

3Q 2018

Recent Transactions

NEWSLETTER

ABOUT THE CHERTOFF GROUP

The Chertoff Group – A Differentiated Advisory Firm

The Chertoff Group is a global advisory services firm that applies security expertise, technology insights and policy intelligence to help clients build resilient organizations, gain competitive advantage and accelerate growth. Through its investment banking subsidiary, Chertoff Capital, the firm provides M&A advisory services in global security markets and assists cyber and tech-enabled security companies in raising capital to grow their enterprise.

The Chertoff Group and its wholly owned subsidiary, Chertoff Capital, are pleased to have served as a trusted advisor on the following recent transactions. These closed deals represent both our industry depth, covering a diverse range of security industry segments, and the innovative advisory solutions we routinely deliver to our clients. Chertoff Capital is SEC registered and a member of FINRA.

Intelligence Community
Buy-Side Advisory



Identity Authentication
Capital Raise



Defense Technology
Sell-Side Divestiture



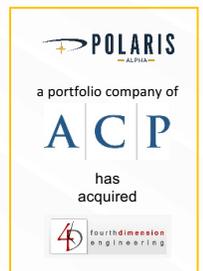
Cybersecurity Solutions
Capital Raise



Special Operations
Buy-Side Advisory



Intelligence Community
Buy-Side Advisory



These transactions also reflect the heightened level of M&A activity that we continue to see across all segments of the security industry. The attached slides include case studies on these recent transactions. If you have any questions about our offerings, please contact any of the professionals below:



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Strategic Growth Case Study: Integrity Applications Platform



a portfolio company of



has acquired



Transaction Summary

On July 31st, 2018, Integrity Applications Inc. (“IAI”) acquired Dependable Global Solutions (“DGS”). The acquisition enhances IAI’s presence in the Intelligence Community by adding differentiated cybersecurity and counterintelligence solutions that address sophisticated threats to critical infrastructure and our nation’s most important research programs. Terms of the transaction were not disclosed.

Overview of DGS’s Business

DGS provides cybersecurity and intelligence analytics solutions to members of the Intelligence Community, the Department of Defense, and the Department of Homeland Security. These capabilities include counterintelligence, advanced training and insider threat analysis, red and blue teaming, and computer network defense.

Chertoff Value-Add

Chertoff connected with its network in the Intelligence Community and the Department of Homeland Security to frame the current geopolitical environment and its connection to expected intelligence spending. In addition, Chertoff’s subject matter experts provided unique perspectives around DGS’s contracting environment, reputation, and exposure to budgetary trends. Chertoff provided a thorough contract modeling output that incorporated various scenarios of revenue projections for Arlington Capital’s investment due diligence.



Financing Alternatives Case Study: **Sonavation**



has secured Series C funding from an undisclosed group of investors.

Transaction Summary

Sonavation has had a first closing of its Series C funding of an undisclosed amount over the summer of 2018. The capital will be utilized to fund working capital operations and investment in research and development costs for its ultrasound sensor. It is anticipated that the capital will bridge the Company to its eventual commercialization.

Overview of Sonavation's Business

Sonavation's robust intellectual property portfolio centers around the development of ultrasound modular sensors for use in a wide variety of vertical applications including mobile devices. Ultrasound solutions provide a significantly higher level of authentication relative to the current capacitive and facial alternatives.

Chertoff Value-Add

Sonavation's retention of Chertoff Capital was instrumental to sourcing investors seeking long-term investment opportunities in the identity authentication and biometric technology sectors. Chertoff Capital served as the exclusive financial advisor to Sonavation on the Series C financing in order to fund its product and commercial development.



Strategic Alternatives Case Study: Sale Of DTC's TTL Business



Tagging, Tracking, and Locating Business Unit has been acquired by



Transaction Summary

On May 9th, 2018, MetOcean Telematics Ltd. (“MetOcean”) acquired the Tagging, Tracking, and Locating business unit (“TTL”) of Domo Tactical Communications (“DTC”) for an undisclosed amount. The acquisition combines the TTL platform of mission-critical tracking products with MetOcean’s innovative surveillance solutions with opportunity for further synergies between the two portfolios. Terms of the transaction were not disclosed.

Overview of TTL’s Business

TTL’s portfolio supports law enforcement agencies, the Intelligence Community, counter-terrorism units, and the military. TTL’s capabilities include global positioning system devices, radio direction-finding tags, and a global system for mobile communication devices.

Chertoff Value-Add

DTC retained Chertoff Capital as its exclusive financial advisor to evaluate strategic alternatives for the TTL business. Chertoff identified TTL as a leading global supplier of advanced tagging, tracking, and locating solutions that support law enforcement, military, intelligence agencies, and counter-terrorism missions that would be valuable to strategic acquirers. Chertoff designed a sale process to realize optimal value for TTL, and identified MetOcean as a premier strategic buyer due to synergies between TTL and its core business. Chertoff Capital led a competitive sale process to deliver a successful transaction for DTC.



Financing Alternatives Case Study: ZP Group

zp group

has secured Series C funding from an undisclosed group of investors.

Transaction Summary

On March 19th, 2018, ZP Group and The Crypsis Group closed its Series C funding of an undisclosed amount. The capital will be utilized to support increased investments for each of the operating businesses, with particular focus on the development of the Crypsis SaaS offering, hiring of senior account executives, and geographic expansion.

Overview of ZP Group's Business

ZP Group is led by Justin Jordan, who is the CEO and founder. The group operates three companies: Zachary Piper Solutions, a government contractor focused on technology and cyber solutions; Piper Companies, a consulting firm specializing in staffing solutions within IT and analytics services; and The Crypsis Group, an advisory firm with digital forensics and risk management capabilities.

Chertoff Value-Add

ZP Group's retention of Chertoff Capital was instrumental to sourcing investors seeking long-term investment opportunities in the cybersecurity sector. Chertoff Capital served as the exclusive financial advisor to ZP Group on the Series C financing in an effort to accelerate the expansion of ZP Group's three operating businesses in cybersecurity markets.

ZACHARY PIPER
SOLUTIONS

PIPER
COMPANIES

CRYPISIS
RESPOND • PREVENT



Strategic Growth Case Study: SAP NS2 Platform



has acquired



Transaction Summary

On May 15th, 2018, SAP SE (“SAP”)’s National Security Services subsidiary (“NS2”) acquired APEX Expert Solutions (“APEX”). APEX will bring a portfolio of high-performance data solutions with a focus on Processing, Exploitation, and Dissemination (“PED”) for national security customers. Combining APEX’s intelligence capabilities with NS2’s established data services business will allow for increased growth in pipeline opportunities for the Special Operations Forces (“SOF”) community.

Overview of APEX Expert Solutions’ Business

APEX ingests data into data management and analytics platforms to provide intelligence support to law enforcement, defense, and special operations agencies with mission-critical capabilities that include geospatial intelligence, signals intelligence, and human intelligence solutions.

Chertoff Value-Add

Chertoff utilized its proprietary insights in the SOF Community/Special Operations Command (“SOCOM”) contracting environment to assess APEX’s market opportunities. In addition, Chertoff conducted thorough contract analysis with various performance scenarios, independent customer checks, and SOF/SOCOM budgetary impacts on projected performance.



Strategic Growth Case Study: **Polaris Alpha Platform**



a portfolio company of



has acquired



Transaction Summary

On April 11th, 2018, Polaris Alpha acquired Fourth Dimension Engineering (“Fourth Dimension”) for an undisclosed amount. Fourth Dimension’s ability to respond and deliver agile cybersecurity solutions will complement Polaris Alpha’s services in cyber and signals intelligence. Polaris Alpha plans to utilize the transaction as an opportunity to increase its cyber-capability scale with a broader range of service offerings.

Overview of Fourth Dimension’s Business

Fourth Dimension provides mission-critical cybersecurity solutions. The company utilizes electrical and mechanical design, software and hardware development, and customized wireless solutions to enhance and secure customers’ technical infrastructure.

Chertoff Value-Add

Chertoff leveraged its insights in the classified domain to pressure-test Fourth Dimension’s growth plans, assess its performance with classified customers, and validate Polaris Alpha’s investment thesis for growing its strategic capabilities in cybersecurity. This represented the fourth transaction in which The Chertoff Group advised on behalf of Polaris Alpha. The firm also advised Polaris Alpha on the acquisitions of EOIR Technologies, Intelesys, and PROTEUS Technologies.