



Generative AI: The Next Frontier in Cybersecurity

July 2023

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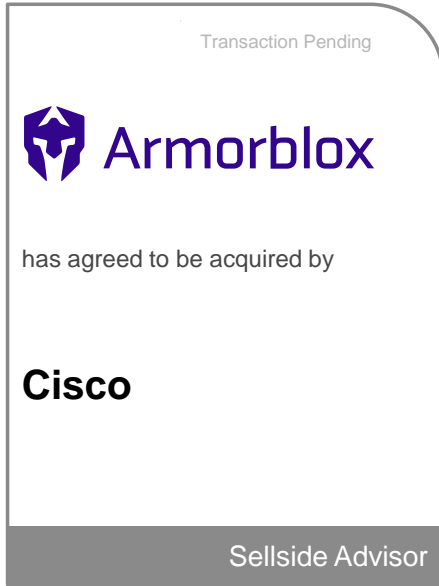
The background of the slide is a blue-tinted, high-angle photograph of a complex microchip or integrated circuit. The chip's intricate patterns and various components are visible, though slightly blurred to create a sense of depth and focus on the text.

Houlihan Lokey Advises Armorblox in Generative AI Deal



Houlihan Lokey

Case Study: Houlihan Lokey Advises Armorblox Through High-Profile Cisco Acquisition



Quick Facts

- Headquarters: Sunnyvale, CA
- Management:
 - CEO/Co-Founder: DJ Sampath
 - CPO/Co-Founder: Anand Raghavan
 - Chief Architect/Co-Founder: Arjun Sambamoorthy
 - Chief Data Architect/Co-Founder: Chetan Anand
- Customers: 58K+
- Total Funds Raised: \$60M

Profile

- Armorblox, founded in 2017, secures enterprise communications over email and other cloud office applications and protects critical business workflows from compromise.
- Armorblox leverages deep learning algorithms, ML models, data science approaches, computer vision, and LLMs like GPT to understand the context of communications.
- Cisco (NASDAQ:CSCO) delivers innovative software-defined networking, cloud, collaboration, and security solutions.
- The Security Business Group continues to grow and is focused on cloud-based security, AI-driven threat detection, and end-to-end security architectures.

Rationale

- This transaction will allow Cisco to leverage Armorblox's use of predictive and generative AI across its portfolio, unlocking broad security use cases beyond email and changing the way its customers understand and interact with its security control points.
- The Armorblox team will join the Security Business Group, where they will work closely to bring generative AI-powered experiences to Cisco's Security Portfolio.
- Raj Chopra, SVP and Chief Product Officer of Security Business Group, highlighted how Cisco is taking an exciting step forward in executing its plans for an AI-first security cloud with its acquisition of Armorblox, a company that has pioneered the use of LLMs and natural language understanding in cybersecurity.

Our Role

- Houlihan Lokey served as the exclusive financial advisor to Armorblox.
- This transaction underscores the team's deep domain expertise and continued success advising clients in the cybersecurity sector.
- Houlihan Lokey worked collaboratively with management to strategically position the business, including developing materials on the expansive potential of Armorblox's technology within the Cisco security portfolio in support of Cisco's internal business case that was instrumental in securing the requisite buy-in.



Case Study: Cisco Bolsters Generative AI Toolkit Through Armorblox Acquisition

Cisco's Platform-as-a-Service Cybersecurity Solution

Reduce Policy Complexity

AI-Powered Assistant

- The Cisco Security Cloud will leverage a generative AI-powered policy assistant that enables administrators to describe granular security policies and reason with the assistant to evaluate and produce more efficient firewall policies.
- The product will leverage customers' existing rulesets in Cisco Firewall Management Center to drive a tailored balance of efficiency and granular control.
- Armorblox's natural-language-understanding-based AI tools will improve the assistant's ability to contextualize user prompts against the Security Cloud's proprietary corpus of data.

Quickly Detect and Remediate Threats

SOC Assistant

- Cisco's SOC Assistant will support analysts as they work to detect and respond to threats faster.
- The assistant will contextualize events across the enterprise to generate comprehensive reports for SOC analysts.
- Armorblox's best-in-class AI-powered email security technology and contextualization capabilities will boost assistant efficacy, empowering SOC analysts to ensure network-wide security with a higher degree of certainty than ever before.

Cisco Live Technology Announcements



Generative AI Security Capabilities

New capabilities in the Security Cloud remove complexity, simplify policy management, and improve threat response.



Security Enhancements

Cisco Secure Access, Firewall 4200, and Multicloud Defense products lead the way to security in any environment.



Cloud Native Application Security

Enhanced capabilities provide full lifecycle protection in today's distributed, multi-cloud environments.



Full-Stack Observability

The FSO platform allows customers to develop and grow a robust application ecosystem on an open, extensible architecture.



Networking Cloud

The platform proactively manages the network, eliminates silos, assures performance, and reduces human workload.

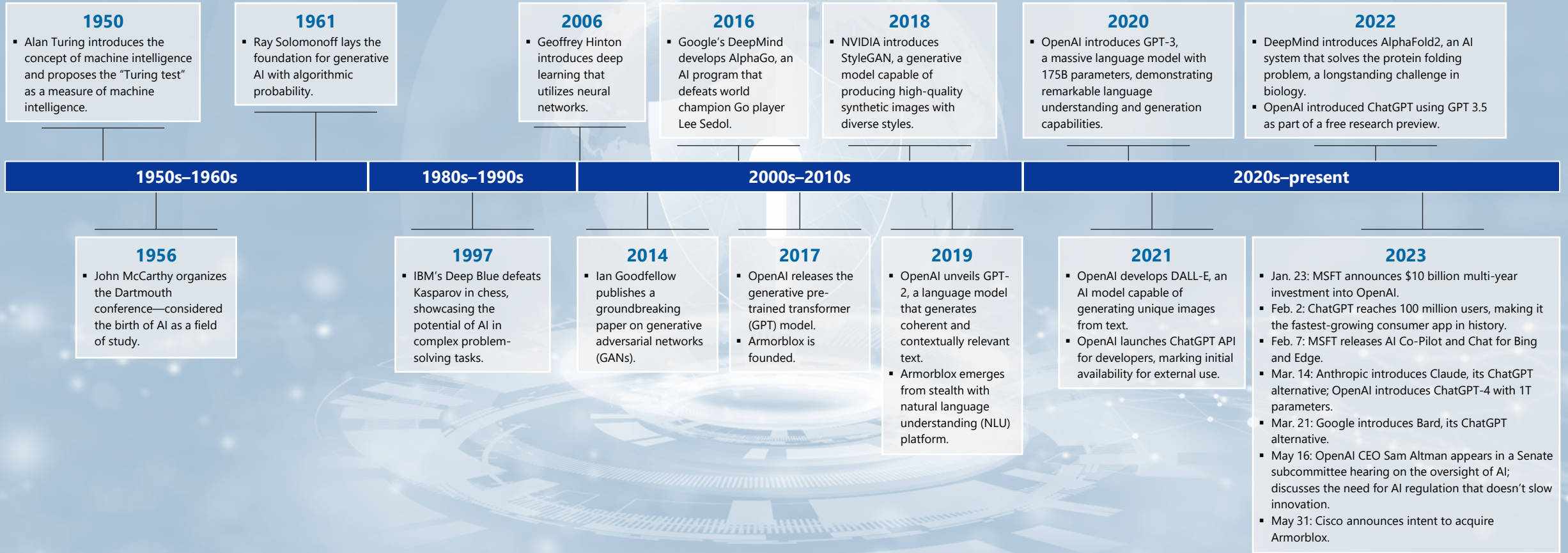


Generative AI: The Past and Present



Houlihan Lokey

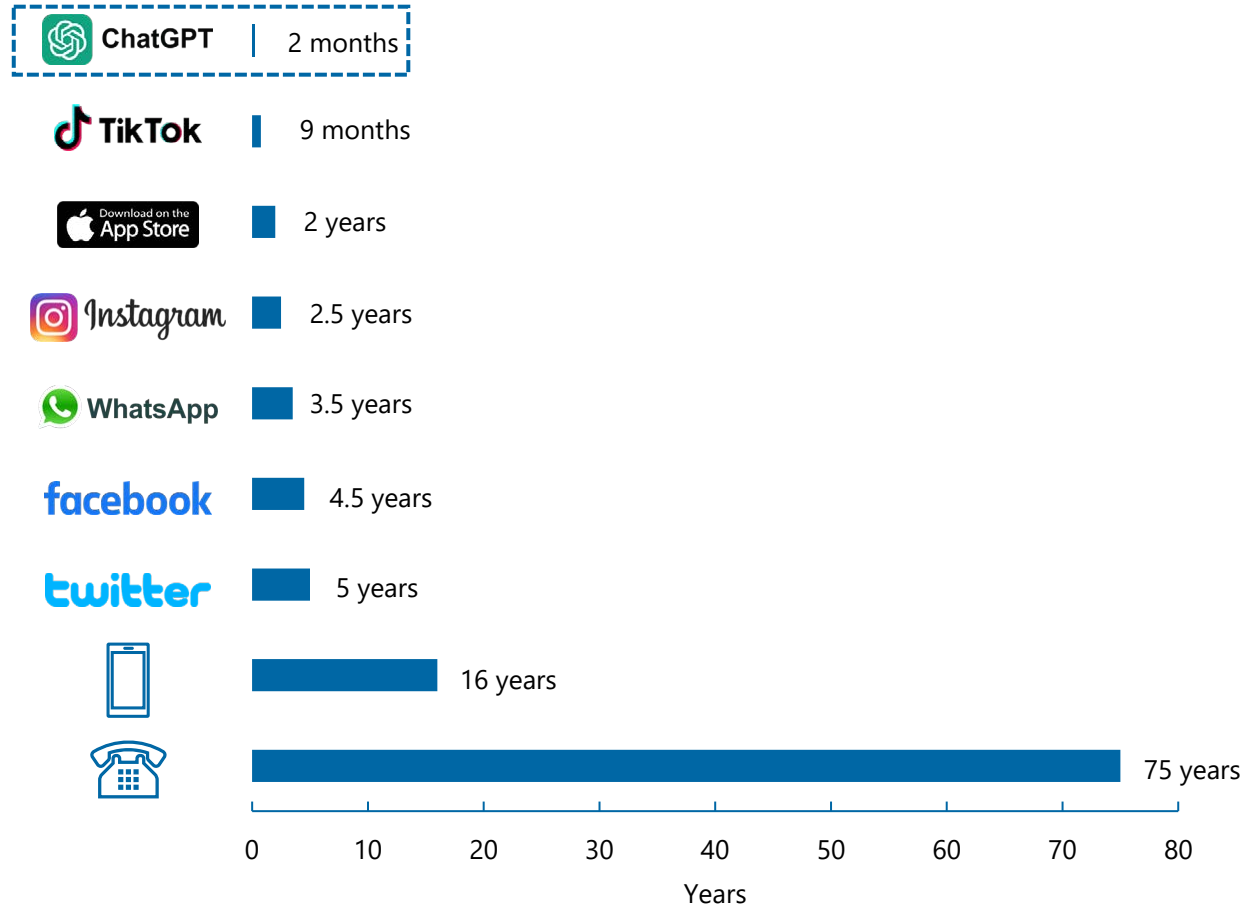
A Brief History of AI: From Machine Intelligence to Large Language Models...



...Spurred on by the Launch of ChatGPT

Fastest-Growing Consumer App in History

Time to 100M Users



ChatGPT Stats



\$14B

Total Invested Capital



\$29B

Valuation



\$100M+

Monthly Active Users



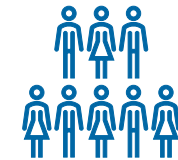
\$1.8B+

Monthly Website Page Views



60M

Average Daily Active Users



18-34

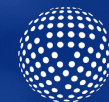
Most Popular Demographic



Countries Leading Adoption



The Emerging Generative AI Market



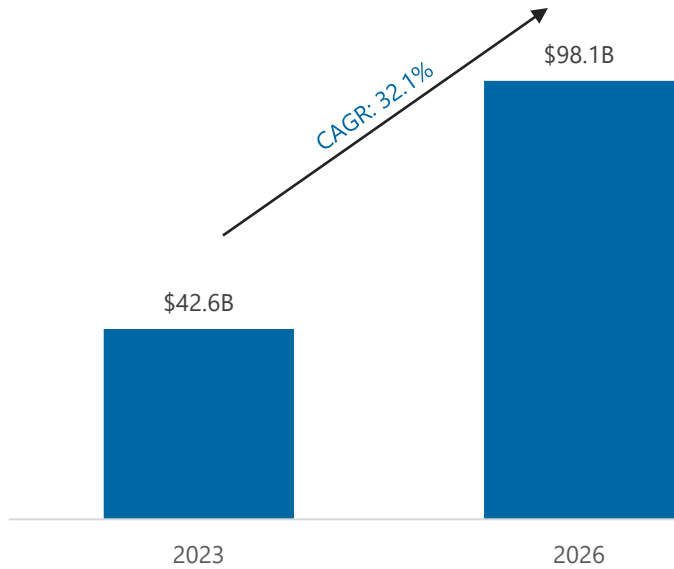
Houlihan Lokey

Large and Rapidly Growing Market Driving Significant VC Investment

Generative AI Represents Massive Potential

- Already a large market opportunity, the generative AI market is expected to grow at a 32.1% CAGR between 2023 and 2026 based on current enterprise use cases.
- Generative AI-relevant use cases already present a significant enterprise opportunity—estimated to reach \$42.6 billion in 2023—with natural language interfaces offering the largest market due to customer service and sales automation use cases.
- The potential of generative AI to expand the total addressable market of AI software to consumers and new user personas in the enterprise represents an additional upside to current forecasts.

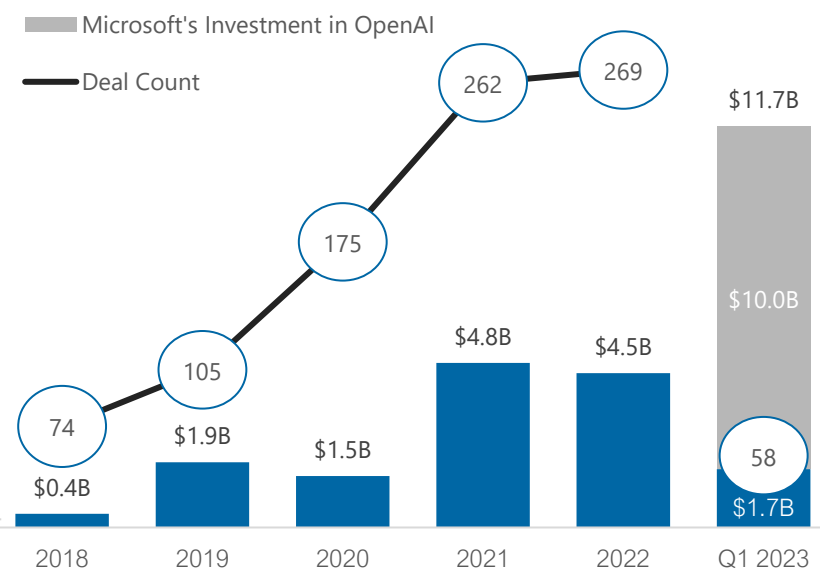
GENERATIVE AI MARKET SIZE



VC Funding of Generative AI Remains Robust Despite Macroeconomy

- VC investment activity in generative AI startups continues at a frenzied pace, despite an otherwise challenging environment for early-stage investment firms as an emphasis on efficient growth has emerged.
- The immense potential for generative AI and wide-ranging applications create a highly attractive secular opportunity for VC investors.
- With relatively low barriers to entry and plentiful funding, the space is becoming increasingly competitive as nascent startups seek to capitalize on the enthusiasm for the sector and tackle new and existing problems.
- The highly technical nature of generative AI, the rapidly evolving landscape, and a plethora of startups entering the market are driving investors to put significant weight on underwriting the knowledge and vision of founders when considering which companies to back.

GENERATIVE AI VC FUNDING ACTIVITY

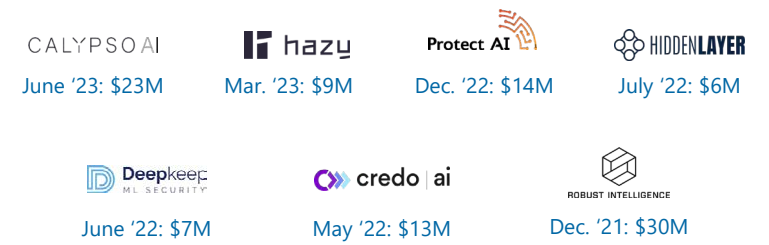


MOST ACTIVE VC INVESTORS IN GENERATIVE AI



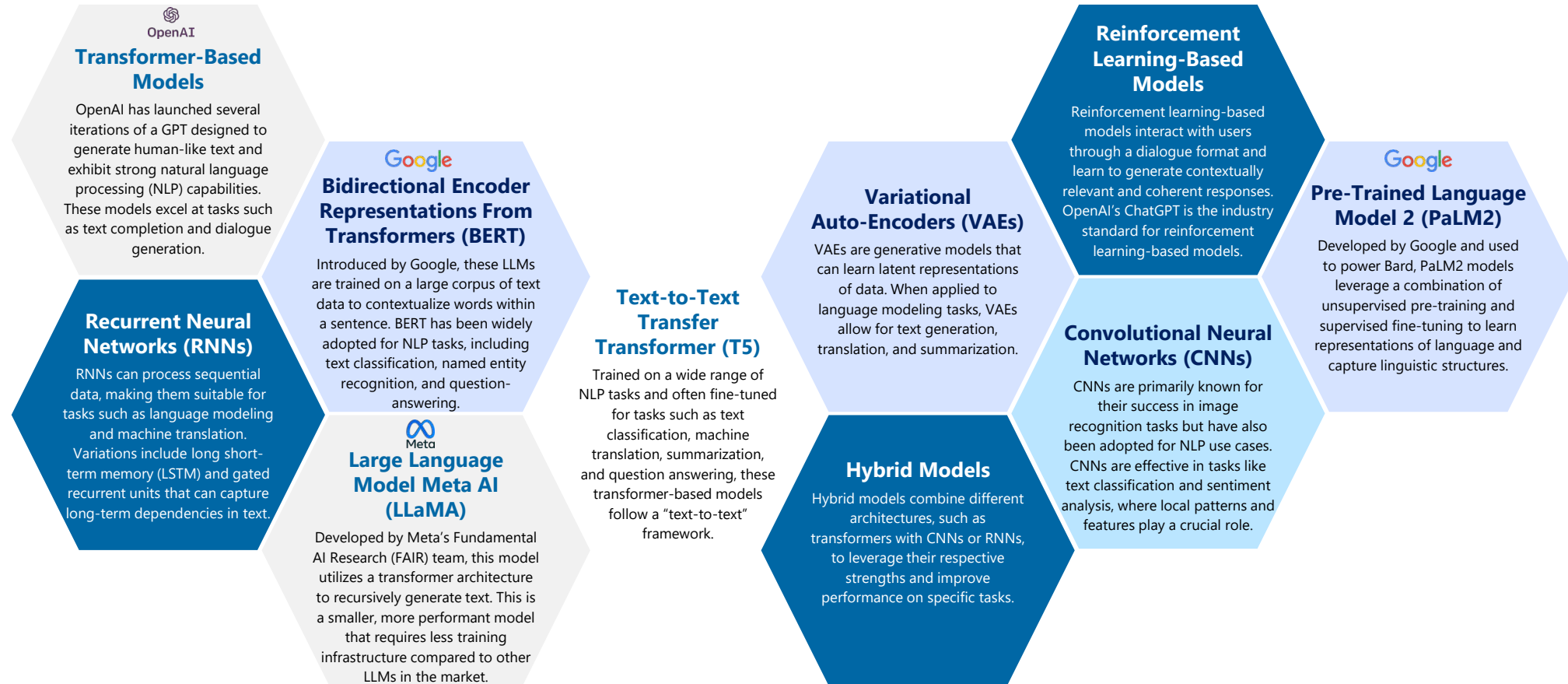
SELECT VC ACTIVITY IN CYBERSECURITY AI

(Date and Amount Raised)



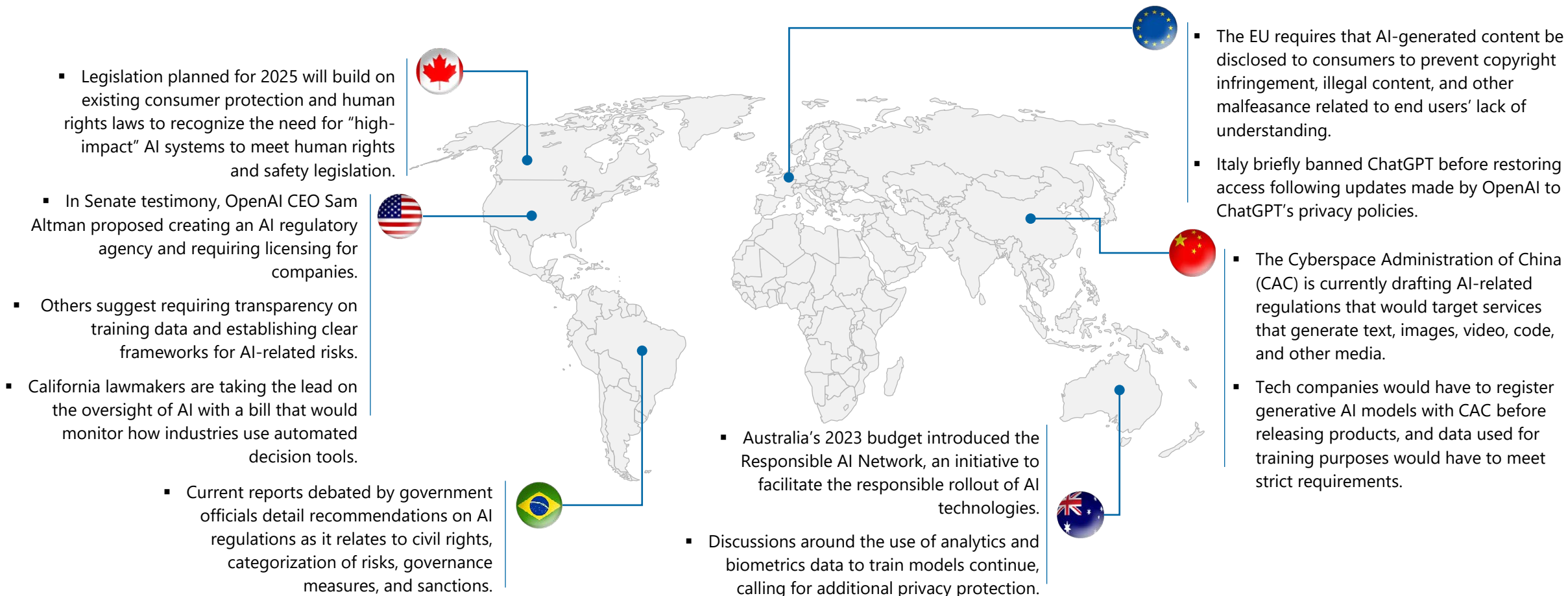
The Rapid Proliferation of Large Language Models (LLMs) in the Enterprise...

With the pace of innovation in AI (significantly outperforming Moore's Law), enterprises are rapidly integrating AI into their solutions by implementing "public" LLMs or developing their own LLMs. Securing these models and the underlying data is imperative, and while the regulatory environment is evolving, enterprises must take a proactive approach to ensure AI governance.



...Is Driving a Nascent but Evolving Regulatory Landscape

Concerns around AI are not new, but with the rapid growth of generative AI after the public launch of ChatGPT, regulators are on notice with discussions over regulation of generative AI heating up in the EU, U.S., and around the world driven by concerns over privacy, transparency, copyright/IP, discrimination, and accountability.



Leveraging Generative AI in Cybersecurity: Enhancing Defense Against Evolving Threats

Threat Landscape



NEW THREATS NECESSITATE REVOLUTIONARY SECURITY

- The cybersecurity threat landscape has continued to evolve with increasingly sophisticated and dynamic threats.
- This new environment requires proactive defense mechanisms that can adapt and counteract emerging risks, enabling intelligent, automated responses to threats.

AI-Enhanced Defense Capability



OUTSMART THE ATTACKER

- Generative AI algorithms train on vast amounts of historical data related to cyber threats, attack patterns, and vulnerabilities.
- Models trained on relevant data generate synthetic examples of potential cyber threats, helping security teams proactively identify and mitigate vulnerabilities.

Untapped Potential and New Investment



RAPID RATE OF CHANGE

- The rush to incorporate generative AI into cybersecurity products was evident at the RSA Conference, with many vendors showcasing the technology.
- The efficacy of these products depends on the availability of high-quality, diverse data rather than the choice of underlying LLMs.

Current Use Cases



Threat Intelligence and Prediction

- Models can analyze massive amounts of historical data and generate insights that aid in predicting and understanding emerging threats.
- By identifying patterns, these models help security analysts prioritize defense strategies.



Malware Detection and Analysis

- Algorithms can be trained on large datasets of malware samples to recognize common features, behaviors, and characteristics.
- This enables the creation of advanced malware detection systems that can identify and neutralize new malware strains.



Anomaly Detection

- LLMs aid in anomaly detection by modeling normal system behavior and identifying deviations from established patterns.
- By continuously learning from network traffic, user behaviors, and system logs, generative AI models can flag suspicious activity.



Detecting Generative AI Text in Attacks

- Identifying AI-generated text in attacks can help to detect phishing emails, polymorphic code, and atypical email address senders, checking if underlying links in text lead to known malicious websites.



Autonomous SOC

- SOC teams can hand off repetitive tasks to AI assistants while focusing on hunting, investigating, and responding to threats.
- Automation is not designed to replace humans but to maximize the human potential to think critically about systemwide defense.

Leveraging Generative AI in Cybersecurity: Advantages Drive Improved Security Outcomes

Scalability and Efficiency



- Generative AI algorithms can process and analyze massive amounts of data quickly, making them ideal for large-scale cybersecurity operations.
- Automating time-consuming tasks such as threat analysis and pattern recognition empowers security professionals to focus on higher-level tasks.

Reduces False Positives



- By learning from real-world data, generative AI can significantly reduce false positives and improve the accuracy of threat detection.
- This results in more efficient incident response and reduced response times.

Adaptability to Threats



- Generative AI models, with their ability to learn from data and generate new insights, can adapt and respond rapidly to emerging threats.
- Implementing generative models increases the agility of security teams as adversaries leverage generative AI tools to generate unique attacks.



Leveraging Generative AI in Practice

Problem:

Signature-based network intrusion detection systems (NIDS) fail to stop malicious shellcode due to **false positives**.



- NIDS are essential for monitoring and identifying malicious network traffic.
- Shellcode patterns can be difficult to distinguish from benign network traffic, and this threat vector, if successful, allows attackers to access conventional computer systems and cyber-physical systems, such as smart grid infrastructure.
- Shellcode is frequently used as a payload in system penetration tools due to the enhanced access and further leverage they offer to an attacker.

Solution:

An updated IDS is built using a **recurrent neural network (RNN) LLM**.



- RNNs are inspired by the behavior of biological neurons and can capture long-term dependencies in text.
- Researchers at De Montfort University proposed the use of RNNs to combat malicious shellcode by monitoring the dataset and flagging any activity identified as malicious.
- The ability of RNNs to be adaptively tuned and capture highly complex and nonlinear relationships between both dependent and independent variables without prior knowledge makes the model a strong potential solution to this problem.

Results:

An **RNN-based IDS** that flags shellcode with **more frequency and reduced false positives** compared to a signature-based IDS.

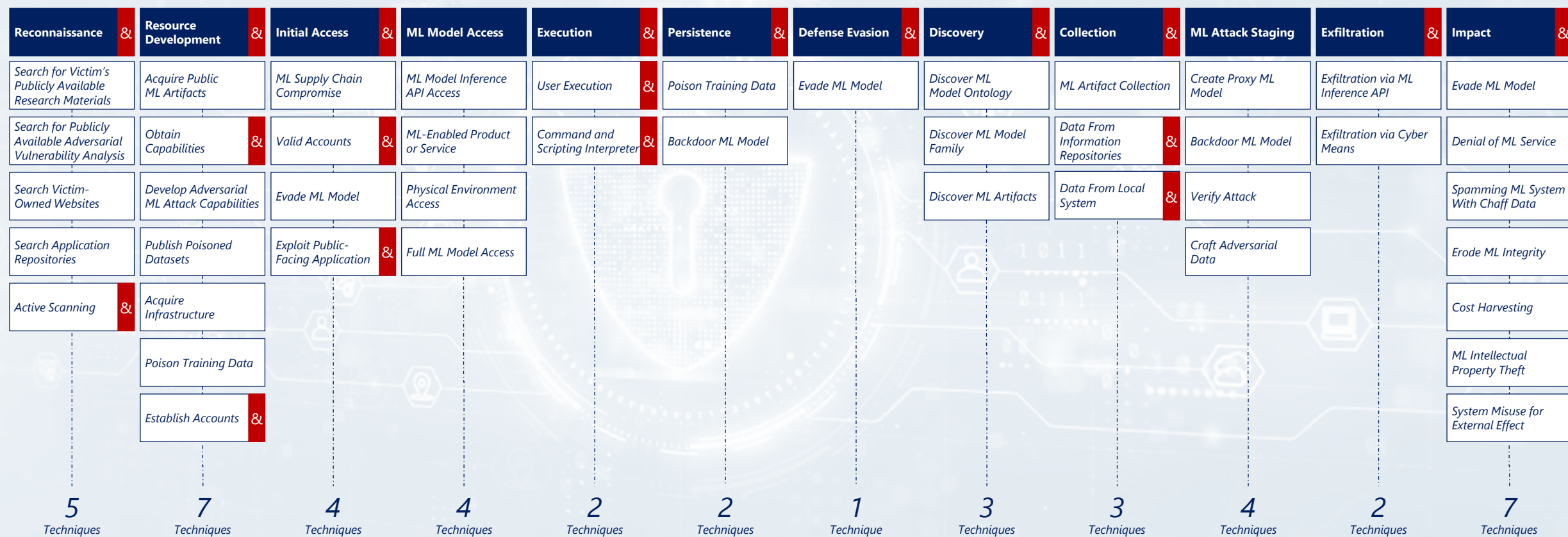


- Researchers tested the new detection methodology using repeated 10-fold cross-validation for accuracy on a dataset of 400,000 samples to examine the false positive rate.
- The neural network architecture was 98% accurate and produced a false positive rate of under 2%, compared to 90% false positive rates in signature-based systems.
- Findings of the study were validated by SentinelOne, supporting the efficacy of using RNNs to deliver improved outcomes.

Adversarial Threat Landscape for Artificial Intelligence Systems (ATLAS)

MITRE ATLAS™ is a knowledge base of adversary tactics, techniques, and case studies used by researchers to navigate the machine learning (ML) threat landscape successfully. An evolving regulatory landscape, the growing number of vulnerabilities in ML, an expanding attack surface, and new attack vectors are driving the accelerated development of solutions focused on protecting ML models.

ATLAS

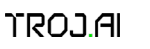


Generative AI Landscape in Cybersecurity

Hyperscalers



ML Security



Endpoint/EDR

Security Operations



ML Data Privacy

ML Governance and Compliance



IAM

Threat Intelligence

Application Security



ML Observability



Risk and Compliance

Email Security

Web Security



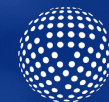
ML Development





IV

Industry-Wide Adoption of Generative AI Tools



Houlihan Lokey

Industry-Wide Adoption of Generative AI Tools



On May 30, 2023, CrowdStrike introduced Charlotte AI, a generative AI security analyst that uses the world's highest fidelity security data and is continuously improved by a tight feedback loop with CrowdStrike's threat hunters, managed detection and response operators, and incident response experts.

Charlotte AI Use Cases



Generative AI as a Democratizing Force—Every User Becomes a Power User:

- Charlotte AI will be available to every user of the Falcon platform, helping them to better understand the threats and risks facing their organization.
- Charlotte AI can provide real-time insight into an organization's risk profile, including its threat landscape, risk level against critical vulnerabilities, current security posture, compliance requirements, and cybersecurity performance metrics.



Elevating Security Analysts With AI-Powered Threat Hunting:

- Charlotte AI can help less experienced IT and security professionals make better decisions faster, reducing response times to critical incidents.



Make Advanced Security Actions Easier and Automate Mundane Tasks:

- Charlotte AI is the ultimate force multiplier, automating repetitive and tedious tasks like data collection, extraction, and search and detection.
- The product further accelerates enterprise-wide XDR use cases across every attack surface and third-party product, directly from the Falcon platform.



Darktrace, a leading provider of cybersecurity solutions, is using its advanced AI technology, including Darktrace DETECT™ and RESPOND™, to protect more than 8,400 customers worldwide from security and privacy risks associated with generative AI tools and LLMs, enabling businesses to leverage the power of AI safely and responsibly while guarding against potential threats and data breaches.

Overview



- Darktrace DETECT™ and RESPOND™ use generative AI to detect and prevent potential IP loss and data leakage, ensuring comprehensive risk management and compliance across the enterprise.



- Darktrace's risk and compliance models learn from customer data to understand day-to-day norms of users, assets, and devices, autonomously detecting and responding to subtle anomalies that can manifest in future threats.



- Informed by proprietary Self-Learning AI, Darktrace's Cyber AI Loop, an interconnected, comprehensive set of dynamically related capabilities, ensures that data, people, and businesses stay protected from cyber threats.



In May 2023, Darktrace Self-Learning AI detected and prevented an upload of over 1GB of data to a generative AI tool at one of its customers.

—Darktrace Blog





On Palo Alto Networks' fiscal year 2023 Q3 earnings call, CEO Nikesh Arora announced plans to launch its own proprietary LLM "in the coming year" and ultimately sees "significant opportunity as we begin to embed generative AI into our products and workflows."

Vision for Incorporating Generative AI



- Generative AI will help the company improve core detection and prevention efficacy within its portfolio.



- Implementation of generative AI tools will provide a more intuitive and natural-language-driven user experience with products.



- Generative AI will drive significant efficiency in internal processes and operations across the platform.

Arora contended that generative AI would offer a disproportionate advantage to organizations that are large and have significant amounts of data, framing Palo Alto Networks as well positioned to benefit from the rise of generative AI in cybersecurity.



At RSA Conference 2023, SentinelOne unveiled a threat-hunting platform called Purple AI for its singularity platform, which seamlessly fuses real-time, embedded neural networks and an LLM-based natural language interface, supercharging users with AI to monitor and operate all security data, boost productivity, and scale operations.

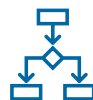
Purple AI in Practice



- Built on the industry's most performant security data lake, the SentinelOne threat-hunting platform aggregates and correlates information from device and log telemetry across endpoint, cloud, network, and user data to deliver insight and recommend response actions that can be immediately executed—from mitigation and investigation to endpoint, cloud, and user management.



- Purple AI allows threat hunters to ask questions about specific, known threats and get fast answers without needing to create manual queries around indicators of compromise.



- Users can also leverage Purple AI to ask questions about suspicious activity they may not have been able to define themselves (unknown unknowns).



- Within seconds, Purple AI will provide insights on the identified behavior alongside recommendations, thus reducing the need to manually analyze and stitch together diverse events into one contextual story.



Flashpoint, in partnership with Google Cloud, is deploying generative AI within the Flashpoint Intelligence Platform to revolutionize how organizations detect security threats and reduce risk, enabling more intuitive decision-making and empowering organizations to maximize the value of their intelligence investment while mitigating cybersecurity risks.

Flashpoint Intelligence Platform and the Use of Generative AI



- Flashpoint announced an expansion of its partnership with Google Cloud and will leverage Security Workbench capabilities to revolutionize threat detection and risk reduction for organizations, enabling security professionals to improve decision-making processes.



- Using NLP, the platform will transition from the traditional search-based interaction model to a conversation-based experience, enabling organizations to enhance the value of their intelligence investments, bridge the cybersecurity skills gap, and swiftly mitigate risks.



- Flashpoint's collaboration with Google Cloud utilizes AI-driven intelligence innovations such as optical character recognition (OCR) and in-platform video search to process and contextualize images and videos, resulting in significant fraud prevention and risk mitigation use cases across various industries.



With this collaboration, we aim to empower organizations with faster and more comprehensive insights into potential cyber, physical, and fraud threats, enabling them to stay one step ahead in the ever-evolving landscape of cybersecurity.

—Josh Lefkowitz, CEO, Flashpoint



At the 2023 RSA Conference, Security Scorecard announced the launch of the first and only security ratings platform to integrate with OpenAI's GPT-4 system.

SecurityScorecard Overview



- Developed by ScorecardX, the innovation incubator of SecurityScorecard, this solution enables cybersecurity leaders to find immediate answers to high-priority cyber risks by leveraging its NLP capability.



- ScorecardX developed a natural language global search, enabling CISOs and practitioners to ask questions to better understand their cybersecurity exposure and where their security gaps lie.



- Customers can ask open-ended questions about their business ecosystem, including details about their vendors, and quickly obtain answers to drive risk management decisions.



Our team members are squarely focused on driving innovation that helps our customers increase cyber resilience in the face of global threats... It's that commitment that has led us to put game-changing AI technology in our customers' hands, enabling them to be more proactive, move faster, and be more strategic for their organizations.

—Aleksandr Yampolskiy, CEO and Co-Founder, SecurityScorecard



Industry-Wide Adoption of Generative AI Tools (cont.)

At RSA Conference 2023, Google announced its Cloud Security AI Workbench, an industry-first extensible platform powered by its specialized security model, Sec-PaLM, which is fine-tuned for security use cases, incorporating unsurpassed intelligence through Google’s visibility into the threat landscape and Mandiant’s frontline intelligence on vulnerabilities, malware, threat indicators, and behavioral threat actor profiles.

Security AI Workbench Capabilities

Prevent Threats From Spreading:

VirusTotal Code Insight

- Uses Sec-PaLM to analyze and explain the behavior of potentially malicious scripts and will be able to better detect which scripts are actual threats.

Mandiant Breach Analytics for Chronicle

- Automatically alerts users to active breaches and uses Sec-PaLM to help contextualize and respond instantly to critical findings.

Reduce Toil:

Assured OSS

- Uses LLMs to help Google add more open-source software (OSS) to its OSS vulnerability management solution.

Mandiant Threat Intelligence AI

- Built on top of Mandiant’s massive threat graph, this product will leverage Sec-PaLM to quickly find, summarize, and act on relevant threats.

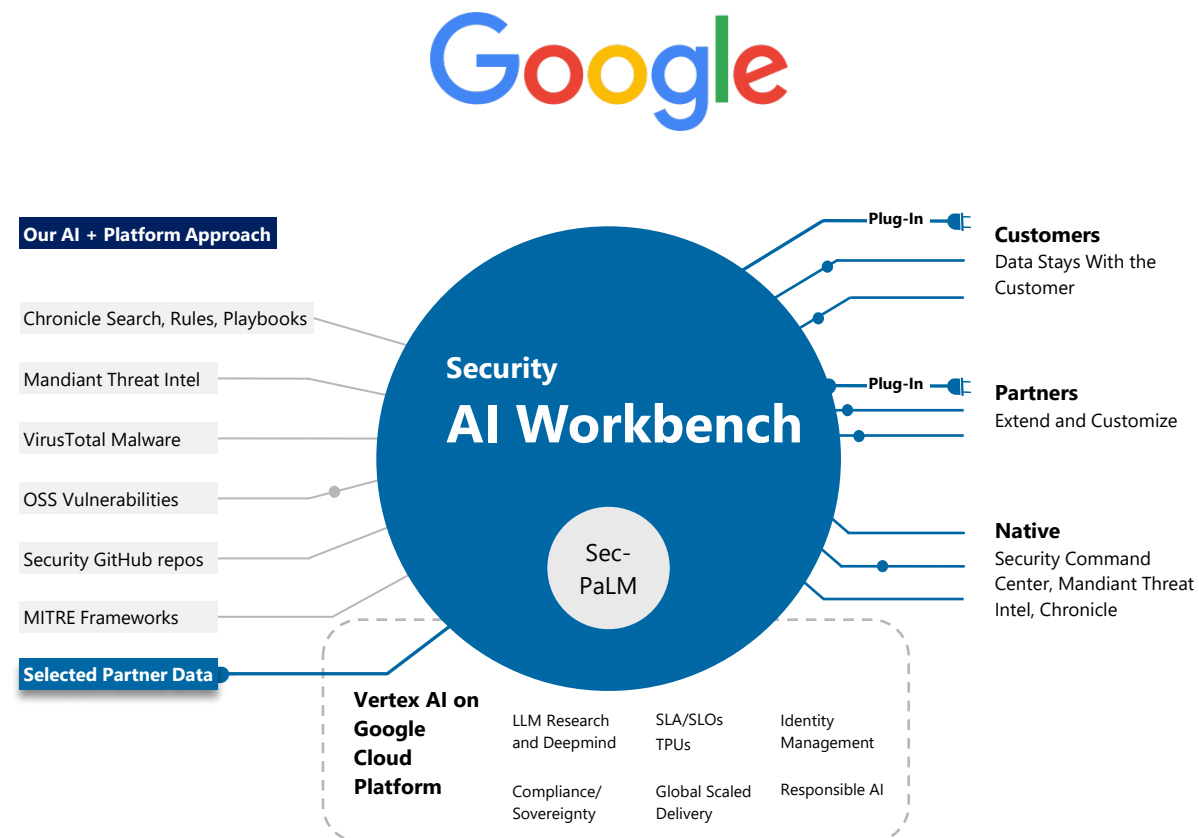
Close the Talent Gap:

Chronicle AI

- Searches billions of security events and interacts conversationally with the results, asks follow-up questions, and quickly generates detections, all without learning a new syntax or schema.

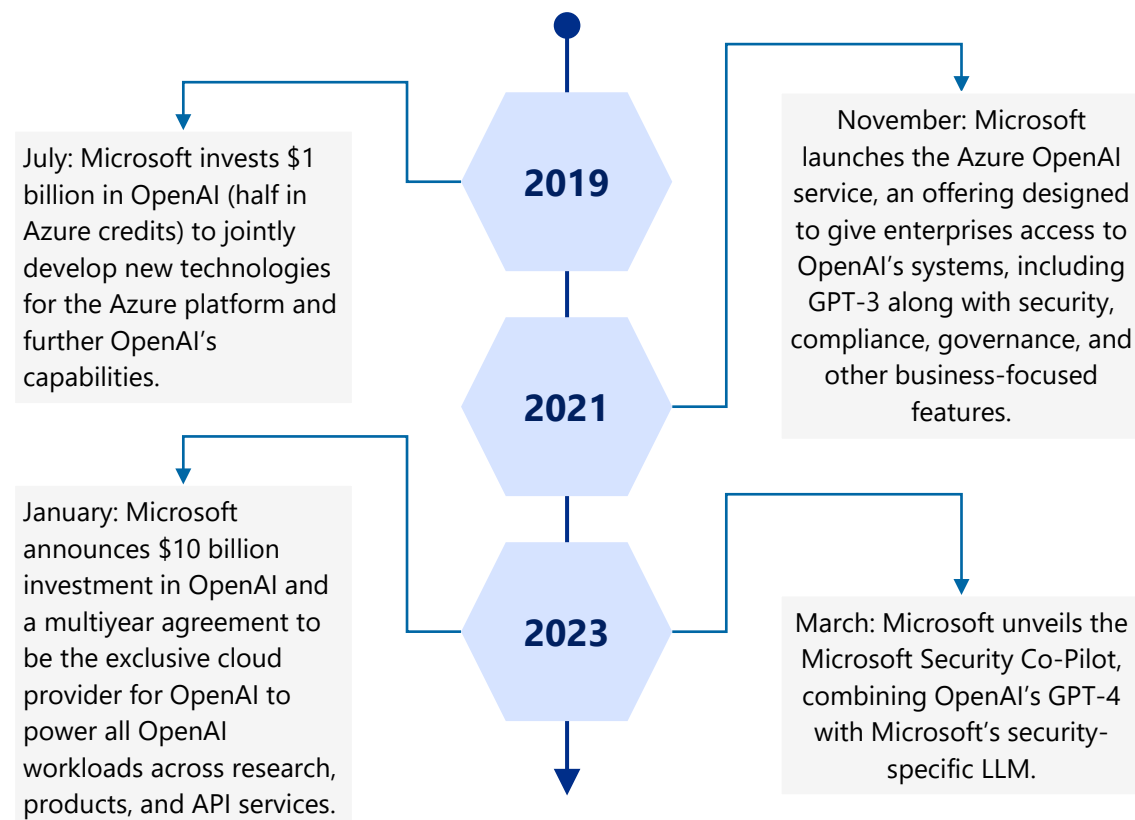
Security Command Center AI

- Provides AI-powered risk summaries for security, compliance, and privacy findings.





Microsoft and OpenAI Collaboration



Microsoft Security Co-Pilot Capabilities



- Cyber-trained model adds a learning system to create and tune new skills, which translates into gains in the quality of detection, speed of response, and ability to strengthen security posture.



- Incorporates a growing set of security-specific skills and leverages the trillions of security signals gathered as part of Microsoft's threat intelligence operation.



- Surfaces prioritized threats in real time and anticipates a threat actor's next move with continuous reasoning based on Microsoft's global threat intelligence.



- Boosts the security team's skills with its ability to answer security-related questions while continually learning from user interactions, adapting to enterprise preferences, and advising on the best course of action to achieve more secure outcomes.



- Provides users with critical step-by-step guidance and context through a natural-language-based investigation experience that accelerates incident investigation and response.



At the 2023 RSA Conference, Recorded Future announced the launch of its AI platform, which incorporates its 100+ terabyte intelligence cloud and 10+ years of threat reporting experience with OpenAI's GPT LLM to provide a host of benefits for both executives and analysts.

Recorded Future AI Capabilities



- Trained on 10+ years of threat analysis data from Insikt Group, Recorded Future's threat research division, combined with the insights of the Recorded Future Intelligence Graph.



- Automatically collects and structures data related to both adversaries and victims from text, imagery, and technical sources, and uses NLP and ML to analyze and map insights across billions of entities in real time.



- Provides real-time threat landscape analysis and actionability at an internet scale, enables analyst efficiency to help compensate for skills shortages, and provides intelligence-driven insights so organizations can make decisions before adversarial activity impacts business outcomes.



At the 2023 RSA Conference, Veracode released Veracode Fix, a GPT-based ML model trained on Veracode's proprietary dataset that includes more than 85 million fixes over nearly two decades, excels at fixing insecure code, and dramatically reduces the time needed to remediate flaws.

Use Case: Veracode Fix



- Unlike scanning tools that only find flaws, Veracode Fix generates secure code patches that developers can review and implement to remediate security flaws without manually coding a fix.



- Developers can reduce both the introduction of flaws and vulnerabilities in code as well as the accumulation of security debt over the lifetime of an application.



- By reducing the time and effort required to fix flaws, organizations can improve security posture and lower risk, accelerate time to market and compliance, and realize operational efficiencies, with initial support for Java and C#.

Industry-Wide Adoption of Generative AI Tools: Startup Names to Watch

CALYPSO AI

CalypsoAI, a pioneer in AI security (AISec), raised \$23 million in a Series A financing round led by the Paladin Capital Group as it continues to develop and deliver AISec solutions that empower enterprises and governments to leverage the immense potential of generative AI solutions and LLMs responsibly and securely.

Overview



- The recent \$23 million Series A values Calypso at \$58 million with a total of \$38 million raised since the company was founded in 2018 by Neil Serebryany to help organizations accelerate their use of AI technologies.



- Built for government customers, CalypsoAI's VESPR Validate product facilitates AI-empowered decision-making by streamlining model testing timelines, stress-testing models, and using natural language to maintain performance visibility.



- Recently announced product CalypsoAI Moderator is an LLM-agnostic model security tool for enterprise users that features rapid deployment, data loss prevention, jailbreak prevention, and malicious code detection.



- CalypsoAI provides solutions to a diverse range of end users across government, finance, technology, and pharmaceuticals, delivering critical tools for multifaceted model testing in the ever-evolving regulatory environment of generative AI.



Cranium, which seeks to ensure trust and security in AI models and allows organizations to map, monitor, and manage their AI/ML environments against adversarial threats without interrupting how teams train, test, and deploy their AI models, exited stealth mode when it was spun out of KPMG Studio (KPMG's startup incubator).

Overview



- The platform detects and prevents AI attacks, such as data poisoning, model inversion, model evasion, and backdoor detection or membership interferences.



- Cranium's platform establishes an AI security framework that provides security and data science teams with a foundation for building a proactive and holistic AI security program.



- Platform also captures and quantifies AI security risk and establishes continuous monitoring.



- Cranium brings visibility, trust, and a new level of security to cybersecurity and data science teams when it comes to enterprise-level AI ecosystems.

Industry-Wide Adoption of Generative AI Tools: Startup Names to Watch (cont.)



Anvilogic's modern SOC platform enables efficiency by unifying and automating threat detection and incident response and has been successful in incorporating generative AI functionality throughout the platform to create a bridge between legacy security information and event management (SIEM) and next-generation security data lakes.

Anvilogic Capabilities



- Facilitates modern security data lake adoption by lowering the barrier to entry for data engineering skills, allowing SOC teams to adopt a flexible, scalable data lake strategy and eliminating language barriers to rapidly detect threats across disparate data sources.



- Identifies anomalies and potential threats in large-scale data, improving core detection and efficacy due to models being trained with behavioral data and mapped to MITRE ATT&CK.



- Reduces cost and time-to-detect by rebalancing legacy SIEM and data monoliths with a security data lake that enables teams to more efficiently collect, normalize, enrich, and deploy quality detections across modern cloud and hybrid data lake architectures.



- Increases efficiency and scale by leveraging an AI co-pilot that helps teams develop and deploy accurate complex pattern-based detections in minutes across data platforms without requiring extensive software engineering or tool expertise.



HiddenLayer has pioneered the development of Machine Learning Detection & Response (MLDR), winning the RSA Conference Innovation Sandbox contest with demonstrations of its comprehensive Machine Learning Security (MLSec) platform.

HiddenLayer Capabilities

HiddenLayer's MLSec platform consists of MLDR capabilities, model scanner technology, and security audit reporting that enable enterprises to harness the advantages of generative AI technology while ensuring the security of valuable ML assets.



- Offers an easy-to-deploy platform that stops adversarial attacks and provides visibility into the health and security of ML assets by monitoring the inputs and outputs of customers' machine-learning algorithms.



- Enables real-time defense, flexible response options, model integrity safeguarding via model scanning, and ongoing security audit reporting to provide a comprehensive view of AI/ML assets security status with flexible response options and on-demand dashboard and distributable reporting.



- Protects against both inference and extraction attacks, data poisoning, model evasion, and model injection.



V

About Houlihan Lokey



Houlihan Lokey

Leading Independent Global Advisory Firm

Houlihan Lokey is the trusted advisor to more top decision-makers than any other independent global investment bank.

~2,595 Global Employees ⁽¹⁾	36 Locations	\$6.5 Billion Market Cap ⁽²⁾	HLI LISTED NYSE	\$1.8 Billion Revenue ⁽³⁾	~25% Employee-Owned	No Debt
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Corporate Finance

- No. 1 Global M&A Advisor Under \$1 Billion
- Over the past two years, we raised approximately \$25 billion in capital

Rank	Advisor	Deals
1	Houlihan Lokey	381
2	Rothschild	369
3	JP Morgan	217

Source: Refinitiv.
Excludes accounting firms and brokers.

Financial Restructuring

- No. 1 Global Restructuring Advisor
- \$3.0 Trillion of Aggregate Transaction Value Completed

Rank	Advisor	Deals
1	Houlihan Lokey	58
2	PJT Partners	30
3	Lazard	29

Source: Refinitiv.

Financial and Valuation Advisory

- No. 1 Global M&A Fairness Opinion Advisor Over the Past 25 Years
- 1,000+ Annual Valuation Engagements

Rank	Advisor	Deals
1	Houlihan Lokey	1,232
2	JP Morgan	1,030
3	Duff & Phelps, A Kroll Business	938

Source: Refinitiv.
Announced or completed transactions.

Financial Sponsors Coverage

- No. 1 Global Private Equity M&A Advisor
- 1,000+ Sponsors Covered Globally

Rank	Advisor	Deals
1	Houlihan Lokey	242
2	Lincoln International	192
3	Deloitte	190

Source: PitchBook.

Houlihan Lokey + 7 MILE ADVISORS

Houlihan Lokey has agreed to acquire 7 Mile Advisors, an independent advisory firm that provides a range of services to clients across the IT services sector.

The transaction, signed July 7, will further enhance Houlihan Lokey's deep industry expertise in IT services and expands the firm's geographic footprint.

HQ: Charlotte, NC Employees: ~30 Managing Directors: 5

(1) As of June 30, 2023. Excludes corporate MDs.
 (2) As of June 2023.
 (3) LTM ended March 31, 2023.

Our Tech M&A Team Is No. 1 Globally With Unparalleled Reach

**2022 M&A Advisory Rankings
All Global Technology Transactions**

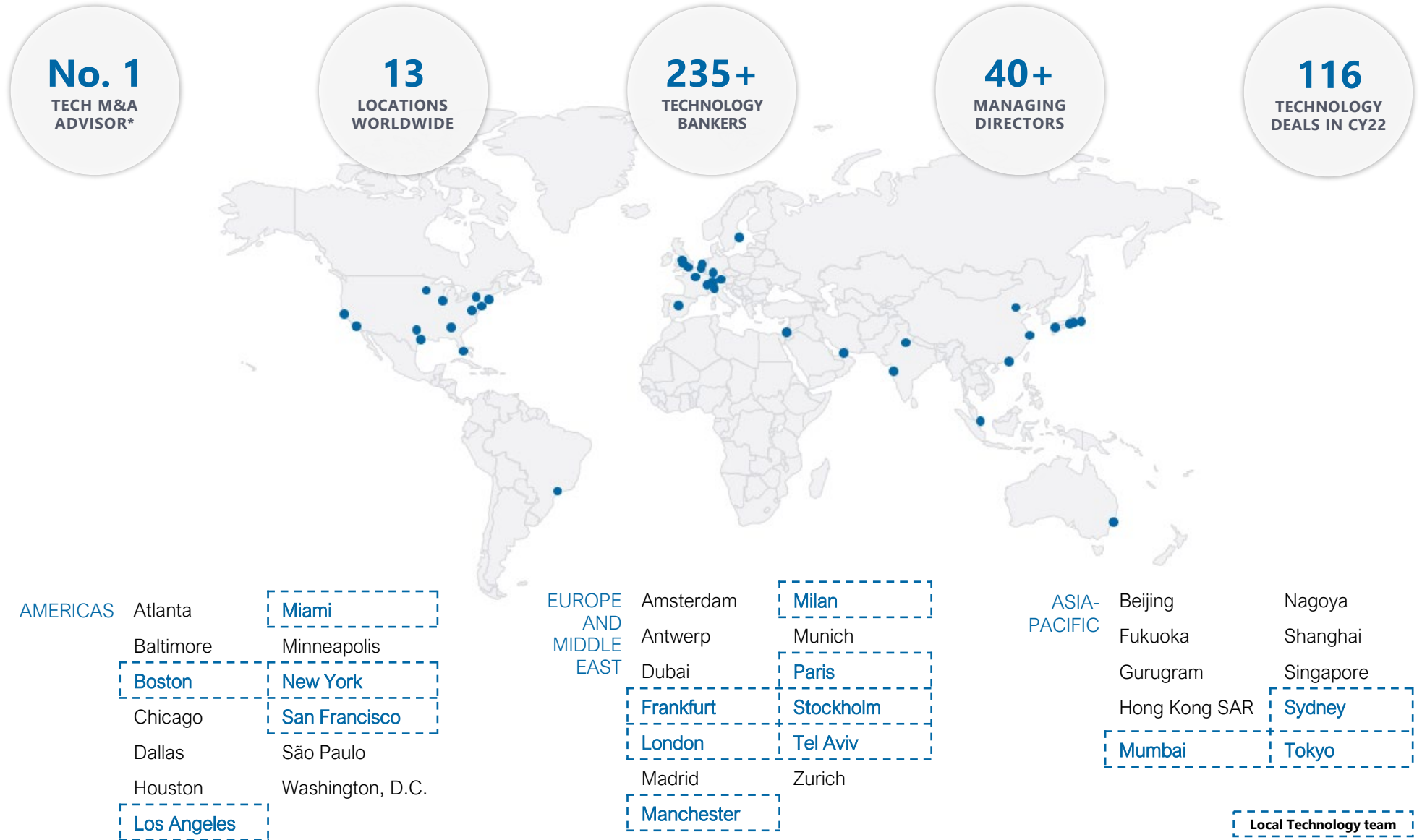
Rank	Advisor	Deals
1	Houlihan Lokey	116
2	Goldman Sachs	106
3	Morgan Stanley	79
4	Rothschild	76
5	JP Morgan	75

Source: Refinitiv.
Excludes accounting firms and brokers.

**2022 M&A Advisory Rankings
U.S. Technology Transactions
Under \$1 Billion**


Rank	Advisor	Deals
1	Houlihan Lokey	49
2	Goldman Sachs	37
3	Morgan Stanley	37
4	Rothschild	33
5	JP Morgan	32

Source: Refinitiv.
Excludes accounting firms and brokers.



*According to data provided by Refinitiv.

Deep Cybersecurity Experience Across the Ecosystem

<p>Transaction Pending</p>  <p>has agreed to be acquired by</p>  <p>Sellside Advisor</p>	<p>Transaction Pending</p> <p>CARLYLE has agreed to acquire a majority stake in</p> <p>NEVERHACK formerly known as PROPHETCY</p> <p>a portfolio company of</p> <p>IK Partners</p> <p>Buyside Advisor</p>	 <p>accelerate your business</p> <p>has received investment from</p> <p>VOLPI CAPITAL</p> <p>Sellside Advisor</p>	 <p>a portfolio company of</p>  <p>HoldCo PIK Notes Acquisition Financing</p> <p>Exclusive Placement Agent</p>	 <p>has been acquired by</p>  <p>Sellside Advisor</p>	 <p>has received a growth equity investment of \$70,000,000 from</p>  <p>Financial Advisor</p>	 <p>has made a strategic investment in</p>  <p>Buyside Advisor</p>
 <p>has received a strategic growth investment from</p>  <p>Sellside Advisor*</p>	 <p>has been acquired by</p>  <p>Sellside Advisor*</p>	<p>CVC</p> <p>has invested in</p> <p>Acronis</p> <p>Financing Advisor*</p>	 <p>has received an investment from</p>  <p>Sellside Advisor*</p>	 <p>has sold a majority stake to</p> <p>CORSAIR CAPITAL.</p> <p>Sellside Advisor*</p>	<p>netwrix</p> <p>has received an equity investment from</p>  <p>Financial Advisor</p>	<p>Threema.</p> <p>has entered into a partnership with</p> <p>Afinum</p> <p>Sellside Advisor*</p>
 <p>has invested in</p>  <p>Buyside Advisor*</p>	 <p>has sold a minority stake to</p>  <p>Sellside Advisor*</p>	<p>Acronis</p> <p>structured equity investment led by</p>  <p>Financing Advisor*</p>	 <p>has been acquired by</p>  <p>Sellside Advisor</p>	 <p>has sold a majority stake in</p> <p>QUALITEST</p> <p>to</p> <p>Bridgepoint</p> <p>Sellside Advisor*</p>	 <p>has acquired</p>  <p>Buyside Advisor</p>	<p>Acquisition Financing</p>  <p>has acquired</p>  <p>Financing Advisor*</p>
 <p>has sold substantially all its assets, pursuant to Section 363 of the U.S. Bankruptcy Code, to</p>  <p>Company Advisor</p>	 <p>has been acquired by</p>  <p>Sellside Advisor*</p>	 <p>has been acquired by</p>  <p>Sellside Advisor*</p>	 <p>has been acquired by</p>  <p>Sellside Advisor</p>	<p>BOMGAR</p> <p>a portfolio company of</p>  <p>Financial Advisor</p>	 <p>has been acquired by</p>  <p>Sellside Advisor*</p>	 <p>has been acquired by</p>  <p>Sellside Advisor*</p>

Tombstones included herein represent transactions closed from 2010 forward.

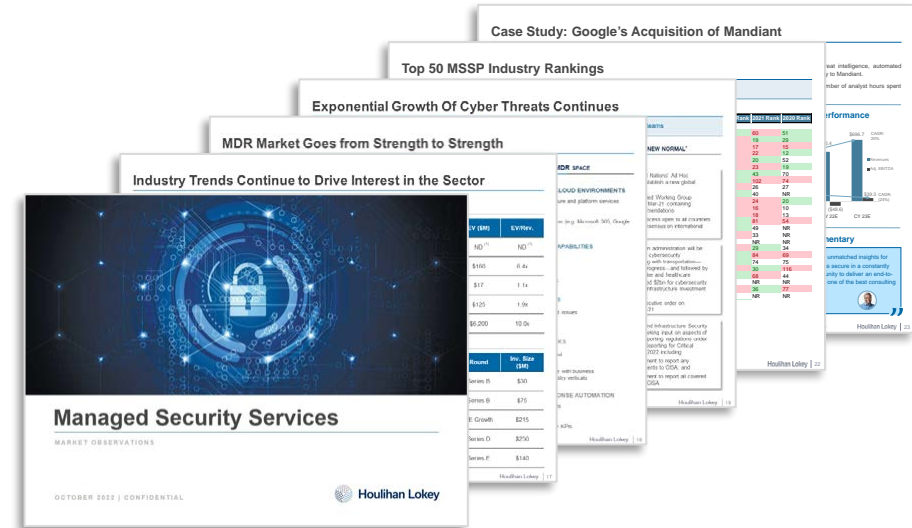
*Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company.

Other Houlihan Lokey Cyber Sector Reports

Identity Sector Report



Managed Security Services Report



To gain access to these decks, please reach out to the following:

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Yearly Conferences



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