New generations of GRC software will be designed not just for the second and third lines of defense, but also for the front lines, empowering them to make decisions in-stream in their activities. Having already amassed a treasure trove of information, organizations will increasingly leverage the power of analytics and AI to generate forward-looking insights that can catalyze business performance and growth.

“Predictions for Governance, Risk & Compliance in 2021”

Compliance teams face challenging times ahead with increasing regulation and the new normal. For most organizations, throwing more people at the compliance challenges is not an option, so we should expect to continue to see significant increase in digital transformation. Navigating the rapidly evolving regulatory landscape is rather challenging for contemporary business owners, which is why advanced alternative approaches to compliance management are becoming essential to retain a competitive advantage.

“Digital Transformation of Compliance”

As the pace of innovation quickens across diverse industry sectors, it is becoming more difficult for regulations to keep up. Meanwhile, many businesses and other organizations are taking on high-risk innovations as a strategy—even when they fall outside the scope of existing regulations—and reaping the rewards. For leaders today, risk can be used as a tool to create value and achieve higher levels of performance. It’s no longer something to only fear, minimize, and avoid.

“The Future of Risk”

The demands on data governance leaders have been intensifying for the past several years. There is more and more content straddling on-prem and multi-cloud environments. Business users are clamoring for consumer-like, self-service models of accessing files anytime, anywhere. Meanwhile, companies must adapt to a new slate of GDPR-style privacy regulations, and in parallel, there’s an explosion of new opportunities to interpret these huge unstructured datasets.

“Data Governance Trends in 2021”
Strong GRC + BPM Tech Market Activity

GRC + BPM Tech LTM Snapshot

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deals</td>
<td>Investors</td>
<td>Exits</td>
<td>Capital Invested</td>
<td>Median Valuation</td>
</tr>
<tr>
<td>1,925</td>
<td>1,328</td>
<td>224</td>
<td>$65.5Bn</td>
<td>$39.3M</td>
</tr>
</tbody>
</table>

Largest Deal

$2Bn

Compuware

Bain Capital Ventures

Most Active Sponsors

THOMABRAVO
TA ASSOCIATES
SAP

TIGERGLOBAL
VISTA
Battery

Most Active Strategics

vmware
paloalto
LexisNexis

SS&C
THOMSON REUTER
DXC

Recent Notable Transactions

Vaquero Experience

KKR

CAVITY

benenity
PONDERA

openLending

KKR

FUSION

alchemy

MarkLogic

Diligent

SiteHawk

Blackstone

GENSTAR

SEQUOIA

Moody's

LexisNexis

ForeScout

scout

workday.
Traditional GRC tools have products and feature sets to appeal to and meet the needs of core team members and execute their tasks. However, these products and associated functions are built separately from one another. This compartmentalized data model creates siloed information, making it near impossible to deliver executive-level reports or gauge the risk of the entire enterprise.

Historically, business stakeholders, first-line responders, and risk owners have been an afterthought for GRC teams, and businesses are now shifting collaboration across departments and enabling cross-functional task execution to enhance their internal operations. Incorporating the different roles to achieve a proactive risk-based approach to GRC will require significant re-tooling and the use of new technologies to function efficiently and cohesively – driving GRC software adoption and consequentially GRC software market growth.

### Reasons For Upgrading Existing GRC Technologies

- **Lack of Adaptability to Changing Regulations**: 78%
- **Lack of Integration Among Systems**: 75%
- **Lack of Scalability**: 70%
- **Lack of Timely Reporting**: 69%
- **Out of Date Methodologies**: 56%

Source: Deloitte, MarketsandMarkets
Companies have short attention spans when it comes to data governance. Even for organizations with sustained programs, the continuous push and pull of new regulations, projects, or data and analytics investments creates constant disruption. To address these expansions, organizations are hiring chief data officers and activating strategic and unified data, analytics, and data governance technologies.

Traditionally, disconnected departments managed data governance related activities in different ways with little or no collaboration with other departments. Next-generation data governance platforms will consolidate knowledge from internal and external sources, prevent data drift and duplication, and ensure fast time to analysis and answers for users.

For years, GRC technology systems have collected and transformed data, but as the amount of available data grows exponentially, enterprises have struggled to make it easily understandable and thus, are unable to use it for strategic decision-making. The next generation of GRC platforms will consume and interpret data not only for data governance teams, but for all decision-makers within an organization.

<table>
<thead>
<tr>
<th>Collect</th>
<th>Transform</th>
<th>Consume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Databases</td>
<td>Data Ingestion</td>
<td>Data Enrichment</td>
</tr>
<tr>
<td>ERP System</td>
<td>Data Validation</td>
<td>Data Modeling</td>
</tr>
<tr>
<td>Online Data</td>
<td>Data Profiling</td>
<td>Data Analytics</td>
</tr>
<tr>
<td>Regulatory Agencies</td>
<td>Dashboards</td>
<td>Scorecards</td>
</tr>
<tr>
<td>Senior Management</td>
<td>Scorecards</td>
<td>Reports</td>
</tr>
<tr>
<td>Other Stakeholders</td>
<td>Reports</td>
<td>GRC Team</td>
</tr>
<tr>
<td>GRC Team</td>
<td>Reports</td>
<td>12%+ Revenue Lost to Enterprises Due to Bad Data</td>
</tr>
<tr>
<td>36% Of Enterprises Have A Formal GRC Solution</td>
<td></td>
<td></td>
</tr>
<tr>
<td>73% Of an Organization’s Data is Never Used for a Strategic Purpose</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10+ Hours A Week Data Analysts Spend Looking for the Right Data</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: GRC2020, ZDNet
Response to the COVID-19 Pandemic

COVID-19 has caused disruptions to businesses globally; those who adopt technologies that provide a comprehensive view of the risk environment will move closer to predicting unwanted incidents in the future.

- GRC tech-enabled players are taking action to understand where their organizations are most exposed in order to keep stay on top of regulatory and macroeconomic changes, which have historically led to higher costs and delays in business operations.

- With most companies now working remotely, there is a plethora of emerging risks businesses must consider. Manually tracking these in a traditional risk management approach puts the business itself at risk, as well as its people. Without continuously reviewing the core risk factors – such as identity and access management protocols – and continuously monitoring and re-assessing causes, controls and safeguards, companies will have a difficult time understanding their day-to-day risks.

- To promote an agile approach to COVID-19 and the new normal, companies will have to increase collaboration across risk functions and leverage new technologies and tools to make more informed decisions.

### Tech Offerings for COVID-19 Related Risk

- The COVID-19 pandemic has revealed operational inefficiencies related to government, risk, and compliance, causing businesses large and small to rethink how they manage risk.
- More companies will begin to invest in GRC technology as a result of COVID-19’s wake up call.
- These GRC leaders have made investments to bolster their COVID risk management technology offerings which will likely increase the GRC software market overall.

### Opportunity for GRC

- Unforeseen nature of COVID adds new dimension to the way companies look at risk.
- Shift toward adoption of compliance technology.
- Rise of RegTech (Regulation Technology).
- Rooting GRC systems into workplaces.

Source: Baker McKenzie, SDCExec
<table>
<thead>
<tr>
<th>Deal Date</th>
<th>Target</th>
<th>Investors</th>
<th>Deal Type</th>
<th>EV ($mm)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/3/2020</td>
<td>Benevity</td>
<td>HgCapital</td>
<td>Buyout/LBO</td>
<td>NA</td>
<td>Developer of corporate social responsibility and employee engagement software created to empower socially conscious brands.</td>
</tr>
<tr>
<td>11/17/2020</td>
<td>Zywave</td>
<td>Clearlake Capital Group</td>
<td>Buyout/LBO</td>
<td>900</td>
<td>Provider of SaaS enterprise automation software for the employee benefits, property and casualty insurance distribution industry.</td>
</tr>
<tr>
<td>11/10/2020</td>
<td>Dataguise</td>
<td>PKWARE (Thompson Street Capital Partners)</td>
<td>Buyout/LBO</td>
<td>60</td>
<td>Developer of a global sensitive data governance platform designed to provide the ability to detect, protect and monitor data in real-time across data repositories.</td>
</tr>
<tr>
<td>11/10/2020</td>
<td>Venminder</td>
<td>Silversmith Capital Partners</td>
<td>Later Stage VC</td>
<td>50</td>
<td>Developer of a cloud-based vendor management application designed to address the tactical challenges of vendor management tasks.</td>
</tr>
<tr>
<td>10/21/2020</td>
<td>Verge Health</td>
<td>RLDatix (TA Associates)</td>
<td>Buyout/LBO</td>
<td>N/A</td>
<td>Developer of a risk management platform intended to transform mission-critical risk and compliance activities.</td>
</tr>
<tr>
<td>10/20/2020</td>
<td>MarkLogic</td>
<td>Vector Capital</td>
<td>Buyout/LBO</td>
<td>1,202</td>
<td>Provider of an operational and transactional Enterprise NoSQL database platform designed to help businesses integrate critical data.</td>
</tr>
<tr>
<td>10/19/2020</td>
<td>Axiom Software</td>
<td>TCV</td>
<td>Buyout/LBO</td>
<td>N/A</td>
<td>Provider of regulatory reporting, capital adequacy, risk management, liquidity, compliance and data management software.</td>
</tr>
<tr>
<td>10/9/2020</td>
<td>LogicGate</td>
<td>Undisclosed</td>
<td>Later Stage VC</td>
<td>108</td>
<td>Developer of a risk management platform intended to transform mission-critical risk and compliance activities.</td>
</tr>
<tr>
<td>10/6/2020</td>
<td>LiveSafe</td>
<td>Vector Solutions (Golden Gate Capital)</td>
<td>Buyout/LBO</td>
<td>N/A</td>
<td>Developer of a risk intelligence platform intended to create two-way interactions with safety and security professionals, preventing incidents before they occur.</td>
</tr>
<tr>
<td>10/2/2020</td>
<td>Rundeck</td>
<td>PagerDuty</td>
<td>Merger/Acquisition</td>
<td>100</td>
<td>Developer of a runbook automation platform designed to let start-ups meet the security, scale and compliance needs of an enterprise.</td>
</tr>
<tr>
<td>9/10/2020</td>
<td>Fastpath</td>
<td>Pamlico Capital</td>
<td>PE Growth/Expansion</td>
<td>N/A</td>
<td>Developer of a cloud-based audit platform designed to track, review, and mitigate access risk across multiple systems.</td>
</tr>
<tr>
<td>9/5/2020</td>
<td>Alloy</td>
<td>Canapi Ventures</td>
<td>Later Stage VC</td>
<td>220</td>
<td>Developer of an identity verification platform designed to check frauds and make identity management effective and simple for banks and financial institutions.</td>
</tr>
<tr>
<td>8/28/2020</td>
<td>QMetry</td>
<td>Everstone Capital &amp; Goldman Sachs</td>
<td>Early Stage VC</td>
<td>N/A</td>
<td>Developer of test management and automated testing software designed to help achieve digital transformation goals.</td>
</tr>
<tr>
<td>8/21/2020</td>
<td>Acelynk</td>
<td>Magaya (LLR Partners)</td>
<td>Merger/Acquisition</td>
<td>N/A</td>
<td>Provider of customs compliance software that simplifies the traditional custom brokerage operations.</td>
</tr>
<tr>
<td>8/18/2020</td>
<td>Complyworks</td>
<td>Veriforce</td>
<td>Buyout/LBO</td>
<td>N/A</td>
<td>Provider of compliance management software that covers the entire compliance lifecycle.</td>
</tr>
<tr>
<td>8/17/2020</td>
<td>ForeScout</td>
<td>Advent International &amp; Crosspoint Capital Partners</td>
<td>Buyout/LBO</td>
<td>1,430</td>
<td>Developer of network access control and policy compliance management platform designed to integrate network security, mobility and IT management.</td>
</tr>
<tr>
<td>8/4/2020</td>
<td>Diligent</td>
<td>Clearlake Capital, Insight Partners &amp; The Blackstone Group</td>
<td>PE Growth/Expansion</td>
<td>4,000</td>
<td>Developer of secure corporate governance and collaboration software.</td>
</tr>
<tr>
<td>7/27/2020</td>
<td>Onapsis</td>
<td>Caisse de dépôt et placement du Québec</td>
<td>Later Stage VC</td>
<td>250</td>
<td>Developer of a cybersecurity and compliance platform intended to aid organizations to secure business-critical applications.</td>
</tr>
</tbody>
</table>
GRC Technology Performance

3 Year Historical Index

GRC Technology Index Peer Group

Trading Multiples

- **EV / EBITDA**
  - 7.9x (25%-75% Percentile Range: 14.8x) (Median: 21.4x)

- **EV / Rev**
  - 6.7x (25%-75% Percentile Range: 8.2x) (Median: 10.0x)

Source: PitchBook
The Leader in Middle Market Investment Banking

**Leading the Premium Growth Market**
- Exceptional results for premium assets
- Minority and majority capital raises
- M&A with strategics and sponsor-backed strategics

**Focus on Quality Assets and Process**
- High Quality materials and data
- Leverage strategic premiums/synergies
- Maximize tension/timing

**Vaquero CV**
- Founded in 2012
- BOA, Goldman Sachs, William Blair Alum
- 200+ Completed Transactions
- SF, CHI Presence
- 93 Deals Completed since 2012 (Vaquero & Bandon)
- $8.3Bn Cumulative Vaquero Sell-Side Transaction Value
- 92% Industry-Leading Deal Close Ratio

**Sectors We Cover**
- Industrials, Transportation & Energy
- GovTech, EdTech & Non-Profit
- Built Environment & RE Software
- Governance, Risk, Compliance
- Healthcare Software
Firms Choose Us Because…

We Get Deals Done…

92%
Deals Closed

65% < 4.5 mos.
Timing between selection and exclusivity
29% < 1.5 mos.

On time…

116%
Pitch valuation
31% deals > 125%

On price…

99%
Of deals with
LOI close

95%
On terms in LOI

On terms…
## Core Sectors of Focus

### Governance, Risk & Compliance
Vaquero has leading transaction experience across the GRC space.
Vaquero has a unique understanding of the intersection & importance of governance, risk & compliance software for successful enterprises.

11 Deals Completed
$1.3Bn Total Transaction Value

### Built Environment & RE Software
Vaquero has completed deals touching all aspects of the built environment.
Vaquero’s deep industry knowledge provides unique insight into the complete ecosystem of customers, companies & investors.

13 Deals Completed
$1.6Bn Total Transaction Value

### Industrials, Transportation & Energy
Vaquero has more industrials, transportation & energy deal experience than our competition.
Vaquero has long-standing relationships with relevant strategics and PE firms.

22 Deals Completed
$2Bn+ Total Transaction Value

### GovTech, EdTech & Non-Profit
Vaquero has extensive experience across govtech, edtech & non-profit software space.
Through a number of transformative transactions, Vaquero has relevant insights into the broad ecosystem.

6 Deals Completed
$500M+ Total Transaction Value

### Healthcare Software
Vaquero has recently closed a blockbuster transaction in the broader HCIT sector.
With the hire of Josh Moses, an experienced HCIT banker, Vaquero continues to grow its HCIT presence.

7 Deals Completed
$1Bn Total Transaction Value

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### Vaquero Experience

<table>
<thead>
<tr>
<th>Sector</th>
<th>Deals Completed</th>
<th>Total Transaction Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance, Risk &amp; Compliance</td>
<td>11</td>
<td>$1.3Bn</td>
</tr>
<tr>
<td>Built Environment &amp; RE Software</td>
<td>13</td>
<td>$1.6Bn</td>
</tr>
<tr>
<td>Industrials, Transportation &amp; Energy</td>
<td>22</td>
<td>$2Bn+</td>
</tr>
<tr>
<td>GovTech, EdTech &amp; Non-Profit</td>
<td>6</td>
<td>$500M+</td>
</tr>
<tr>
<td>Healthcare Software</td>
<td>7</td>
<td>$1Bn</td>
</tr>
</tbody>
</table>
Transactional Details:
Open Lending is a provider of automated lending services to financial institutions. The company specializes in loan analytics, risk-based pricing, risk modeling, and automated decision technology. “We are pleased to complete the combination and look forward to partnering with John, Ross, and the rest of Open Lending’s management team at this exciting inflection point in the company’s growth.” – Adam Clammer, Co-CEO Nebula

Transactional Details:
Alchemy is the leading LMS, SaaS platform serving food and retail companies to train and engage frontline workforce and drive both productivity and safety. Vaquero advised the Company on multiple transactions including the original Riverside investment.

Transactional Details:
As an increasing amount of companies see the necessity of a hardened enterprise risk management strategy, Catalyst’s investment allowed Fusion to rapidly address its customers’ operational risks to best manage the unexpected. Earlier this year, Fusion received an undisclosed amount of development capital from Vista Equity Partners, allowing Fusion to further establish itself as a top player in the IRM space.

Transactional Details:
SiteHawk is the developer of chemical management and compliance software and services intended to improve safety data sheet management. “The acquisition of SiteHawk not only expands Sphera’s cloud-based solutions, but also extends Sphera’s Product Stewardship content, services and markets while reasserting our leadership position in the Product Stewardship space,” – Paul Marushka, Sphera President

Transactional Details:
Irth Solutions is the leading provider of mobile field service management solutions to the utility, energy and telecom industries across the country. This transaction positioned Irth to continue building out software solutions as customers seek efficiencies to improve compliance, safety, and asset performance. Vaquero advised the Company on multiple transactions and is currently working with Company and Bregal to explore strategic options.
Our Team

David Grove
23 Years Experience
Bank of America, Cowen
100+ Completed Transactions
UC San Diego

Terry Jiang
UCSD, BS Management Science; Minor in Accounting
30+ Transactions at Vaquero

Josh Moses
18+ Years Experience
MBA – Northwestern
University of Chicago, BA History

Dominic Chan
UC Berkeley, BA Political Science
8+ Years in Financial Services Industry

JP Joyce
MBA – UC Berkeley
U.S. Air Force Academy, BS Political Science
3500+ Flight Hours

Kristian Kemppainen
Northeastern University

Sarah Childers
Texas Technology & Native News

Macalaster Schmidt
The University of Chicago

Kyle Getsiv
Oregon State University

Danny Allen
NYU Law Wharton

Logan Breslin
San Diego State University