

D | A | DAVIDSON | *mcj*  
INTERNATIONAL

Spring

20  
23

# CYBER- SECURITY

INDUSTRY UPDATE

# DEEP DOMAIN EXPERTISE IN CYBERSECURITY

## INTRODUCING D.A. DAVIDSON MCF INTERNATIONAL

The D.A. Davidson MCF International brand is a strategic partnership between D.A. Davidson and MCF Corporate Finance. Together, we offer clients unparalleled access to a transatlantic M&A and debt advisory platform.

Our technology practice consists of 50+ investment bankers working across 15 offices in Europe and North America. We collectively advised on 44 tech transactions during 2022. Together, we work to provide bulge bracket capabilities and boutique focus to mid-market clients.

Cybersecurity and infrastructure software is a core competency of our technology practice. Our recent relevant references demonstrate the domain expertise, global reach and real time insights we bring to our clients.

## SELECT SENIOR PROFESSIONALS



**JONATHAN LEJUEZ**  
Managing Director  
D.A. Davidson  
New York



**ERIK PETERSSON**  
Partner  
MCF Corporate Finance  
Stockholm



**CHRISTOPH BREGULLA**  
Partner  
MCF Corporate Finance  
Hamburg

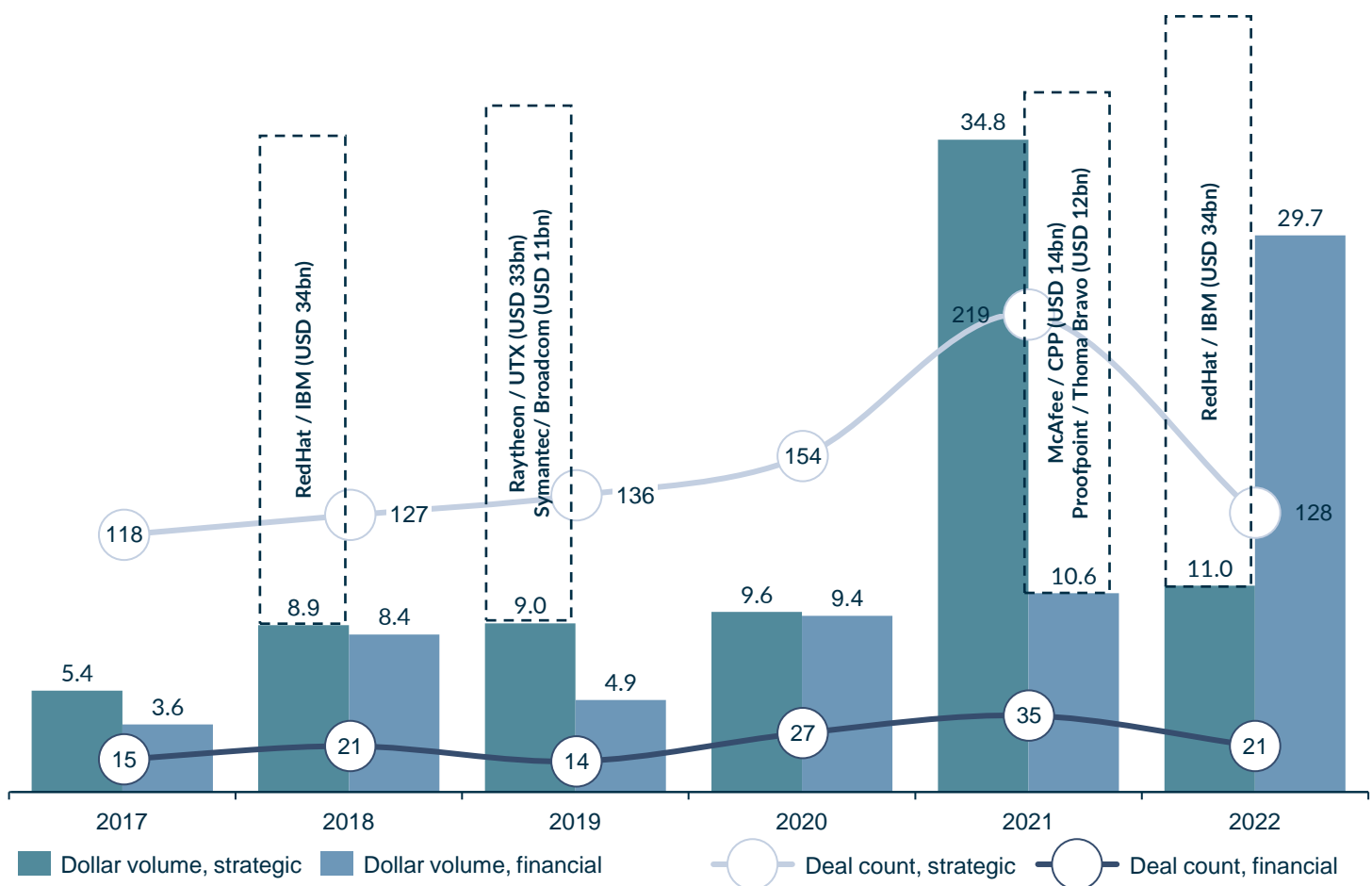
## CYBERSECURITY AND INFRASTRUCTURE SOFTWARE REFERENCES

<p>TECHNOLOGY</p> <p>has been acquired by Formica Capital-backed C-Resiliens</p> <p>FINANCIAL ADVISER</p> <p>2023 </p>	<p>TECHNOLOGY</p> <p>has received a significant growth investment from</p> <p><b>Revaia</b></p> <p>FINANCIAL ADVISER</p> <p>2022 </p>	<p>TECHNOLOGY</p> <p>sold to</p> <p>SELL-SIDE ADVISER</p> <p>2022 </p>	<p>TECHNOLOGY</p> <p>a portfolio company of</p> <p>sold to</p> <p>SELL-SIDE ADVISER</p> <p>2022 </p>	<p>TECHNOLOGY</p> <p>a portfolio company of</p> <p>sold to</p> <p>SELL-SIDE ADVISER</p> <p>2021 </p>
<p>TECHNOLOGY</p> <p>sold to</p> <p>SELL-SIDE ADVISER</p> <p>2021 </p>	<p>TECHNOLOGY</p> <p>sold to</p> <p>SELL-SIDE ADVISER</p> <p>2021 </p>	<p>TECHNOLOGY</p> <p>sold to</p> <p>SELL-SIDE ADVISER</p> <p>2021 </p>	<p>TECHNOLOGY</p> <p>sold to</p> <p>SELL-SIDE ADVISER</p> <p>2019 </p>	<p>TECHNOLOGY</p> <p>sold to</p> <p>SELL-SIDE ADVISER</p> <p>2019 </p>

# CYBERSECURITY M&A ACTIVITY HAS BEEN RESILIENT DURING MARKET SLOW DOWN

## STRONG MARKET ACTIVITY CONTINUING INTO 2023

Cybersecurity M&A deal count and dollar volume (USD, bn): 2017 to 2022

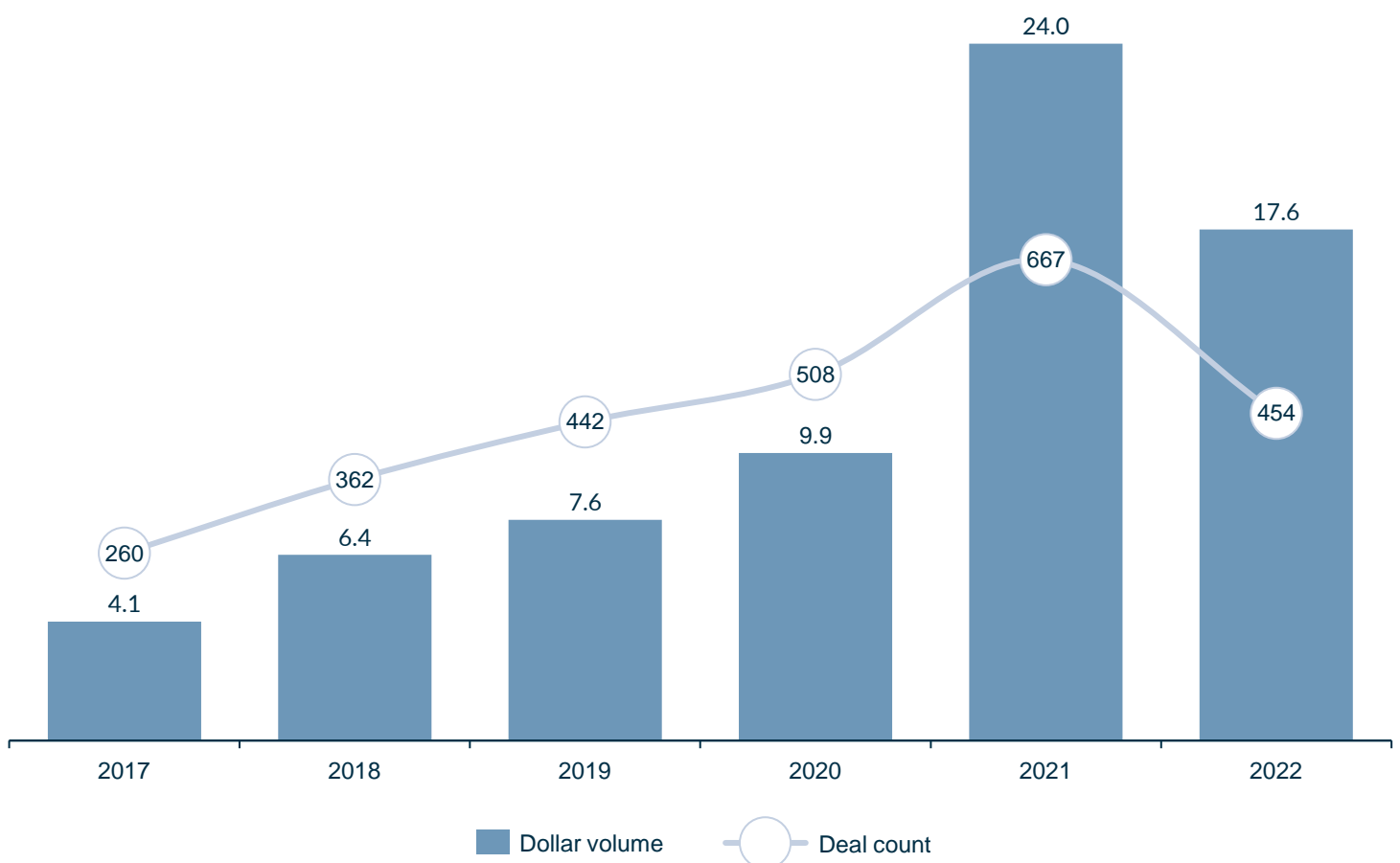


- M&A market activity in the cybersecurity space has been very resilient during the general 2022 slow down in software market transaction activity, reflecting robust tailwinds across the vertical both on top line growth and margin performance
- Financial sponsors are continuing to back large vendors in the space with significant capital, alongside continued interest from strategic acquirers
- These figures are backed up by D.A. Davidson MCF International dialogues with key market players – cybersecurity is a clear priority area for M&A as the broader software M&A market recalibrates both in terms of valuation levels and activity

# VENTURE CAPITAL CONTINUES TO FLOW INTO CYBERSECURITY SPACE

## 2021 AND 2022 MARKED RECORD FUNDRAISING YEARS

Cybersecurity fundraising deal count and dollar volume (USD, bn): 2017 to 2022



- 2022 was the second largest year on record for cybersecurity fundraising following a monumental 2021
- There has been a significant increase in the median raise amount (2022: USD 16.5m) and post money valuation (2022: USD 35.0m), up by 103% and 29% respectively since 2020
- Fundraising activity has particularly concentrated in the early stage (Series A to Series C) market, with USD 5.6bn invested in emerging companies

# CASE STUDY | CYBERSECURITY



sold to Formica Capital-backed  
C-Resiliens



## THE DEAL

D.A. Davidson MCF International acted as financial adviser to Tutus Data on its sale to Formica Capital-backed C-Resiliens, a new Nordic leader in cyber, encryption and network security.

## THE SELLER

Tutus Data, founded in 1992, is Sweden's leading encryption and network security company, providing high-quality network solutions for use in military, government, and corporate IT applications. Tutus is the main supplier of government approved and certified IT-security products in Sweden, with all products having been approved at the restricted/restraint classification level on the EU and national levels.

## THE BUYER

C-Resiliens is a cyber security group founded in 2022. The vision is to eliminate society's digital vulnerability through investments in new innovations. The company focuses on next generation turn-key secure communications solutions for defence, public sector and other businesses and organisations that are critical to society in Sweden and in the EU.



*Tutus has had a very strong development over recent years and we see a clear increase in interest in our services.*

*We will continue as an independent part of C-Resiliens and at the same time have opportunities to expand the business. It is absolutely the right time to switch up a gear, and we now have the opportunity to do so thanks to C-Resiliens's resources and expertise.*

Jens Bohlin, CEO of Tutus Data

# CASE STUDY | CYBERSECURITY



sold to

**FSN**  
**CAPITAL**

## THE DEAL

D.A. Davidson MCF International acted as sell side adviser to Seriline in its sale to FSN Capital, with the aim of creating a Northern European cybersecurity leader in identity and access management.

## THE SELLER

Seriline is a Nordic leader in physical identity and access management (IAM), providing a range of physical access management solutions that ensures that the right person can access the right places at the right time. Seriline has grown over 50% each year (CAGR) since 2015 and has built a suite of proprietary software and technology solutions which address critical customer problems, including increasing cybersecurity concerns and GDPR compliance.

## THE BUYER

Established in 1999, FSN Capital Partners is a leading Northern European private equity firm and advisor to the FSN Capital Funds, with €4 billion under management and offices in Oslo, Stockholm, Copenhagen, and Munich. Under FSN Capital, Seriline plans to accelerate its growth, lead consolidation in the market and create a new challenger in the European cybersecurity market.



*I am very proud of what we have achieved at Seriline. The entire company has grown in many ways over recent years, and we have proven the value of our specialised software and technology.*

*D.A. Davidson MCF International learnt our business from the inside out and helped communicate what we have created. The team we worked with was devoted, hardworking and just as excited about the future for Seriline as we are.*

Pierre Parrman, CTO of Seriline

# A PARTNERSHIP THAT BRIDGES THE ATLANTIC

## IN AN INCREASINGLY INTERCONNECTED WORLD, OUR CLIENTS REQUIRE A GLOBAL APPROACH

The D.A. Davidson MCF International brand is a strategic partnership between D.A. Davidson and MCF Corporate Finance. Together, we offer clients unparalleled access to a transatlantic M&A and debt advisory platform.

The team's international expertise provides best-in-class capabilities to clients in the middle market.

### D A DAVIDSON

D.A. Davidson is a US-based, employee-owned financial services firm offering a full service platform spanning ECM, fixed capital markets and wealth management.

With more than 1,500 employees and 100+ offices, we offer a reach that few firms can provide.

120+

Investment  
banking  
professionals

50

M&A  
Transactions  
2022

27

Financing  
Transactions  
2022



MCF Corporate Finance is a leading independent M&A and debt advisory firm with five offices across Northern Europe.

Our mission is to provide honest and relationship-driven advice, tailor-made to fit each client's business journey.

70+

M&A  
Professionals

33

M&A  
Transactions  
2022

4

Countries

## TOGETHER OFFERING BULGE BRACKET CAPABILITIES & BOUTIQUE FOCUS ON CLIENTS

190

Investment Banking  
Professionals

80+

M&A Transactions  
(2022)

15

Transatlantic  
Locations

30+

Debt and Equity  
Financings (2022)

# D.A. DAVIDSON MCF INTERNATIONAL'S JOINT TECHNOLOGY PRACTICE

## BRINGING DEEP DOMAIN EXPERTISE ACROSS KEY VERTICALS

<p><b>APPLICATION SOFTWARE</b></p>	<p><b>FINTECH</b></p>	<p><b>INFRASTRUCTURE SOFTWARE</b></p>
<p><b>INTERNET &amp; DIGITAL MEDIA</b></p>	<p><b>TECH-ENABLED SERVICES</b></p>	<p><b>COMMUNICATION &amp; HARDWARE</b></p>

## OUR TRANSATLANTIC TEAM OFFERS DIFFERENTIATED ADVICE TO LEADING TECHNOLOGY BUSINESSES

<p><b>ONE TEAM DEVOTED TO MIDDLE MARKET TECHNOLOGY TRANSACTIONS</b></p>	<p><b>DEEP VERTICAL EXPERTISE TRANSLATING INTO SUPERIOR RESULTS</b></p>	<p><b>GLOBAL M&amp;A EXECUTION EXPERTISE PAIRED WITH LOCAL PRESENCE</b></p>
---	---	---

## TECHNOLOGY EXPERTISE

- D.A. Davidson MCF International's technology team offers honest, relationship-driven and informed advice to clients in sell-side M&A, capital raises, strategic transactions and debt advisory
- We offer access to the global investor universe, using our comprehensive coverage of the financial sponsor space on both sides of the Atlantic. D.A. Davidson MCF International has an extensive list of successful outcomes across a variety of transactions involving sponsors and investors
- Our scale and deep domain expertise give us direct access to senior executives and decision makers at important strategic acquirers, ensuring that we have real time insights into market value drivers
- The joint practice is enriched by D.A. Davidson's proprietary equity research, market reports and thought leading industry events



# TECHNOLOGY PRACTICE LEADERSHIP

40+

COMPLETED TECH  
TRANSACTIONS  
2022

50+

TECH INVESTMENT  
BANKING  
PROFESSIONALS

\$100B

DEAL VALUE  
COMPLETED BY THE  
TEAM

27

COUNTRIES WHERE  
TRANSACTIONS  
HAVE TAKEN PLACE



## GREG THOMAS

Managing Director  
D.A. Davidson

**Coverage:** Application Software,  
Infrastructure & Security and Vertical  
Software



## AALAP MERCHANT

Managing Director  
D.A. Davidson

**Coverage:** Real Estate Tech, Payments,  
Digital Consumer Finance



## MICHAEL MAXWORTHY

Managing Director  
D.A. Davidson

**Coverage:** FinTech, Data & Analytics,  
Construction, Marketing, EdTech



## ERIK PETTERSSON

Partner  
MCF Corporate Finance

**Coverage:** Application Software,  
Infrastructure Software, FinTech



## JONATHAN LEJUEZ

Managing Director  
D.A. Davidson

**Coverage:** Cybersecurity, Infrastructure



## CHRISTOPH BREGULLA

Partner  
MCF Corporate Finance

**Coverage:** Tech-Enabled Services,  
Application Software



## ADAM WAITE

Managing Director  
D.A. Davidson

**Coverage:** Capital Markets,  
Cryptocurrency



## AMY JOHNSON

Managing Director  
D.A. Davidson

**Coverage:** Network & Communication,  
Digital Infrastructure



## BRAD GEVURTZ

Managing Director  
D.A. Davidson

**Coverage:** Network & Communications,  
Digital Infrastructure



## GREG HARTLEIN

Managing Director  
D.A. Davidson

**Coverage:** Consumer-centric healthcare,  
Patient Access & Engagement, Specialty  
EHR



## DEREK BELL

Managing Director  
D.A. Davidson

**Coverage:** Professional & IT Services,  
Marketing Services, Legal & IP  
Services/Solutions



## TOM SELBY

Managing Director  
D.A. Davidson

**Coverage:** Governance, Risk &  
Compliance, Wealth / Capital Markets,  
InsurTech

# TECHNOLOGY REFERENCES

## ONE OF THE MOST ACTIVE MID-MARKET TECH ADVISORIES

<p>TECHNOLOGY</p>  <p>has been acquired by Formica Capital-backed C-Resiliens</p> <p>FINANCIAL ADVISER</p> <p>2023 </p>	<p>TECHNOLOGY</p>  <p>a portfolio company of</p>  <p>sold to</p>  <p>a portfolio company of</p>  <p>SELL-SIDE ADVISER</p> <p>2023 </p>	<p>TECHNOLOGY</p>  <p>Automated Social Recruitment Marketing</p> <p>Series A Funding</p>  <p>FINANCIAL ADVISER</p> <p>2022  </p>	<p>TECHNOLOGY</p>  <p>has received an investment from</p>  <p>PANORAMIC VENTURES F-PRIME</p> <p>FINANCIAL ADVISER</p> <p>2022 </p>	<p>TECHNOLOGY</p>  <p>has received Series C investments from multiple companies</p> <p>FINANCIAL ADVISER</p> <p>2022 </p>
<p>TECHNOLOGY</p>  <p>has received a growth equity investment from</p>  <p>FINANCIAL ADVISER</p> <p>2022  </p>	<p>TECHNOLOGY</p>  <p>sold to</p>  <p>a portfolio company of</p>  <p>SELL-SIDE ADVISER</p> <p>2022  </p>	<p>TECHNOLOGY</p>  <p>sold to</p>  <p>SELL-SIDE ADVISER</p> <p>2022  </p>	<p>TECHNOLOGY</p>  <p>has received a significant investment from</p>  <p>FINANCIAL ADVISER</p> <p>2022 </p>	<p>TECHNOLOGY</p>  <p>sold to</p>  <p>SELL-SIDE ADVISER</p> <p>2021 </p>
<p>TECHNOLOGY</p>  <p>sold to</p>  <p>SELL-SIDE ADVISER</p> <p>2022  </p>	<p>TECHNOLOGY</p>  <p>sold to</p>  <p>SELL-SIDE ADVISER</p> <p>2022  </p>	<p>TECHNOLOGY</p>  <p>has received a significant growth investment from</p>  <p>Revaia</p> <p>FINANCIAL ADVISER</p> <p>2022   </p>	<p>TECHNOLOGY</p>  <p>acquired</p>  <p>Software-Projekte &amp; IT-Beratung</p> <p>BUY-SIDE ADVISER</p> <p>2022  </p>	<p>TECHNOLOGY</p>  <p>a portfolio company of</p>  <p>sold to</p>  <p>SELL-SIDE ADVISER</p> <p>2022  </p>
<p>TECHNOLOGY</p>  <p>a portfolio company of</p>   <p>MassMutual</p> <p>sold to</p>  <p>SELL-SIDE ADVISER</p> <p>2022 </p>	<p>TECHNOLOGY</p>  <p>a company backed by</p>   <p>sold to</p>  <p>SELL-SIDE ADVISER</p> <p>2022 </p>	<p>TECHNOLOGY</p>  <p>a portfolio company of</p>  <p>acquired</p>  <p>BUY-SIDE ADVISER</p> <p>2022 </p>	<p>TECHNOLOGY</p>  <p>has made a significant equity investment into</p>  <p>and</p>  <p>BUY-SIDE ADVISER</p> <p>2021 </p>	<p>TECHNOLOGY</p>  <p>sold to</p>  <p>SELL-SIDE ADVISER</p> <p>2021  </p>

Note: References include transactions completed by current professionals before joining the partnership



## CONNECT WITH US



**Erik Pettersson**

*Partner, Stockholm*  
MCF Corporate Finance AB  
pettersson@mcfcorpfin.com



**Michael Maxworthy**

*Managing Director*  
D.A. Davidson & Co  
mmaxworthy@dadco.com



**Christoph Bregulla**

*Partner, Hamburg*  
MCF Corporate Finance GmbH  
bregulla@mcfcorpfin.com



**Jonathan Lejuez**

*Managing Director*  
D.A. Davidson & Co  
jlejuez@dadco.com