arc, S&P Capital IQ, Pitchbook; *refer to selected companies on Slide 4

Select Key Players in GRC Tech

Risk Management

BITSIGHT
CYBERARK The Identity Security Company
Cyber GRX
DATAVISOR
Diligent
FUSION
LogicManager
netwrix
onetrust
Prevalent
PROTECHT
riskonnect
SecurityScorecard
StandardFusion
THOMSON REUTERS
TruSight
TrustArc
TUGBOAT LOGIC by OneTrust

Audit Management / Data Compliance

AUDITBOARD
AuditComply
Avalara
BigID
convercent by OneTrust
DataGrail
PKWARE
SailPoint
FASTPATH now part of Delinea
hyperproof
Ideagen
OKERA
Pentana Audit an Ideagen product
RiskRhino
Smart Audit
SOVOS
Vector Solutions
wirewheel
Workiva

EHS Management

cority
EHSInsight
etq
hsi
SAI360
VelocityEHS

GRC Suite

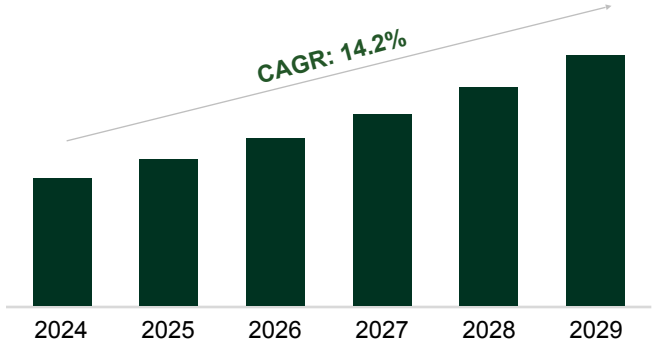
Adaptive GRC
ARCHER
Camms.
Commvault
CONGRUITY 360
CORPORATER
CURA
donesafe
EGNYTE
Galvanize
Holistic AI
KnowBe4
LexisNexis
LOGICGATE
metricstream
MITRATECH
NAVEX
Onspring
OSTENDIO
Procipient
QUANTIVATE
Qualys.
ReadiNow
RiskOptics FORMERLY RECIPROCITY
Resolver.
RISMA
RSA
SureCloud.
vcomply
Wolters Kluwer

Denotes select public companies considered as part of the GRC Tech index

Industry Trends and Outlook (1/2)

Global GRC Tech Market Size ($b)

- The GRC market is growing rapidly, driven by rising regulatory demands, increasing integration with third-party technologies, and the adoption of AI and ML to enhance platform capabilities.
- Escalating data security concerns further highlight the need for advanced GRC systems, shaping the market's future and sustaining these trends.
- The U.S. drives North America's market growth as financial services adopt integrated data platforms for customer insights and faster decisions.
- Evolving regulations and rising cyber risks fuel demand for GRC solutions, enhancing compliance, efficiency, and cost savings.



2025 Outlook Trends

Technological Integration

To thrive in the evolving GRC landscape, organizations must invest in technology, upskill their workforce, and foster a culture of continuous adaptation to address future challenges.

Interconnected GRC Strategies

Modern organizations are shifting to automated, integrated GRC strategies for unified risk management, allowing for better risk analysis and decision-making across interconnected risks.

Rising Cybersecurity Concerns

As reliance on third-party vendors grows, so does the cybersecurity risk. Strategies to mitigate these risks through advanced cyber risk management and continuous monitoring is expected to be prevalent.

Regulatory Momentum

As regulations around AI, cybersecurity, financial resilience, and ESG grow, organizations must adopt automated compliance solutions to navigate evolving laws and avoid penalties.

Focus on Sustainability

The integration of Environmental, Social, and Governance (ESG) factors into GRC strategies reflects the growing demand for sustainability and transparency in business practices.

Third-Party Risks

Vulnerabilities in third-party systems cause significant data breaches and disruptions, necessitating automated and integrated risk management solutions for better monitoring and compliance.

Source: Imarc Group, OneTrust, BDO, Technavio, Industry Arc, Federal News Network

Industry Trends and Outlook (2/2)

Allocation of Funds in Compliance

The current administration is looking to increase spending to secure federal networks, applications, and data to $12.7b, a 13% increase over the prior year.

Furthermore, the administration is looking to spend $200m in 2024 on the Technology Modernization Fund.

The government's 2024 budget includes more than $500m to strengthen activities focused on modernizing programs, reducing administrative burdens, and piloting new online tools and technologies.

Role of AI in Governance, Risk, and Compliance

Integration of AI in Risk Assessment:
AI technologies will revolutionize risk assessment, enabling organizations to conduct real-time risk evaluations, identify vulnerabilities, and fortify risk management strategies. This integration will encourage organizations to manage risks and compliance requirements proactively.

Automation of Compliance Monitoring:
Automating compliance monitoring through AI will streamline the oversight of regulatory adherence, detect anomalies, and facilitate proactive compliance management. This automated approach will bolster organizations' capabilities to ensure compliance with evolving regulations.

Modeling and Predictive Analysis for Risk Management:
AI-driven modeling and predictive analysis will empower organizations to anticipate risks, model potential scenarios, and fortify risk management frameworks. This predictive approach will enable organizations to mitigate risks proactively and optimize their GRC strategies.

Source: Swiss GRC, MEGA International

III. Capital Markets & Public Trading Data

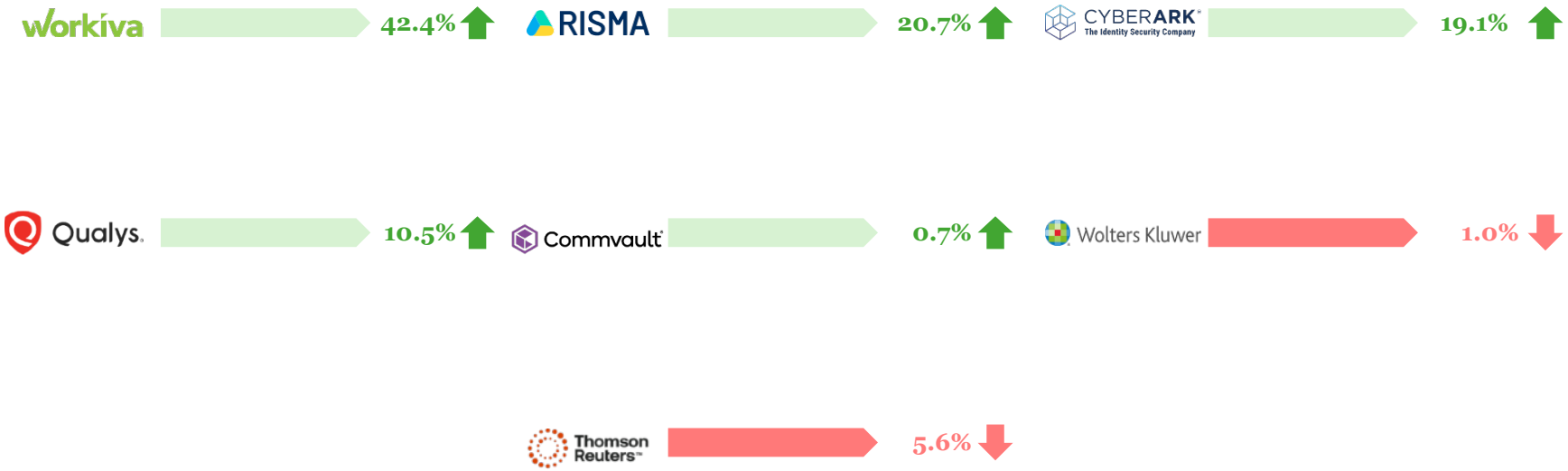
Public Companies Performance (1/3)

Select GRC Tech Public Companies Constituting the Public Index

Commvault | CYBERARK The Identity Security Company | Qualys. | RISMA

THOMSON REUTERS | Wolters Kluwer | Workiva

Q4 24 GRC Tech Companies Performance

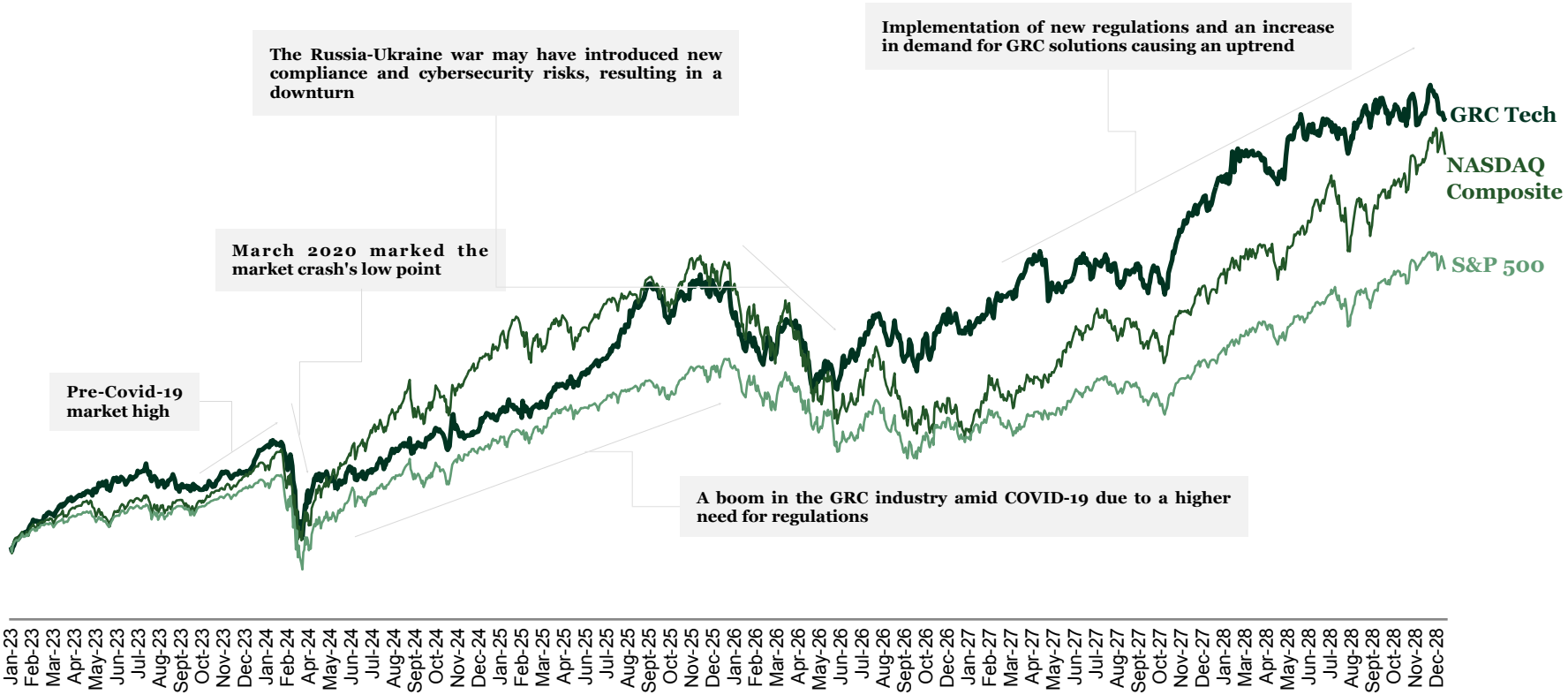


Source: S&P Capital IQ, Pitchbook

Public Companies Performance (2/3)

The GRC Tech sector's performance outperformed the S&P 500 and NASDAQ composite. The recent downtrend in the GRC Tech sector is due to temporary market volatility from factors like election results. However, M&A activity is rising as businesses seek advanced, scalable, and automated risk management solutions. The growing demand for compliance-focused platforms is driving both consolidation and innovation in the market.

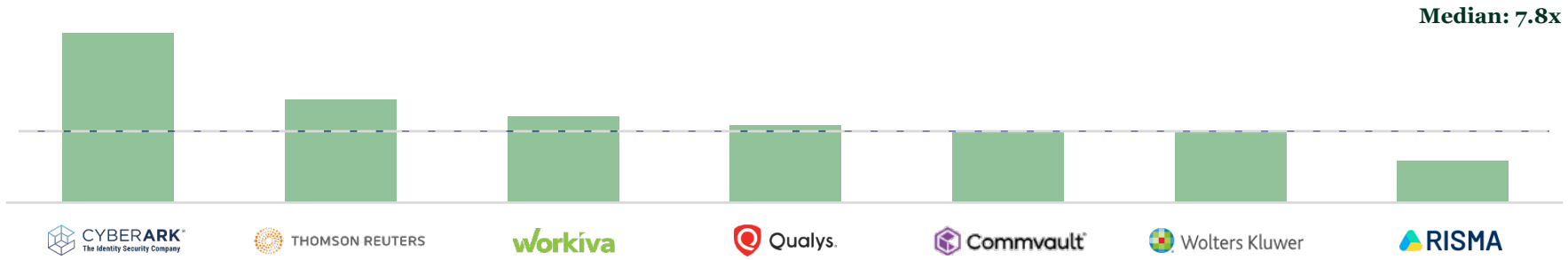
Index Growth	CY 24	Q4 23	Q4 24
GRC Tech	16.2%	20.0%	(0.7%)
S&P 500	24.0%	11.2%	3.0%
NASDAQ Composite	30.8%	12.8%	7.8%



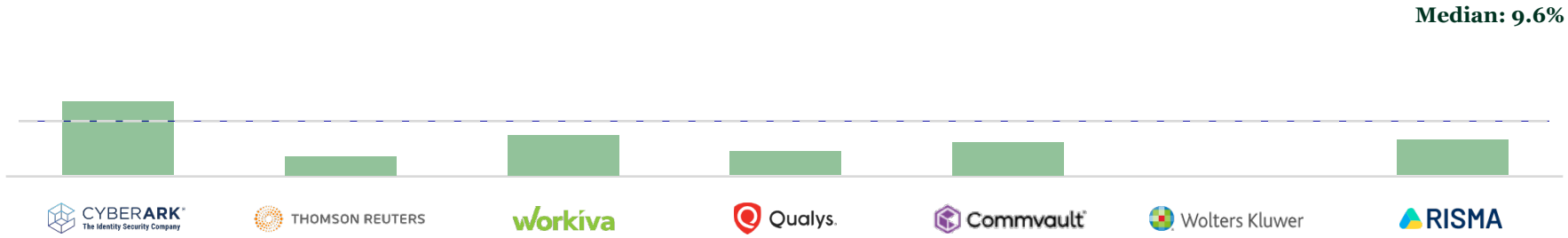
Source: S&P Capital IQ, Pitchbook

Public Companies Performance (3/3)

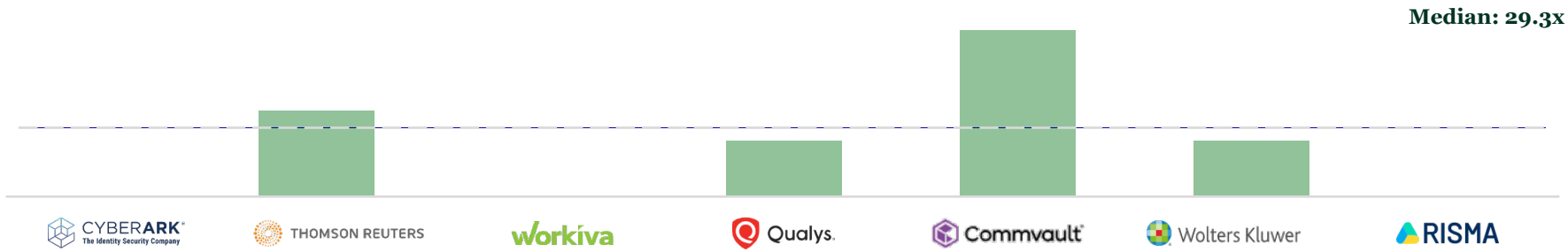
EV/Revenue (LTM)



Revenue Growth (LTM)



EV/EBITDA (LTM)

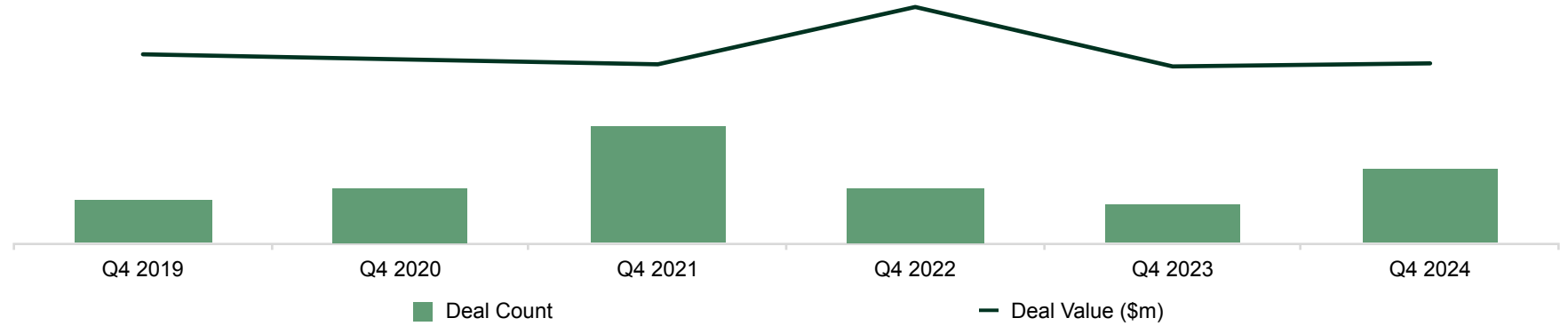


Source: S&P Capital IQ, Pitchbook
Note: Market and Financial data latest reported as of 12/31/2024;
NA – not available; NM – not meaningful (in case EV/Revenue: >25.0x; <0.0x or EV/EBITDA: >100.0x; <0.0x)

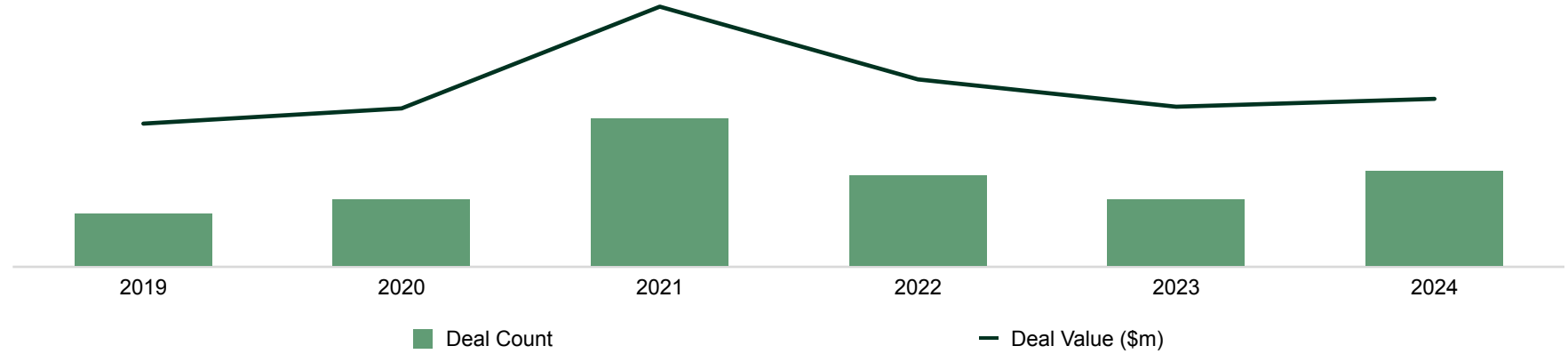
GRC Tech M&A Activity (1/5)

M&A activity in the GRC technology segment is rising as businesses face increasingly complex, interconnected risks and seek advanced software solutions for real-time risk management. The growing demand for scalable, automated, and compliance-focused GRC platforms drives consolidation and innovation.

Historical Q4 M&A Summary



Annual M&A Summary



Source: S&P Capital IQ, Pitchbook – including M&A and LBO transactions

GRC Tech M&A Activity (2/5)

Most Active Buyout Investors

Active Investors from 2019 – 2024			
Company Name	**Investor Type**	**# of New Investments**	**Notable Investments**
Hg	PE/Buyout	12	ProcessMAP, assurehire, prosperoware, LeaseAccelerator, FileTrail, CONTRACTS, Prevalent
INSIGHT PARTNERS	Growth/ Expansion	11	integrify, COMPLY365, LeaseAccelerator, ArchiveSocial, civicgov, Essentials, COMDATA
TA ASSOCIATES	PE/Buyout	11	ventiv, tripwire, CSS, 1099 Pro, INFOGIX, Beyond Security, COMDATA
THOMABRAVO	PE/Buyout	9	ventiv, PingIdentity, ICIX, proofpoint, FAIRWARNING, STRATOZEN, convercent
VISTA EQUITY PARTNERS	PE/Buyout	7	Brightly, KnowBe4, Avalara, CRITICALSTART, Lockpath, FUSION, ANVL
NOBLE ROCK SOFTWARE	PE/Buyout	6	Mineral, assurehire, Continuity, 1099 Pro, Lockpath, Prevalent
CLEARLAKE	PE/Buyout	6	CSS, INFOGIX, Steele, BLACKDUCK, entitle
Blackstone	PE/Buyout	4	CyberGRX, Interboro, sphera, Steele
STG	PE/Buyout	4	SAI360, CaseWorthy, Skyhigh Security, RSA

Source: S&P Capital IQ, Pitchbook – including M&A and LBO transactions

GRC Tech M&A Activity (3/5)

Date	Target	Buyer	Sub-Sector	Deal Size	EV/ Revenue	Target Description
17-Dec	COMPLYUP Assessment Platform	EXOSTAR We build trust.	Data Compliance	Undisclosed	Undisclosed	▪ Developer of a cloud-based platform designed to simplify the process of demonstrating regulatory compliance.
10-Dec	convercent by OneTrust	EQS	Audit Management	Undisclosed	Undisclosed	▪ Developer of SaaS-based corporate compliance management tools intended to facilitate the design and implementation of compliance programs.
10-Dec	VERITAS now part of Cohesity	COHESITY	Data Compliance	Undisclosed	Undisclosed	▪ Developer of enterprise data management software intended to help organizations to protect their mission-critical data.
4-Dec	KLEANZ	hygiena	Data Compliance	Undisclosed	Undisclosed	▪ Developer of food safety and maintenance software solutions for the food and beverage manufacturing facilities.
2-Dec	COMDATA	PDI TECHNOLOGIES	Data Compliance	Undisclosed	Undisclosed	▪ Developer of transaction processing and compliance software and applications based in Brentwood, Tennessee.
26-Nov	Aer Compliance a StarCompliance Company	STAR COMPLIANCE	Audit Management	Undisclosed	Undisclosed	▪ Developer of an employee trade compliance platform designed to combat insider trading, front-running, and conflicts of interest.
26-Nov	pinpoint GLOBAL COMMUNICATIONS	VALSOFT	Audit Management	Undisclosed	Undisclosed	▪ Developer of training and compliance management software intended for industries and companies.

Source: S&P Capital IQ, Pitchbook
Note: NA – not available; NM – not meaningful

GRC Tech M&A Activity (4/5)

Date	Target	Buyer	Sub-Sector	Deal Size	EV/ Revenue	Target Description
21-Nov	Cloudrise	EXCLUSIVE NETWORKS	Data Compliance	Undisclosed	Undisclosed	▪ Developer of a data protection and orchestration platform designed to enable, unify, and automate current data protection.
20-Nov	adlumin.	N-ABLE	Data Compliance	$300m	Undisclosed	▪ Developer of a security information and event management platform intended to detect cyber threats and keep mid-market organizations secure.
13-Nov	REZONATE	SILVERFORT	Data Compliance	Undisclosed	Undisclosed	▪ Developer of a cybersecurity platform designed to protect cloud infrastructures from third-party attacks.
24-Oct	effectiv	Socure.	Data Compliance	$136m	Undisclosed	▪ Developer of a fraud prevention platform designed to offer initial fraud assessments of transactions for fraudulent behavior.
15-Oct	CG3-1 15c3-1 optimized	REGNOLOGY	Data Compliance	Undisclosed	Undisclosed	▪ Developer of a regulatory capital compliance technology intended to automate net capital calculations.
15-Oct	DASERA DATA SECURITY ERA	netskope	Data Compliance	Undisclosed	Undisclosed	▪ Developer of a data security platform intended to maximize internal data usage while minimizing the risk of an insider breach.
10-Oct	ANVL from BENCHMARK GENSUITE.	BENCHMARK GENSUITE.	Data Compliance	Undisclosed	Undisclosed	▪ Developer of compliance safety software designed to modernize frontline worker productivity.

Source: S&P Capital IQ, Pitchbook
Note: NA – not available; NM – not meaningful

GRC Tech M&A Activity (5/5)

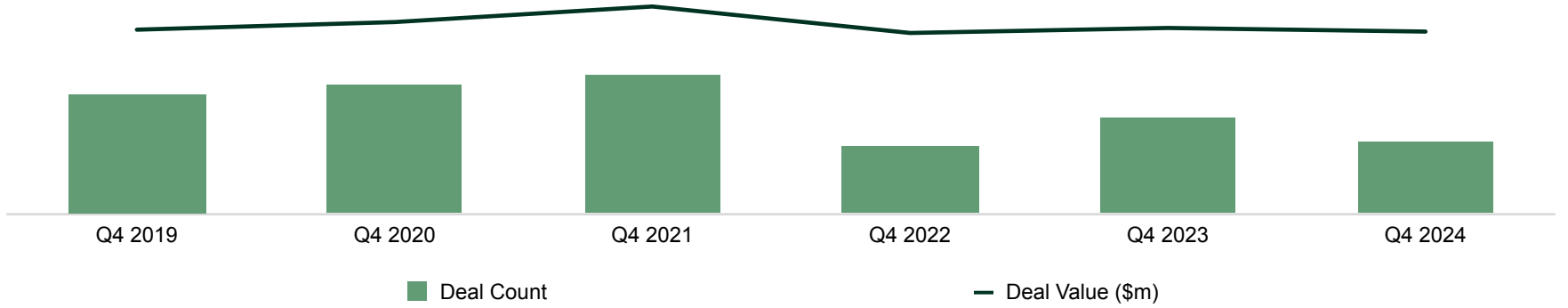
Date	Target	Buyer	Sub-Sector	Deal Size	EV/ Revenue	Target Description
8-Oct	PARABLU	CrashPlan	Data Compliance	Undisclosed	Undisclosed	▪ Developer of secure data management platform designed to assist digital enterprises by engineering new-age cloud data protection tools.
7-Oct	Kivera	CLOUDFLARE	Data Compliance	Undisclosed	Undisclosed	▪ Developer of a cloud-based compliance platform designed to help businesses enforce governance and security policies across their cloud deployments.
2-Oct	Prevalent	MITRATECH	Data Compliance	Undisclosed	Undisclosed	▪ Developer of a third-party risk management software designed to monitor the security threats associated with third-party vendors.
			Median	**$218m**	**NA**	

Source: S&P Capital IQ, Pitchbook
Note: NA – not available; NM – not meaningful

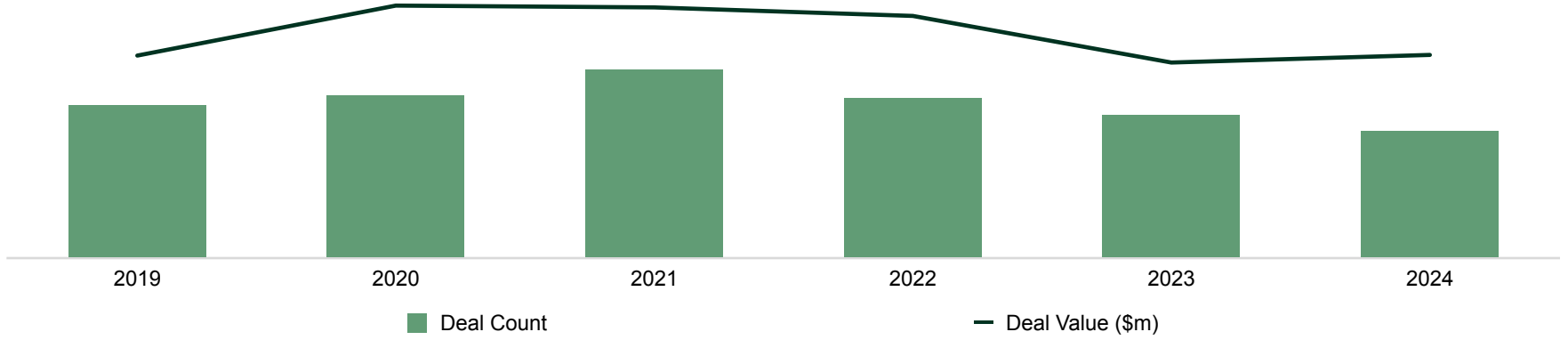
GRC Tech Investment Activity (1/5)

Private equity interest in the GRC space is rising due to the growing demand for scalable, subscription-based solutions, with investors focusing on profitability and interconnected platforms. As GRC requirements increase, firms offering comprehensive solutions are seen as key opportunities for long-term growth and value realization.

Historical Q4 Financing Summary



Annual Financing Summary



Source: S&P Capital IQ, Pitchbook – including PE growth and VC transactions

GRC Tech Investment Activity (2/5)

Most Active Minority Investors

Active Investors from 2019 – 2024			
Company Name	**Investor Type**	**# of New Investments**	**Notable Investments**
INSIGHT PARTNERS	Growth/ Expansion	24	ACEISS, brinqa, Calamu, COMPLIANCEQUEST, Diligent, Exactera, Kiteworks
Alumni Ventures	Venture Capital	17	baffle, boardroom, clarity, CYLERA, LightBeam.ai, MontyCloud, OKERA
Accel	Venture Capital	16	Chainalysis, galileo, styra, sysdig, Transcend, OASIS, SPRINTO
Gaingels	Venture Capital	14	CodeLock, Kion, lumatax, PAXTON, secureframe, Unit21, TestParty
BainCapital	Venture Capital	12	Andalusia Labs, JupiterOne, scytale, sysdig, Thoropass
Bessemer Venture Partners	Venture Capital	11	ALLOY, Basis Theory, BigID, CyberGRX, OKERA, scytale, TRM
SEQUOIA	Growth/ Expansion	10	AIRAVANA, Collibra, Cribl, druva, harmonic, privado, Vanta
TIGERGLOBAL	Venture Capital	9	BigID, Collibra, Cribl, docfox, LACEWORK, Unit21, virtru
Battery	Venture Capital	9	Collibra, Opal Security, ordr, RISKIQ, styra, whistic

Source: S&P Capital IQ, Pitchbook, – including PE growth and VC transactions

GRC Tech Investment Activity (3/5)

Date	Target	Buyer	Sub-Sector	Deal Size	EV/Revenue	Target Description
24-Dec	hardal	BOOST THE FUTURE	Data Compliance	Undisclosed	Undisclosed	▪ Developer of a server-side analytics platform intended to have control over data and ensure compliance with privacy regulations.
23-Dec	ARCHIVE intel	Garuda VENTURES	Data Compliance	<$10m	Undisclosed	▪ Developer of an artificial intelligence archiving software-as-a-service designed to assist in the compliance process.
18-Dec	Bureau	SORENSON	Risk Management	$30m	Undisclosed	▪ Developer of a no-code identity and risk orchestration platform designed to facilitate end-to-end identity verification, compliance, and fraud prevention for new-age businesses.
16-Dec	WARRANT	Triangle Tweener Fund / BRICKYARD	Data Compliance	<$10m	Undisclosed	▪ Developer of an automated marketing compliance platform designed to accelerate marketing compliance and reviews for fintech and financial services.
5-Dec	Ethyca	ASPENWOOD VENTURES / AVP	Data Compliance	$10m	Undisclosed	▪ Developer of a data privacy and AI governance platform designed to provide solutions for scalable data for the modern enterprise.
5-Dec	onpay	CARRICK	GRC Suite	$100m	Undisclosed	▪ Developer of payroll management and compliance software designed to provide low-cost services to businesses.
1-Dec	soy io	99Startups	Data Compliance	Undisclosed	Undisclosed	▪ Developer of a privacy platform designed to manage personal data securely and facilitate the transition to digital identities.
1-Dec	Sylogic	LIGHTSCAPE	Risk Management	Undisclosed	Undisclosed	▪ Developer of security and compliance technology designed to manage corporate risk.
1-Dec	Tausight™	Ascend	Risk Management	Undisclosed	Undisclosed	▪ Developer of security software designed to reduce healthcare cyber incidents by using a proactive and risk management philosophy.
26-Nov	hardal	STARTUP WISE GUYS	Data Compliance	<$10m	Undisclosed	▪ Developer of a server-side analytics platform intended to have control over data and ensure compliance with privacy regulations.

Source: S&P Capital IQ, Pitchbook
Note: NA – not available; NM – not meaningful

GRC Tech Investment Activity (4/5)

Date	Target	Buyer	Sub-Sector	Deal Size	EV/Revenue	Target Description
25-Nov	AI Spera	KB Investment	Risk Management	<$10m	Undisclosed	▪ Developer of a cyber threat intelligence system designed to empower security competence in businesses.
22-Nov	trustero	BrightPixel Sonae	GRC Suite	$10m	Undisclosed	▪ Developer of a corporate industry and regulatory compliance artificial intelligence designed to handle time-consuming GRC tasks.
20-Nov	ANITIAN	SAGEVIEW CAPITAL	Risk Management	<$10m	Undisclosed	▪ Developer of a cyber-security platform designed to offer cloud security and compliance.
20-Nov	ZITADEL	nexus venture partners	GRC Suite	<$10m	Undisclosed	▪ Developer of an identity management platform intended to handle secure user login and account management.
12-Nov	NOTA BENE	DRW VENTURE CAPITAL	Risk Management	$15m	Undisclosed	▪ Developer of a compliance platform designed to help organizations manage regulatory and counterparty risk in crypto transactions.
6-Nov	blinder	forum ventures	Data Compliance	<$10m	Undisclosed	▪ Developer of AI-powered platform designed for enhancing data privacy and security.
6-Nov	CORGEA	SHOROOQ PARTNERS	Data Compliance	<$10m	Undisclosed	▪ Developer of a data security and privacy platform designed to empower companies to safeguard their sensitive data.
31-Oct	COLD	YORK·IE	Data Compliance	<$10m	Undisclosed	▪ Developer of a sustainability compliance platform designed to spend less time on managing compliance.
28-Oct	abstract security	Munich RE	Risk Management	$15m	Undisclosed	▪ Developer of data security operations platform designed to optimize data without compromising on compliance or security effectiveness.

Source: S&P Capital IQ, Pitchbook
Note: NA – not available; NM – not meaningful

GRC Tech Investment Activity (5/5)

Date	Target	Buyer	Sub-Sector	Deal Size	EV/Revenue	Target Description
25-Oct	Grey Market Labs	Capri Ventures	Data Compliance	<$10m	Undisclosed	▪ Developer of data privacy and security platform designed to protect people and organizations at every level from the risks of living life online.
16-Oct	rise	Polymorphic Capital; Draper Associates	GRC Suite	<$10m	Undisclosed	▪ Operator of an all-in-one compliance and payment platform intended for companies with global workforces.
10-Oct	siemba	406vc	Risk Management	Undisclosed	Undisclosed	▪ Developer of a managed security platform designed to accelerate cybersecurity for businesses.
2-Oct	harmonic	Next47	Risk Management	$18m	Undisclosed	▪ Developer of a generative AI platform designed to ensure data security.
2-Oct	rise	Ryze Labs; Polymorphic Capital	GRC Suite	<$10m	Undisclosed	▪ Operator of an all-in-one compliance and payment platform intended for companies with global workforces.
1-Oct	ClearlyAI	Argon Ventures	Data Compliance	Undisclosed	Undisclosed	▪ Developer of data security software designed to ensure compliance with privacy regulations and internal policies.
1-Oct	Coverbase	The Venture Center	Risk Management	Undisclosed	Undisclosed	▪ Developer of a compliance management software designed to automate and streamline vendor security assessments.
1-Oct	Coverbase	gener8tor	Risk Management	Undisclosed	Undisclosed	▪ Developer of a compliance management software designed to automate and streamline vendor security assessments.
1-Oct	Rimba	Launch Accelerator	Audit Management	Undisclosed	Undisclosed	▪ Developer of a compliance automation software intended to simplify sustainability certification reporting and audit for manufacturing companies.

Source: S&P Capital IQ, Pitchbook
Note: NA – not available; NM – not meaningful

IV. Vista Point Advisors Overview & Credentials

A Truly Unconflicted Approach

Vista Point Advisors Is The Leading Sell-Side Investment Bank Exclusively Focused On M&A and Capital Raising For Founder-Led Software And Internet Companies

- Focus on **Founder-Led**, minimally-funded businesses
- Unconflicted advice: **exclusively** a sell-side advisor
- Software and Internet domain expertise

VPA Key Metrics

120
TRANSACTIONS

22
INVESTMENT BANKERS

24%
CROSS BORDER DEALS

$50 – $400M
TRANSACTION SIZE RANGE

$7.8B
TOTAL ENTERPRISE VALUE

$6.0B
LIQUIDITY TO FOUNDERS

100%
SELL-SIDE TRANSACTIONS

1,500+
LOIs RECEIVED

10+ Years
SENIOR BANKER TENURE

Leading Advisor to Closely-held Technology Companies

In the past 3 years, here are our results:

51
CLOSED TRANSACTIONS

$4.3B
ENTERPRISE VALUE

9.0x
AVG. ARR MULTIPLE

together acquired by absorb	element451 investment from PSG	courseloop acquired by technologyone	Bulbshare acquired by service management group	ROOFLINK acquired by SalesRabbit	rater8 investment from ELSEWHERE PARTNERS	Channel Mechanics acquired by Allbound
RECORD360 acquired by PointRental	TimeToPet acquired by DaySmart	kantola acquired by TRALIANT	SUMOQUOTE acquired by JobNimbus	PosterElite investment from NORWEST VENTURE PARTNERS	holistiplan investment from LEADEDGE CAPITAL	VERSATILE CREDIT investment from PSG
CLEAR LAW INSTITUTE acquired by TRALIANT	Undisclosed investment from PSG	Arborgold investment from Mainsail Partners	KEY2ACT acquired by VOLARIS	FormSwift acquired by Dropbox	HuntStand acquired by GSM OUTDOORS	imagequix acquired by Charlesbank
SmartMoving investment from Mainsail Partners	TRAVELNET SOLUTIONS investment from BLUE STAR INNOVATION PARTNERS	mni investment from TENZING	suralink investment from LUMINATE	HOTEL EFFECTIVENESS acquired by actabl	ListReports acquired by MBS Highway	Printfection acquired by CUSTOM INK
swyftfilings investment from GREYLION	Leap investment from NEXA EQUITY	YOGA INTERNATIONAL acquired by gaia	HATCH acquired by PRICESPIDER	ContentKeeper acquired by impero	eleven acquired by VENCAPITAL	highlevel investment from PEAKEQUITY PARTNERS
nepris acquired by PSG	ZENWORK investment from SPECTRUM EQUITY	ClockShark acquired by SIMPRO	FORMAT acquired by zenfolio	DOZUKI investment from MARLIN EQUITY PARTNERS	STUKENT investment from Tritium PARTNERS	supplier.io investment from NORWEST VENTURE PARTNERS

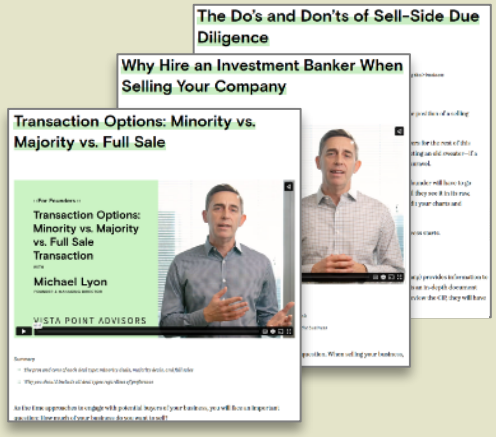
For Founders

Perspectives

Learn More

Insights

Learn More



Sell-Side Stories

Browse All Founder Stories

Keeping Buyers Competitive Through Non-Exclusive Diligence

By: Jonathan Pototschnik
Co-Founder, Service Autopilot

Reaching a High Valuation Through Strategic Positioning

By: Jake Harrington
Founder, On-Site

The Path To Exit

A VISTA POINT ADVISORS PODCAST

Learn what every technology founder needs to know as they grow their business towards an eventual M&A transaction.

In this podcast, Mike Lyon from Vista Point Advisors chats with tech founders and the VPA team to address questions like: - What is the process for selling a software or internet business? - What drives the valuation of a SaaS business? - What are my different transactions options? - And more.

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