

EX-816

FOUNDED 2015

- 9 US Patents Granted, Rapid ARR Growth
- App/API Observability and Zero Trust

The company is an application security software vendor that offers its always-active Application/API Security Posture Monitoring (ASPM) and Observability technology, endlessly monitoring applications and APIs and ensuring that no API/process escapes discovery and diagnosis.

The technology detects all details of every API/process. It continuously captures runtime application/API logic flow, as well as runtime threat/vulnerability flow. It discovers application/API assets, processes and dependencies, including applications, microservices, DBMSs and DMBS calls, API calls, calls' origins and destinations, IPs, URLs, ports, data-in-transit, calls' sequence and dependency. The technology is language-, architecture-, and platform-agnostic.

The main use cases are:

1. **Architecture Model:** Serves Dev and QA with real, on-demand architecture with all assets and dependencies. Thus, making DevSecOps faster and cheaper.
2. **Vulnerability Detection, Threat Model:** Provides runtime vulnerability detection and diagnoses to Dev, QA, Sec personnel. Thus, making DevSecOps more secure.
3. **Compliance and Protection:** Enforces controls for data in transit (HIPAA, PCI, custom), provides on-demand data stream encryption. It can also stop hackers' attacks.

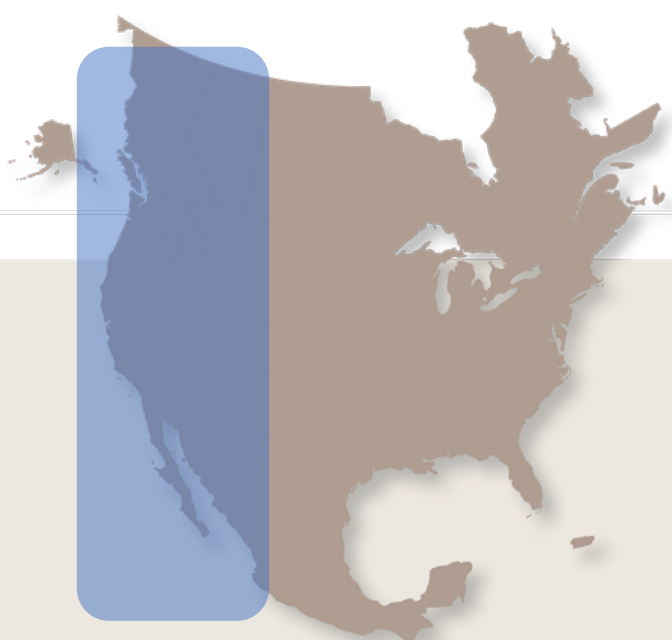
COMPANY OBJECTIVE



Company Sale



Private Equity Investment



HQ / PRESENCE
West Coast



OF EMPLOYEES

36

Sales & Marketing	1	<div style="width: 100%;"></div>
Accounting/Finance	1	<div style="width: 100%;"></div>
Professional Services	3	<div style="width: 100%;"></div>
Customer Success	3	<div style="width: 100%;"></div>
Management	4	<div style="width: 100%;"></div>
Software Dev.	24	<div style="width: 100%;"></div>

Note: Includes 3 contractors



PRODUCTS AND SERVICES

Software

- Application and API Security
- Security Observability
- Architecture Model
- Vulnerability and Threat Model
- Attack Detection and Protection
- Regulation Compliance

Products

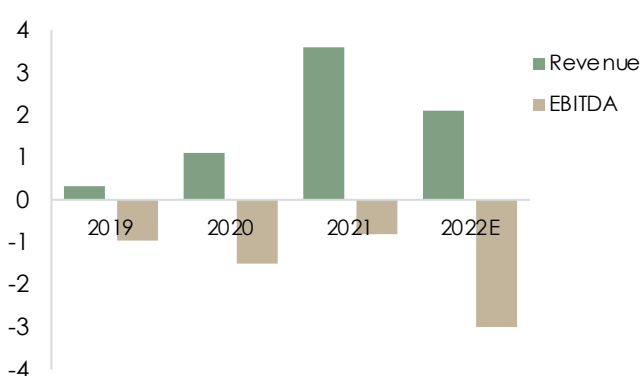
- **Reveal (DevSecOps):** Real-time App Observability, Zero-Day, OWASP and Non-OWASP threat detection and Automated Threat Modeling
- **Protect (AppSec):** Advanced Application Micro-segmentation (Zero Trust)

Platforms & Integrations

- SaaS and On-premise solution
 - Native support for AWS, AZURE, GCP and OCI
 - Supports Docker & Kubernetes
 - Supports all App Architectures
 - Support Linux, Solaris, & Windows OS
- Integration with:**
- SIEM, Log Mgmt. tools (e.g., Splunk)
 - Threat Modeling Tools (e.g., OWASP Threat Dragon)



FINANCIALS 2019-2022E



Description (\$M)	2019	2020	2021	2022E
Revenue	\$324k	\$1.1	\$3.6	\$2.1
Gross Profit	\$223k	\$669k	\$2.7	\$530k
Adj. EBITDA	-\$968k	-\$1.5	-\$818k	-\$3.0

Note: Company made investments in sales and marketing to support growth in 2022 but saw major customer orders delayed to 2023 due to longer sales cycles and additional feature requests. Company is positioned for strong growth in 2023.

% BY REVENUE TYPE (2022E)

Perpetual License	58%	<div style="width: 58%;"></div>
Prof Services	29.3%	<div style="width: 29.3%;"></div>
Support	10.5%	<div style="width: 10.5%;"></div>
Term License	2.2%	<div style="width: 2.2%;"></div>

RECURRING REVENUE (\$M)

2020	\$0.0	<div style="width: 0%;"></div>
2021	\$0.6	<div style="width: 100%;"></div>
2022	\$1.0	<div style="width: 100%;"></div>

INVESTMENT CONSIDERATIONS

1. **Rapid Growth:** Company reached \$3.6M in revenue in 2021 and is on track for \$10.1M in 2023E, representing a CAGR of 67%+
2. **S&M Expansion:** The disruptive potential of the Company's technology will be realized as the Company ramps up sales and marketing in 2023; S&M spend forecasted to grow from \$514K in 2022 to \$1.5M in 2023
3. **Transition Towards Recurring Revenue Model:** Since the beginning of 2022, Company has rapidly transitioned towards a recurring revenue model. 80% of 2022E revenue and 88% of 2023E revenue are projected to come from Term Licenses and Maintenance Support.
4. **Rapid Growth in ARR:** Company has been successful in its subscription-based services thus far, therefore it reasonably projects \$1.2M ARR in 2022E and roughly \$9M of ARR in 2023E.
5. **Land and Expand Model:** Blue-chip enterprise and federal customers provide the opportunity for lucrative multi-stage customer engagements, as validated by a marquee enterprise client.
6. **Focus on Channel and OEM Partnership Opportunities:** Deepening partnerships with Guidepoint, WIPRO and other strategic VARs.

CERTIFICATIONS



END USER VERTICALS/FOCUS

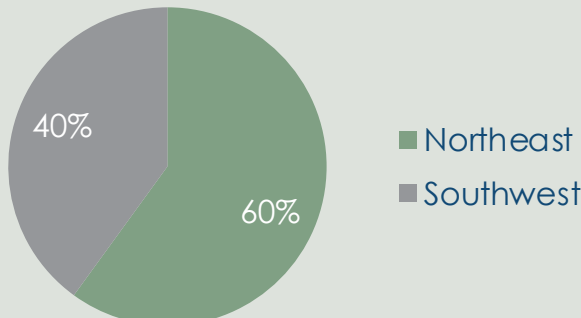
- Telecommunications
- Banking
- Government
- Healthcare
- Technology
- Retailers

CUSTOMERS BY THE NUMBERS

Customers: 16

Retention %: 100

By Location:



CUSTOMERS BY REVENUE TOP 10

Company #1	75.0%	<div style="width: 75%;"></div>
Company #2	18.0%	<div style="width: 18%;"></div>
Company #3	2.5%	<div style="width: 2.5%;"></div>
Company #4	1.2%	<div style="width: 1.2%;"></div>
Company #5	1.1%	<div style="width: 1.1%;"></div>
Company #6	<1%	<div style="width: 1%;"></div>
Company #7	<1%	<div style="width: 1%;"></div>
Company #8	<1%	<div style="width: 1%;"></div>
Company #9	<1%	<div style="width: 1%;"></div>
Company #10	<1%	<div style="width: 1%;"></div>

Total
99%

Note: Primary customer is large enterprise account on a three-year contract with ongoing professional service revenue. Ample opportunity exists to further sell into primary customer (3% penetration), and client technology is tightly integrated into customer systems.

NEXT STEPS

To learn more about company EX-816 please sign the linked NDA and send to our team at itxassets@itxchangenet.com. We will follow up with a mutually executed NDA and make an introduction to the company's CEO.

[Start NDA Now](#)

[Contact Us](#)

[Asset Listing](#)



ITX
a martinwolf company