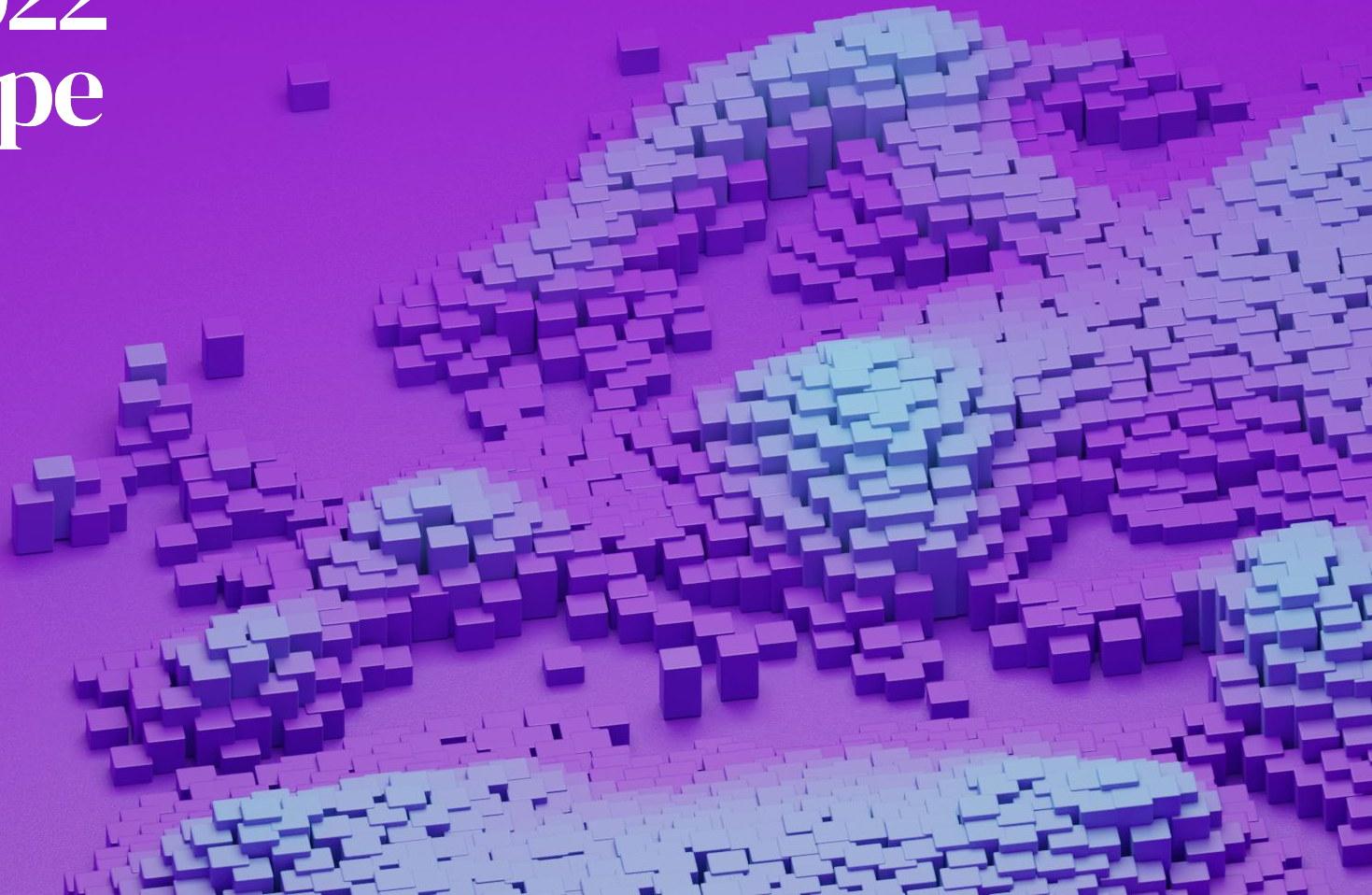


Accel 2022 Euroscape



The Reset

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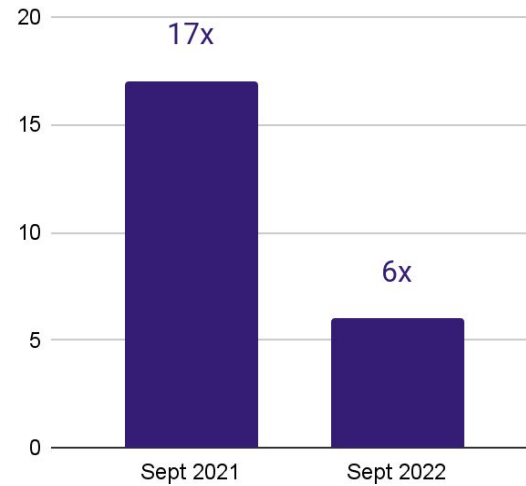
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Global Euroscope cloud index down by \$1.6T

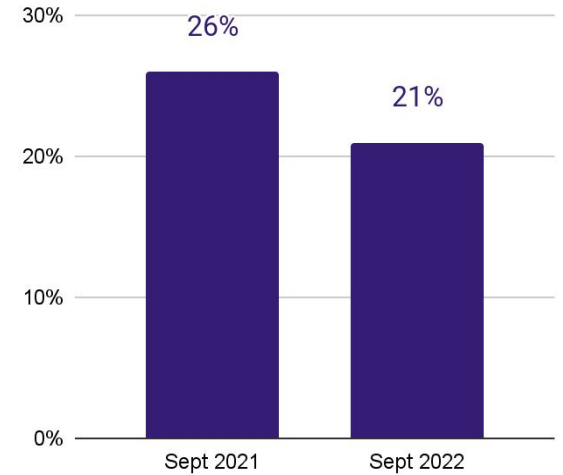
GLOBAL EUROSCOPE INDEX MARKET CAPITALIZATION



AVERAGE FORWARD REVENUE MULTIPLE



AVERAGE FORWARD GROWTH RATE

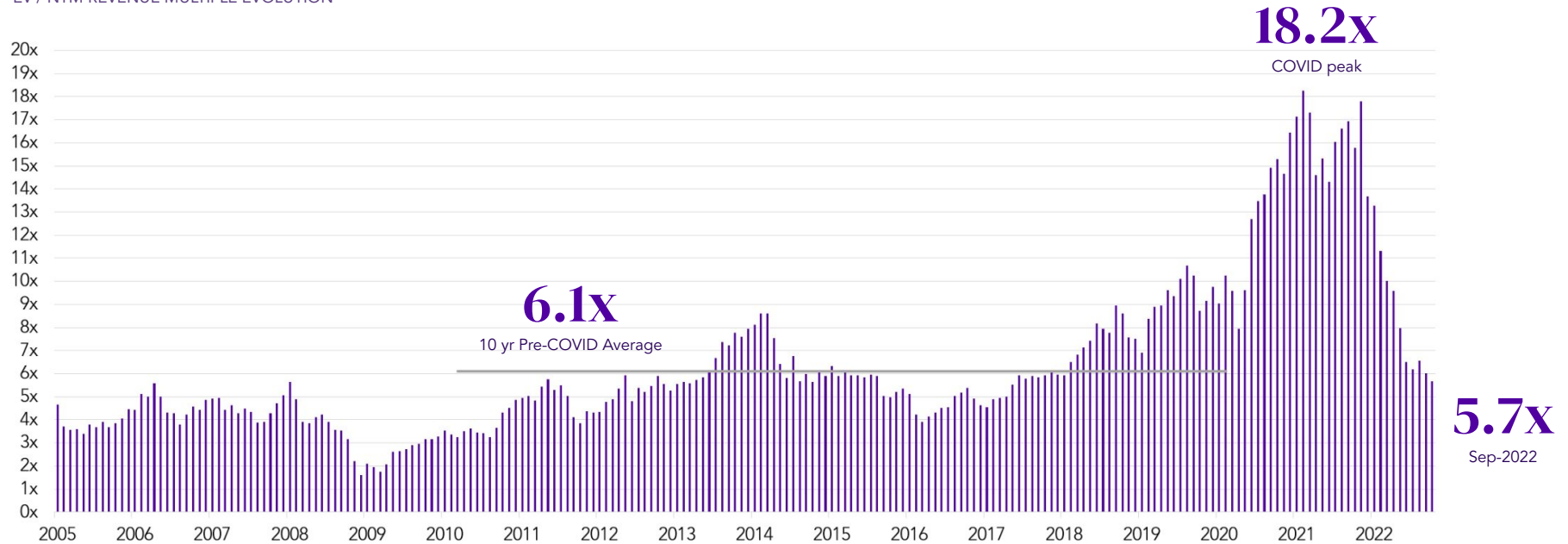


* Selection of US, EU and Israeli public companies in the index listed in appendix

Note: Change from September 24, 2021 to September 30, 2022, Selection of US, Europe and Israeli cloud companies. Source: Accel Analysis, Capital IQ

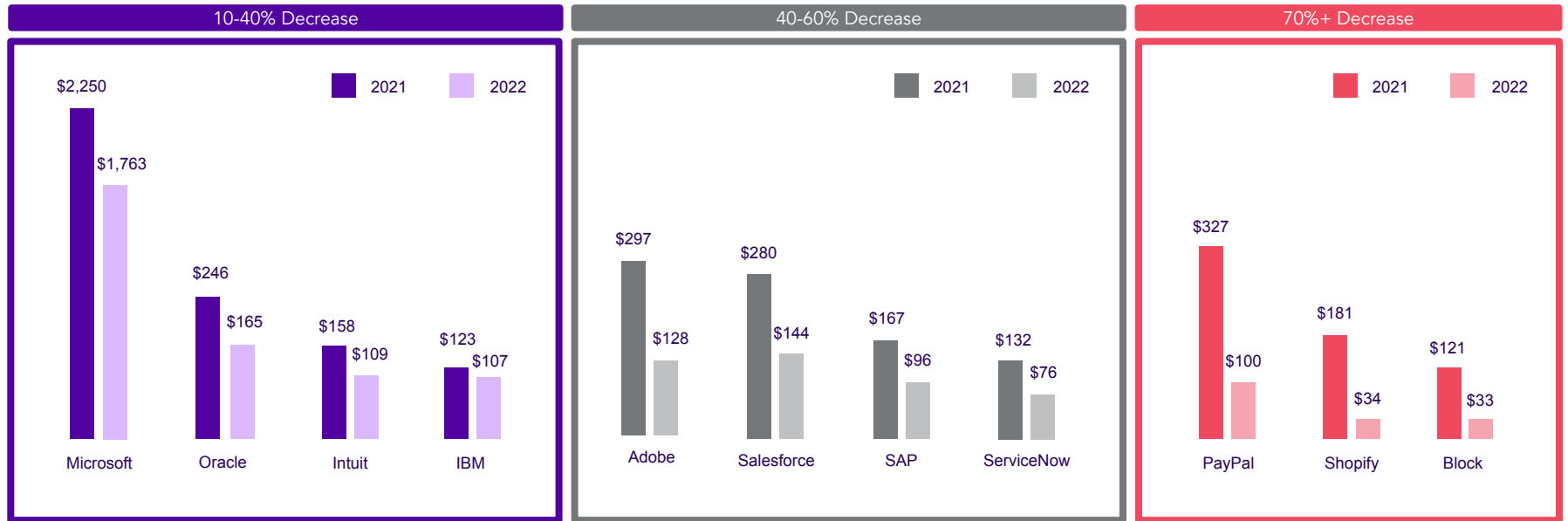
SaaS multiples below 10-year Pre-COVID average

EV / NTM REVENUE MULTIPLE EVOLUTION



No one is immune: Software & cloud giants lost ~35% of their market cap...

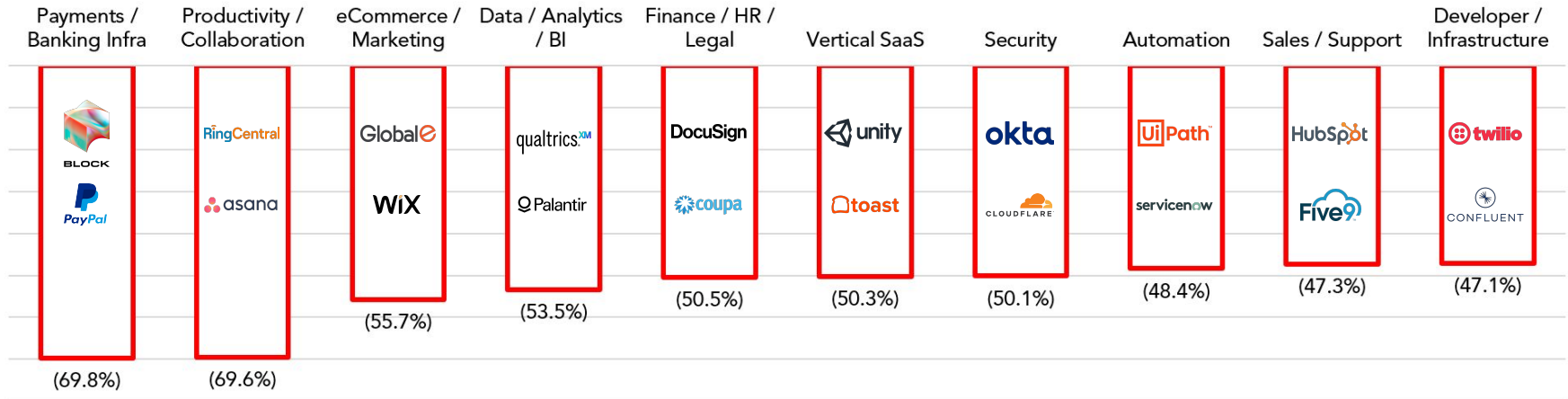
MARKET CAP OF SOFTWARE & CLOUD COMPANIES VALUED ABOVE \$100B IN LAST YEAR'S EUROSCAPE (SEP 2022)



Note: Represents cloud companies above \$100bn in market cap as of September 30, 2022.
Giants represent companies with market cap as of September 30, 2022 above \$100bn. Source: Capital IQ

...and all sectors impacted











CHANGE IN VALUE BY SECTOR OVER LAST YEAR













Priorities shifting towards profitability

TOP 10 HIGHEST MULTIPLE SAAS COMPANIES

As of September 2021

Company	EV / NTM Rev	NTM Rev Growth (%)	FCF Margin (%)
1.  snowflake	61x	73%	(3%)
2.  SentinelOne	59x	78%	(86%)
3.  bill.com	57x	104%	(6%)
4.  CLOUDFLARE	55x	38%	(7%)
5.  asana	53x	41%	(49%)
6.  monday.com	46x	51%	(12%)
7.  CONFLUENT	44x	34%	(32%)
8.  ATLIASSIAN	41x	21%	39%
9.  DATADOG	41x	45%	21%
10.  zscaler	40x	42%	23%
Average (Top 10)	50x	53%	(11%)
Average (All SaaS)	17x	26%	8%

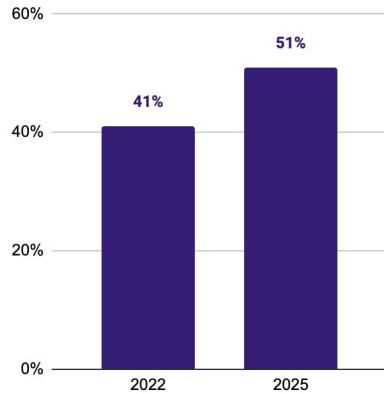
As of September 2022

Company	EV / NTM Rev	NTM Rev Growth (%)	FCF Margin (%)
1.  snowflake	20x	53%	20%
2.  CLOUDFLARE	16x	40%	(10%)
3.  zscaler	15x	38%	23%
4.  ATLIASSIAN	15x	29%	29%
5.  DATADOG	14x	39%	28%
6.  zoominfo	14x	34%	32%
7.  CROWDSTRIKE	14x	44%	31%
8.  GitLab	14x	49%	(25%)
9.  bill.com	13x	51%	(4%)
10.  paycom	13x	24%	18%
Average (Top 10)	15x	40%	14%
Average (All SaaS)	6x	21%	3%

Strong secular trends despite the reset

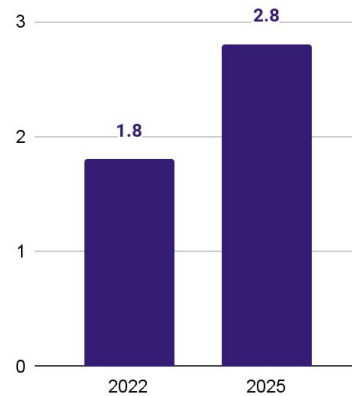
SHIFT TO THE CLOUD

IT spend transition to the cloud
(% of addressable spend)



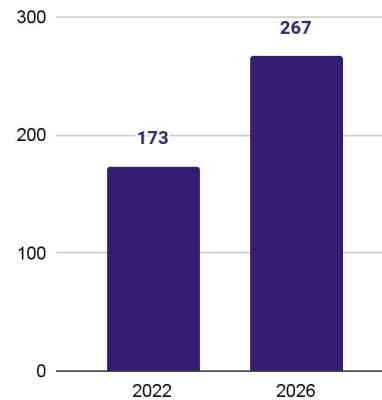
DIGITAL TRANSFORMATION

Spending on digital transformation (\$T)



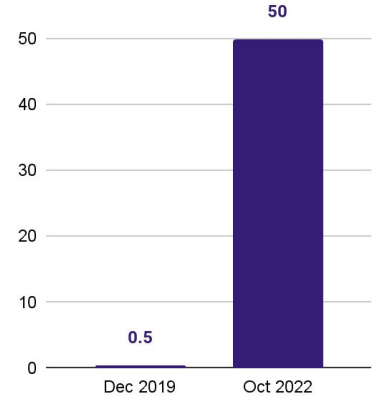
CYBER SECURITY

Spending on cyber security & risk (\$B)



CRYPTO

USDC Market Cap (\$B)



We love SaaS globally

ACCEL CLOUD UNICORN MAP



20+
IPOs

60+
UNICORNS

350+
COMPANIES

\$8B+
INVESTED

PART 1

Market Snapshot

PART 2

Europe & Israel Unicorn Health Check

PART 3

Accel 2022 Euroscape

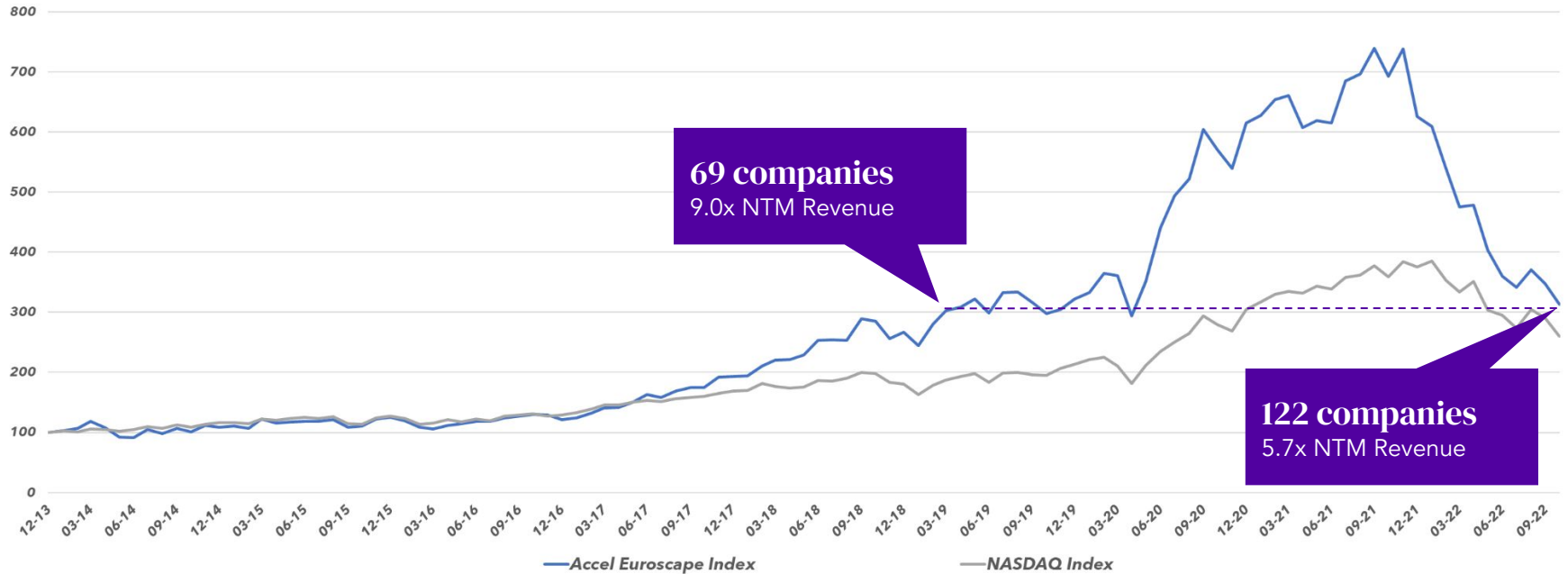
PART 4

What's Next?



Global Euroscope Index back to pre-COVID levels despite 50+ companies added to the Index

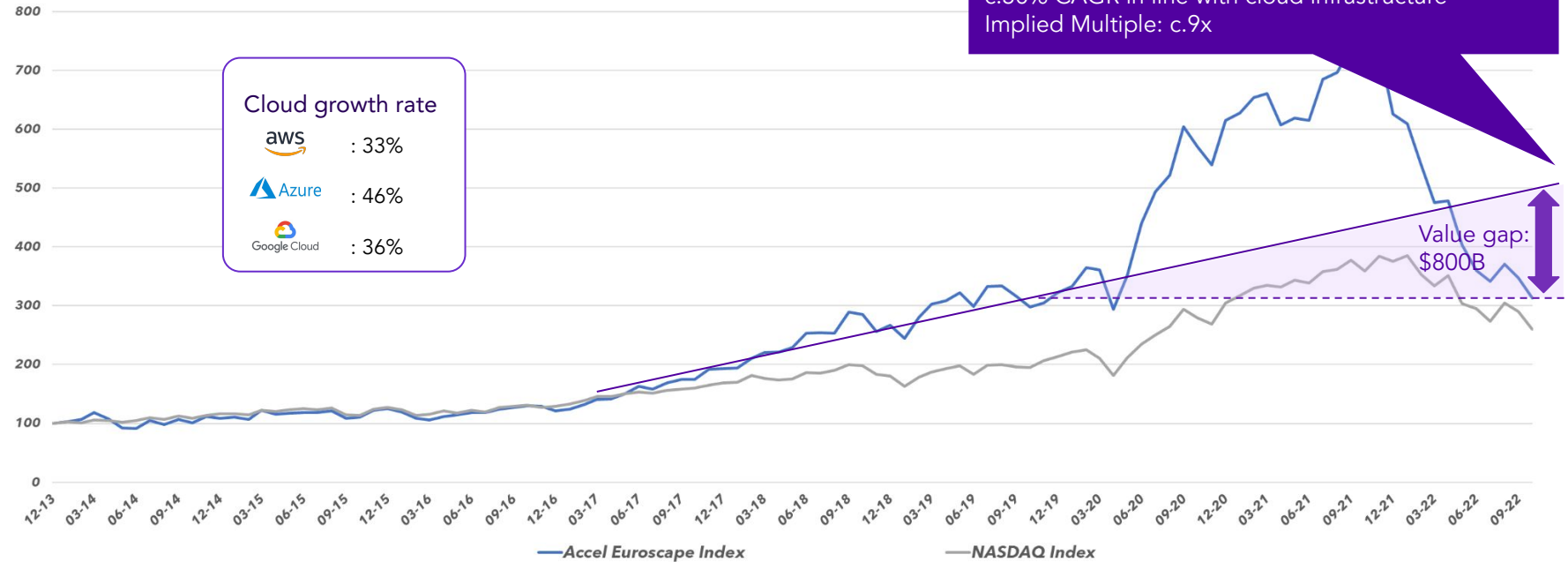
EUROSCOPE INDEX PERFORMANCE OVER TIME



Note: Selection of US, Europe and Israeli cloud companies. Companies that comprise the Accel Euroscope indices are listed in the appendix.
Source: Accel Analysis, Capital IQ

Have we overcorrected?

EUROSCAPE INDEX PERFORMANCE OVER TIME



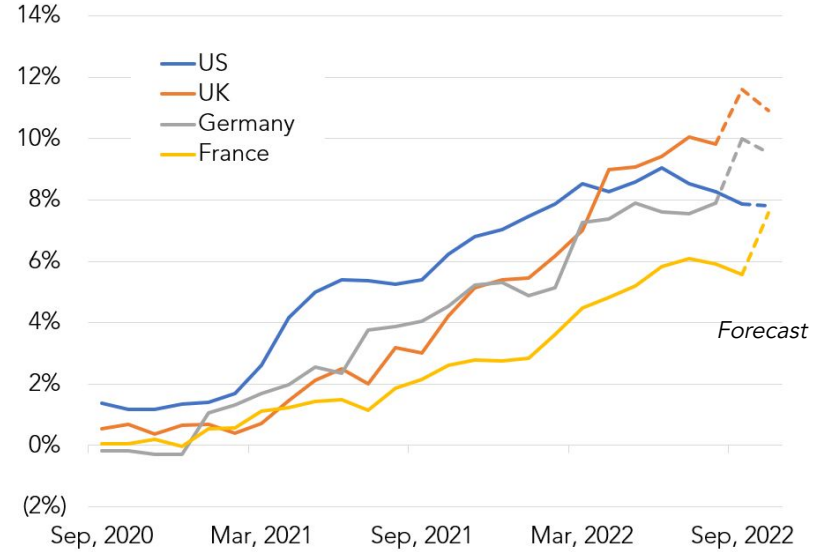
Note: Selection of US, Europe and Israeli cloud companies. Companies that comprise the Accel Euroscope indices are listed in the appendix. Cloud growth rates are most recent quarter (YoY, c/c) Source: Accel Analysis, Company Filings, Capital IQ

Trigger: Rising inflation driving interest rates up

10 YEAR US TREASURY YIELD



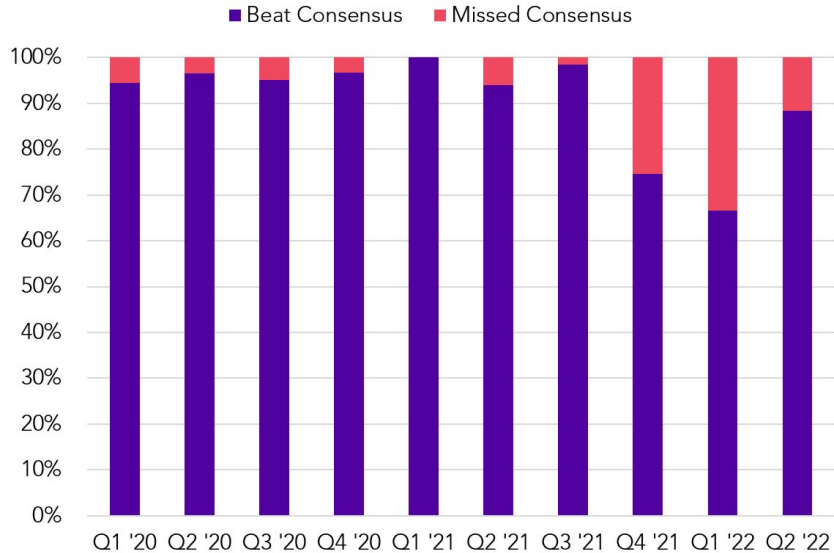
INFLATION (CPI), YOY



Source: Accel Analysis, Capital IQ

Macro softening putting pressure on growth rates and accelerating decline

SAAS COMPANY QUARTERLY RESULTS VS. CONSENSUS ESTIMATES



ESTIMATE MISSES HAVE COME ACROSS SAAS CATEGORIES

Shopify misses estimates and issues gloomy guidance

PUBLISHED WED, JUL 27 2022 10:36 AM EDT

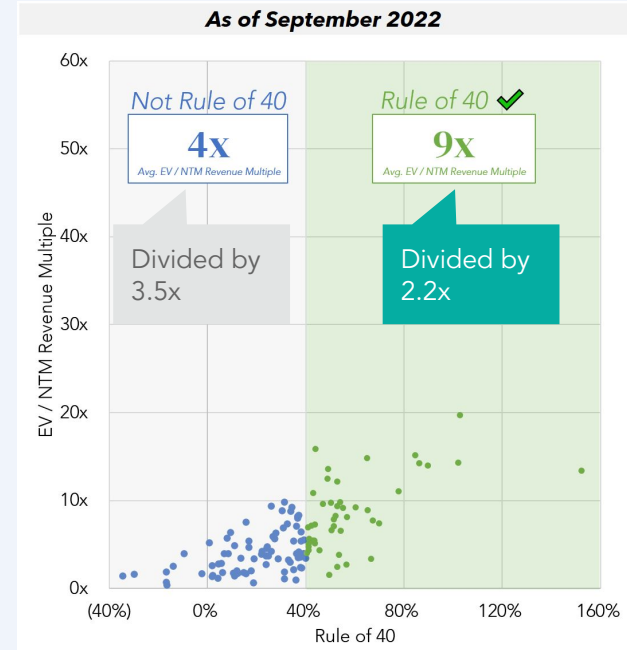
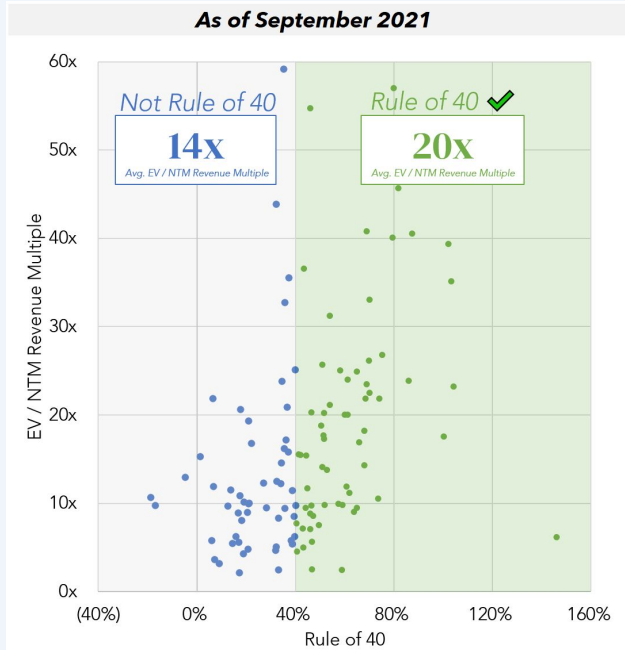
Salesforce Falls as Revenue Forecast Misses Analysts' Estimates

- Software maker announces a \$10 billion buyback program
- Company also trims its sales forecast for the fiscal year

BREAKING • MARKETS

Zoom Shares Sink 15% After 'Concerning' Earnings Miss, Analysts Downgrade The Stock

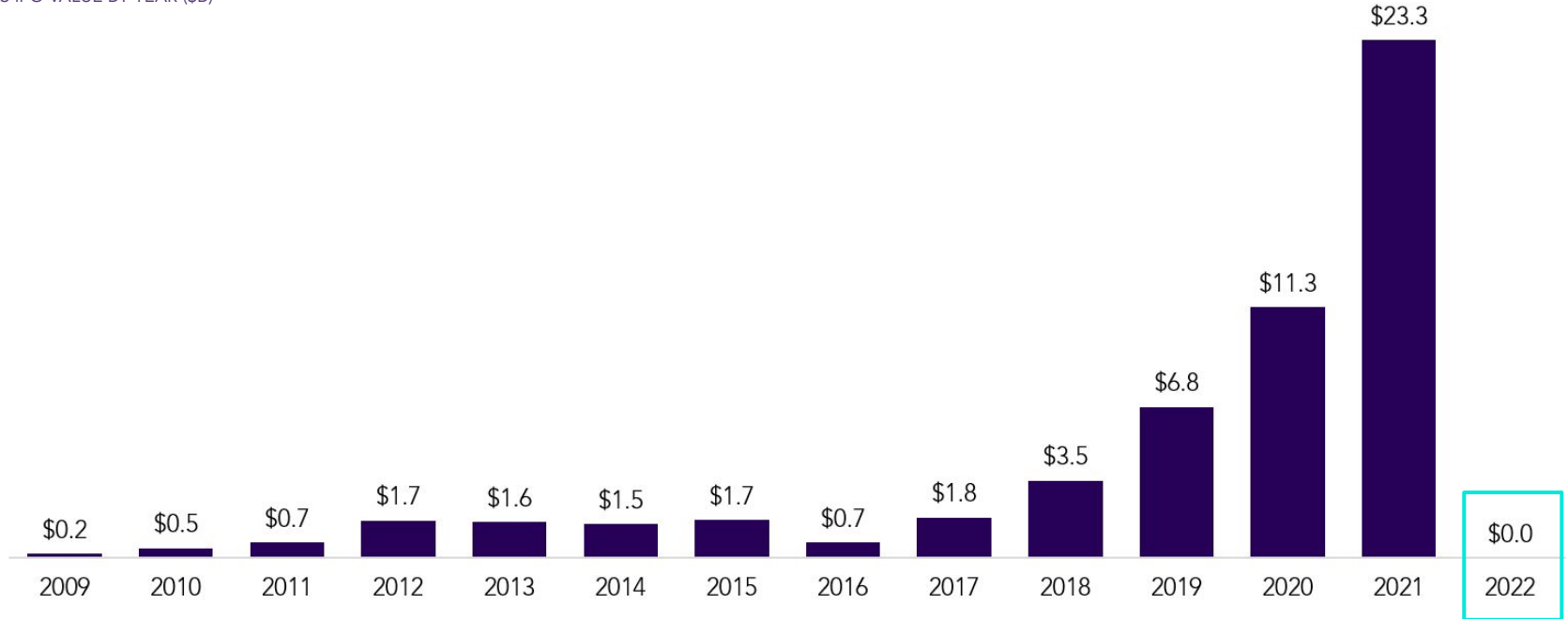
Multiple contraction less severe for 'Rule of 40' companies



Rule of 40 calculated as the sum of most recent quarter revenue growth (YoY) and LTM FCF margin.
Note: Each dot represents a public SaaS company in the Accel Euroscope index. Source: Accel Analysis, Capital IQ

IPO window closed after a record year

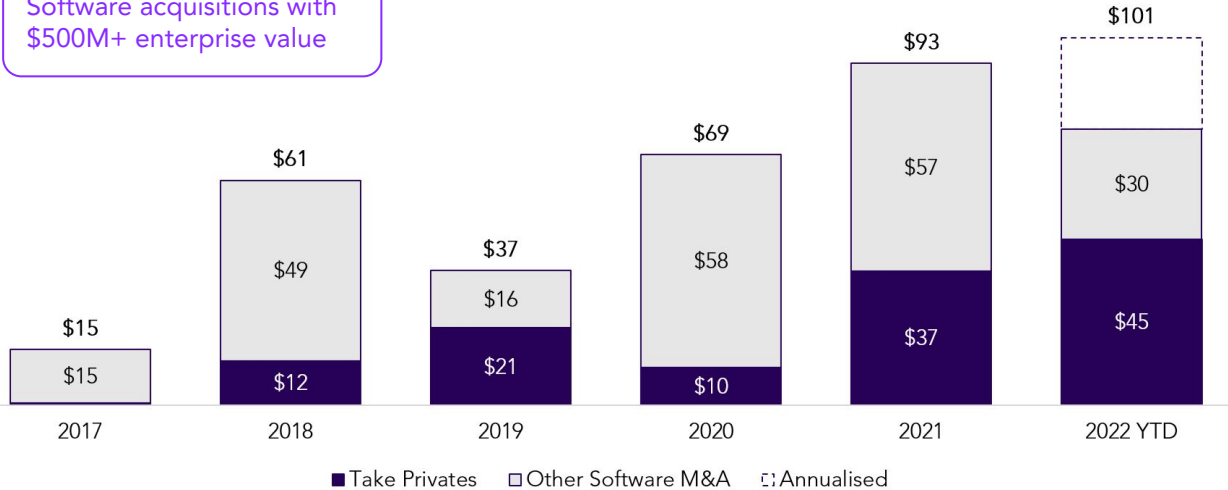
SAAS IPO VALUE BY YEAR (\$B)



M&A frenzy fueled by low valuations and take-privates...

AGGREGATE SOFTWARE M&A VALUE FOR LARGE DEALS (\$B)

Software acquisitions with \$500M+ enterprise value



2022 TAKE PRIVATES (\$B)

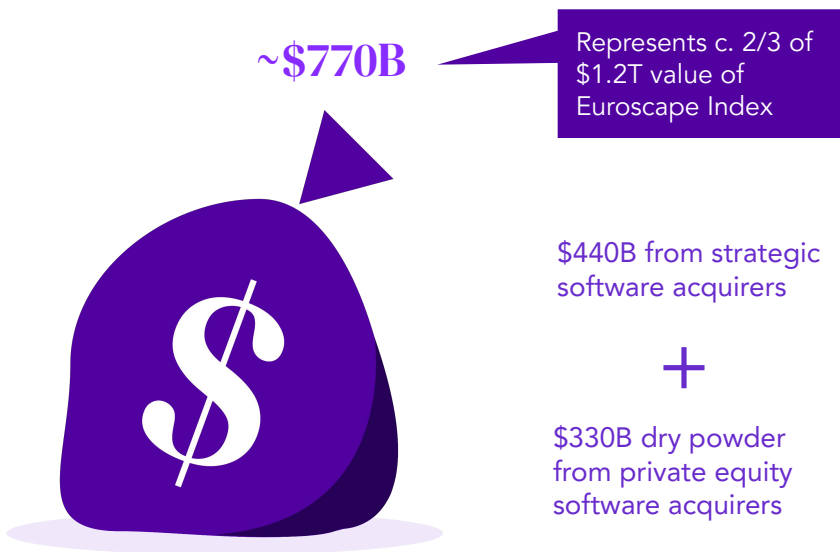
9x
NTM Revenue Multiple

33%
Median Share Price Premium
vs. Last Unaffected Day*

*Unaffected premium indicates premium based on day prior to transaction announcement or of day prior to rumors of a potential transaction
Source: Accel Analysis, Capital IQ, Qatalyst

M&A momentum expected to last with c.\$770B of cash on the sidelines

CASH AND CASH EQUIVALENTS
(As of most recent public balance sheets)



SELECTED M&A OVER LAST YEAR

Target	Enterprise Value	NTM Revenue Multiple	Acquirer(s)
Figma	\$22.3B	48.8x	Adobe
athenahealth	\$17.0B	8.9x*	BainCapital H&F
Anaplan	\$10.1B	12.8x	THOMABRAVO
zendesk	\$9.8B	5.4x	PERMIRA H&F
Avalara	\$8.3B	9.1x	VISTA EQUITY PARTNERS
SailPoint	\$6.9B	13.3x	THOMABRAVO
mimecast	\$5.5B	8.8x	PERMIRA

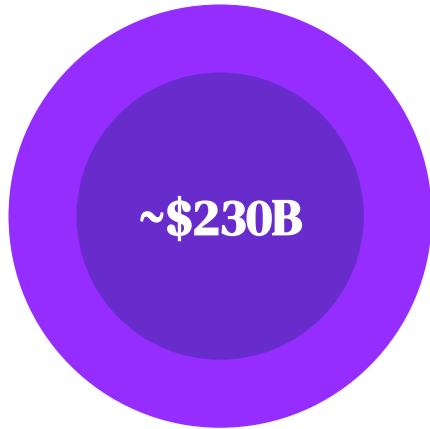
* LTM Revenue Multiple provided

Note: Dry powder numbers include cash and cash equivalents, as well as short term investments, as of 30 September 2022

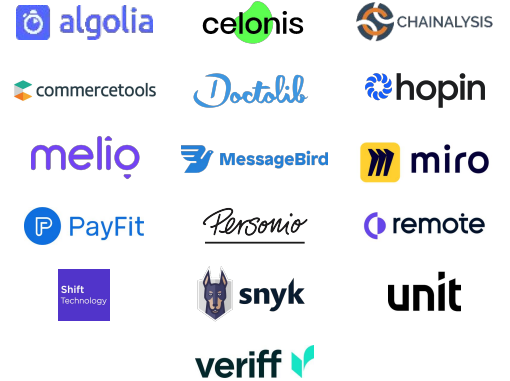
Source: Accel Analysis, Qatalyst, Pitchbook, Capital IQ

Record \$230B cloud venture funding since 2020 - Unicorns taking the lion's share...

TOTAL CAPITAL RAISED IN US, EU & IL SAAS SINCE 2020 (\$B)

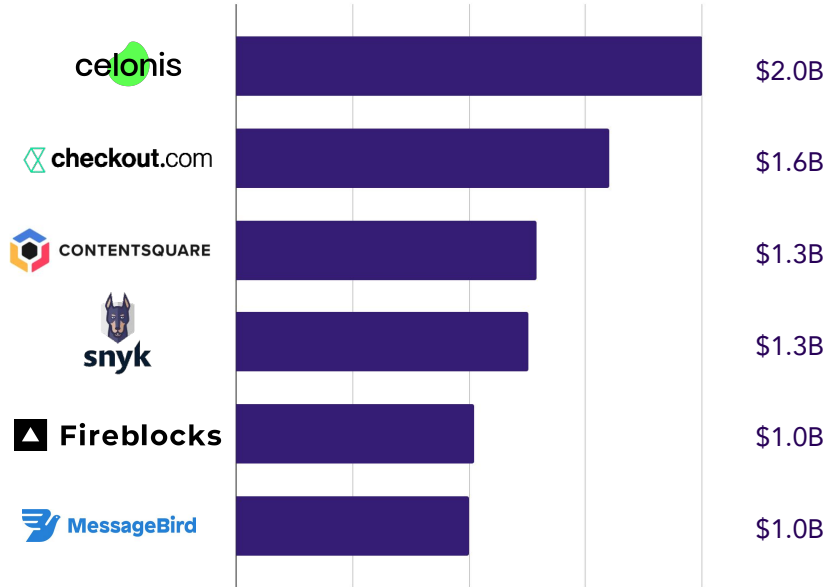


SELECT EU/IL UNICORNS

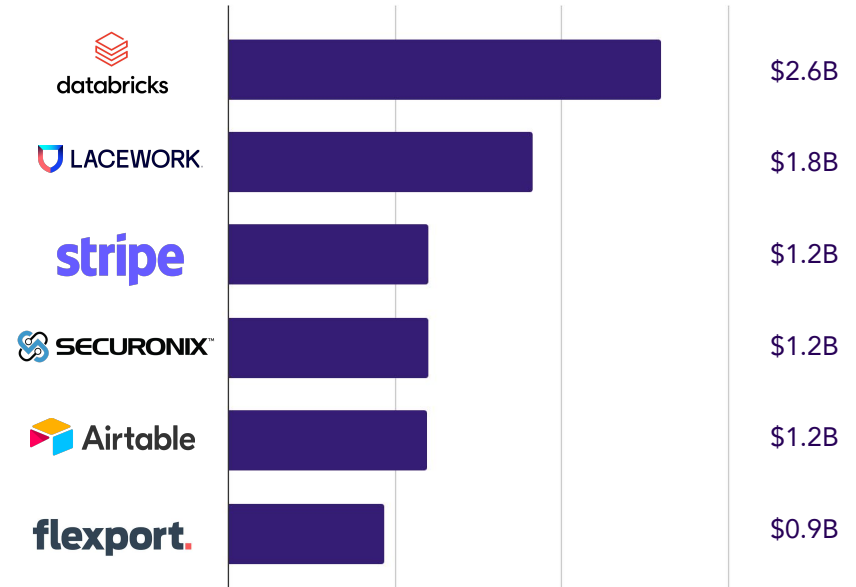


...raising billions of capital since 2020

EU & IL – LARGEST SAAS RECIPIENTS OF FUNDING SINCE 2020



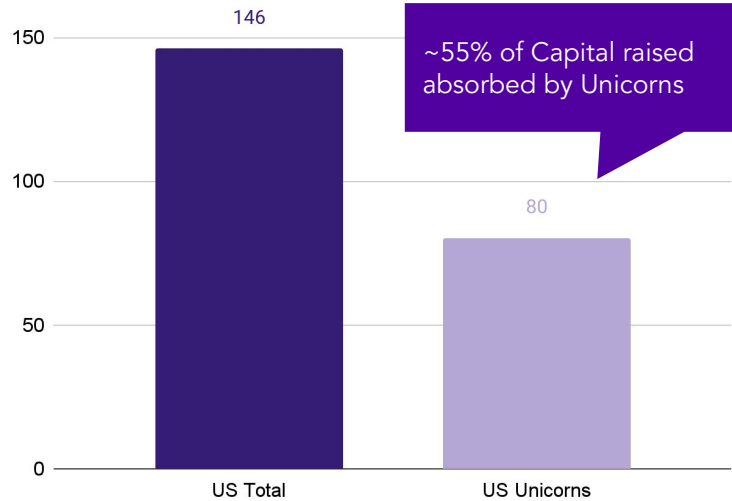
USA – LARGEST SAAS RECIPIENTS OF FUNDING SINCE 2020



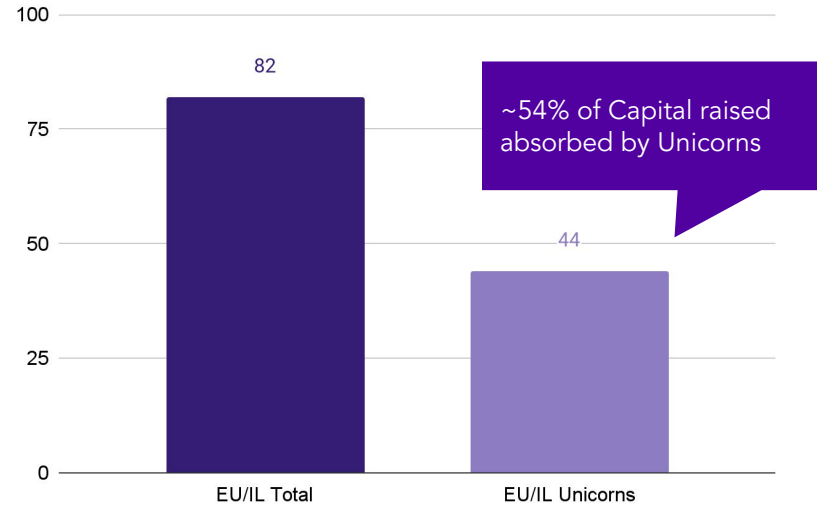
Note: Unicorns founded before 2005 are excluded
 Source: Accel Analysis, Dealroom, Pitchbook, Crunchbase

Concentration of capital with unicorns consistent across US, Europe and Israel

TOTAL CAPITAL RAISED IN US SAAS SINCE 2020 (\$B)

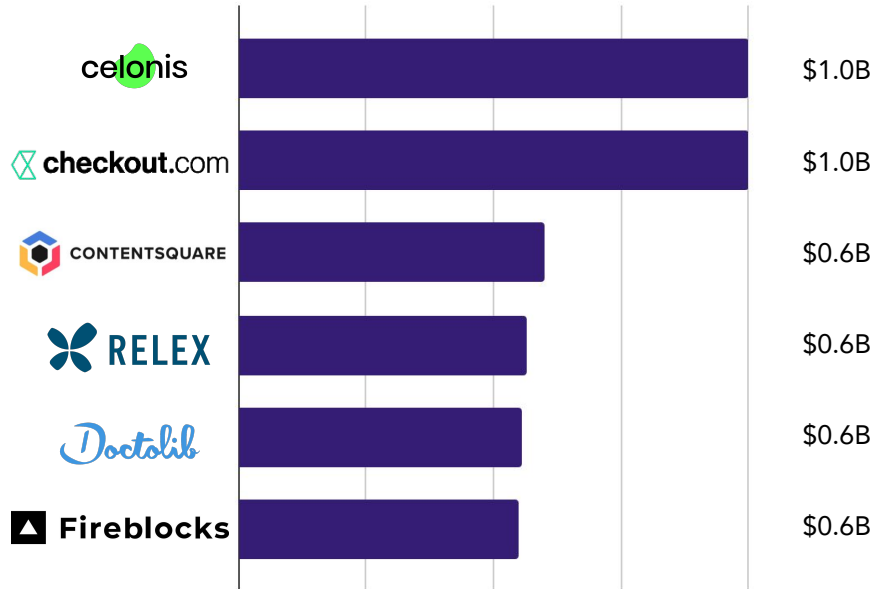


TOTAL CAPITAL RAISED IN EU/IL SAAS SINCE 2020 (\$B)

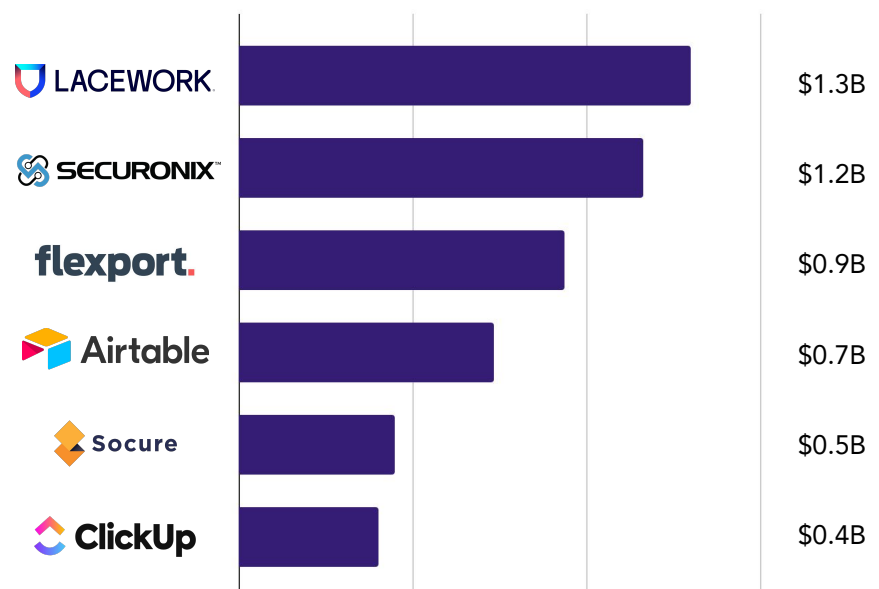


Last 12 months still showing large rounds happening...

EUROPE & ISRAEL – LARGEST PRIVATE ROUNDS LTM



UNITED STATES – LARGEST PRIVATE ROUNDS LTM

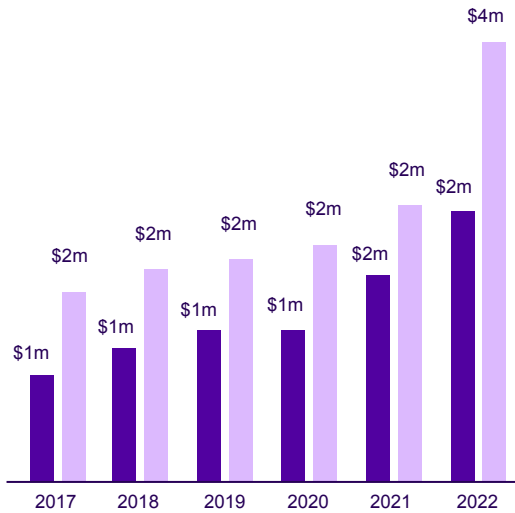


Note: Unicorns founded before 2005 are excluded
 Source: Accel Analysis, Dealroom, Pitchbook, Crunchbase

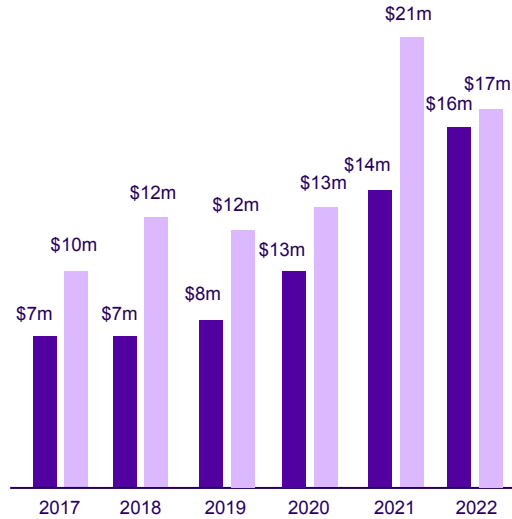
...and increase in average round size across all stages...

■ EU/IL ■ US

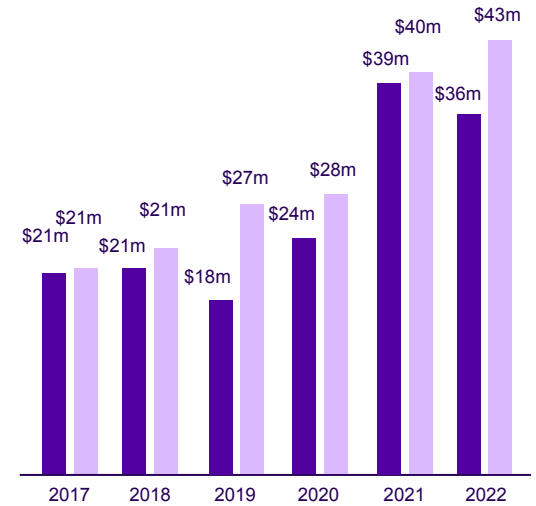
Avg Seed for US, EU, IL SaaS Companies



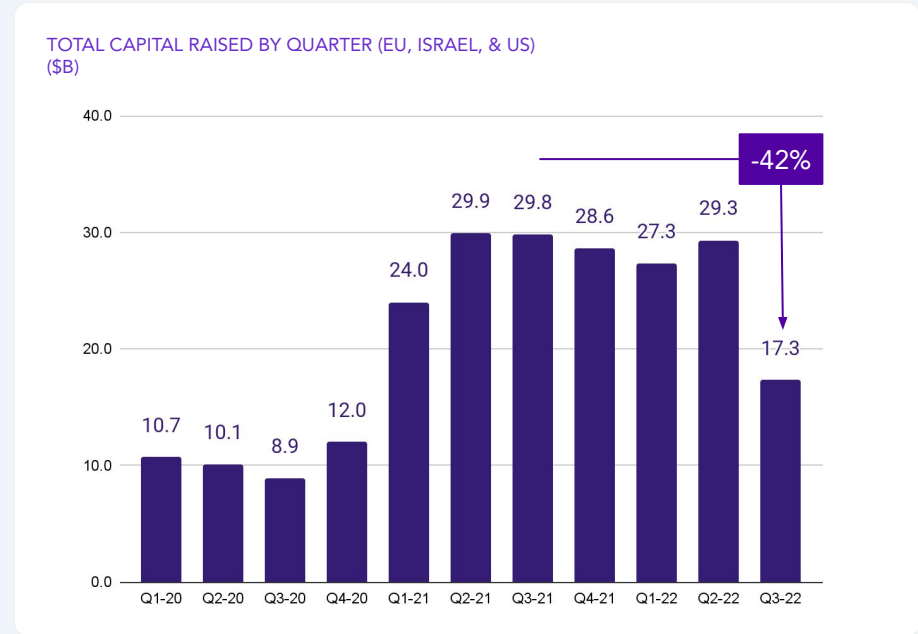
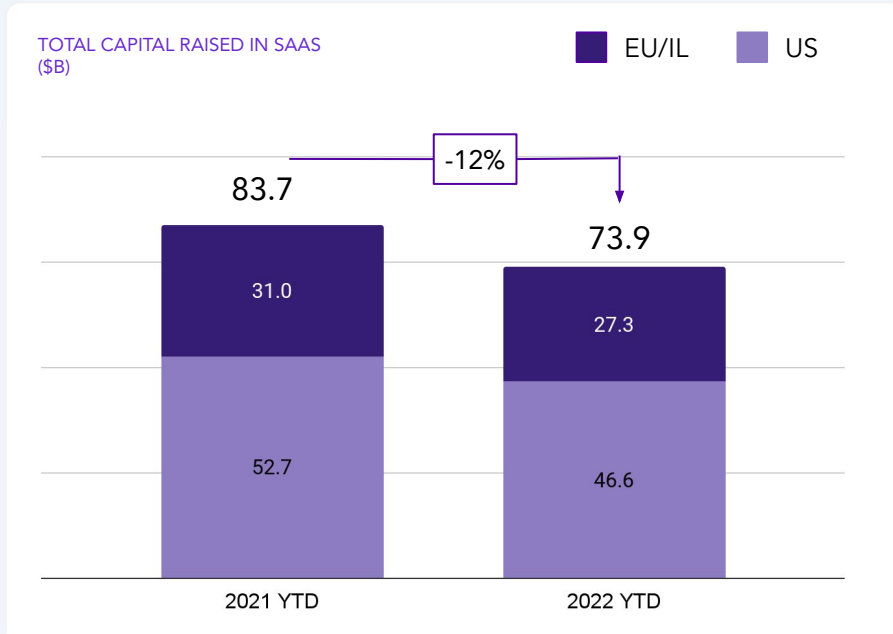
Avg Series A for US, EU, IL SaaS Companies



Avg Series B for US, EU, IL SaaS Companies



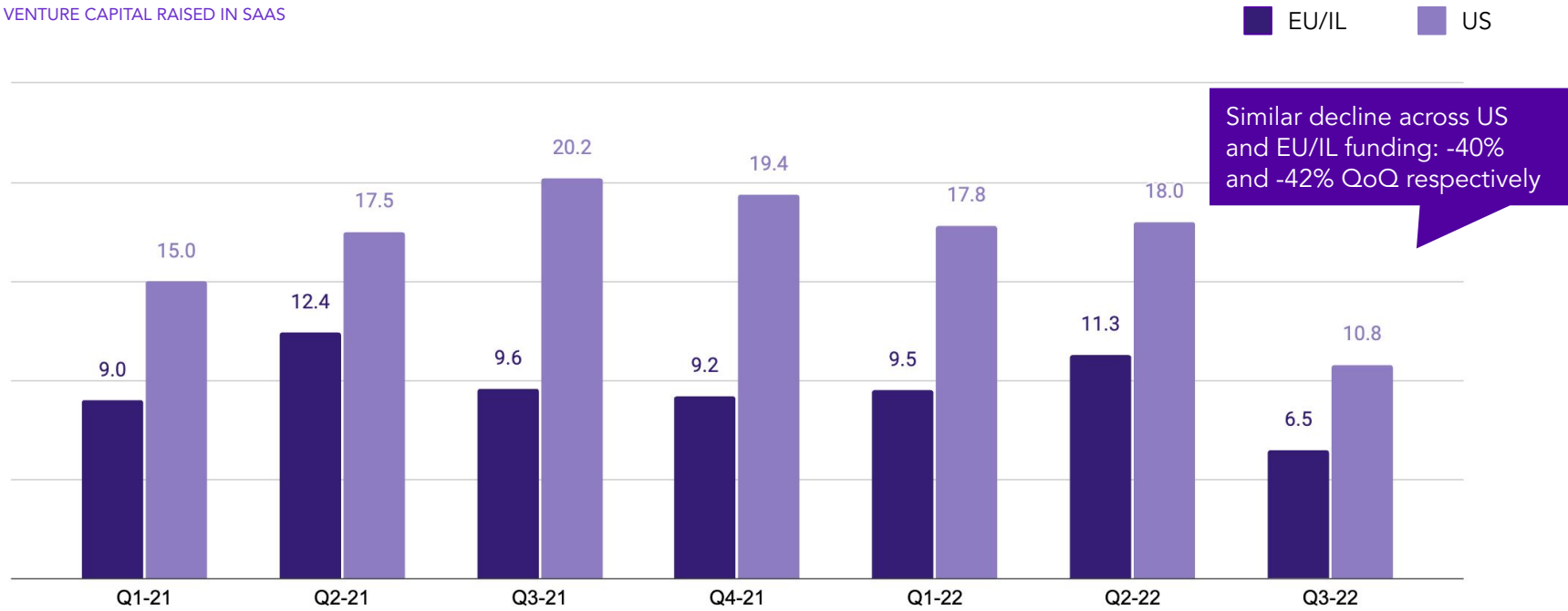
...but venture financing eventually dropping sharply in Q3 after record quarters



Note: Funding figures as of September 30, 2022
 Source: Accel Analysis, Dealroom

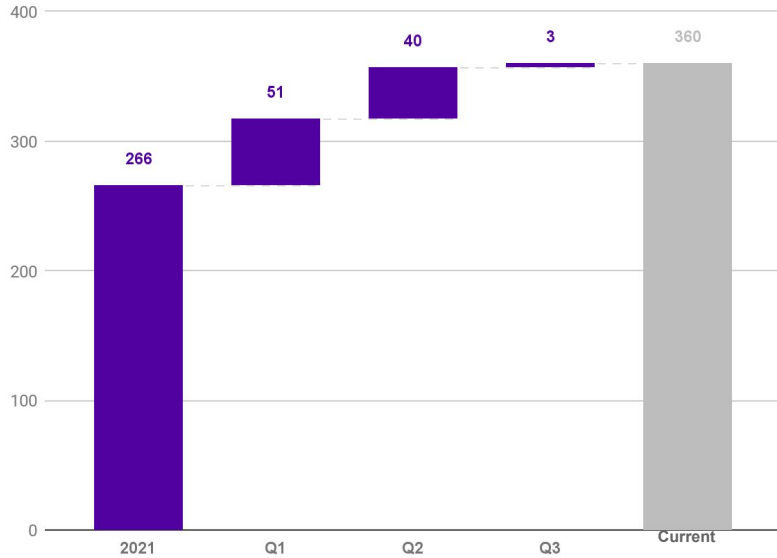
Decline in EU/IL funding consistent with US decline

TOTAL VENTURE CAPITAL RAISED IN SAAS



Unicorn creation back at pre-COVID levels

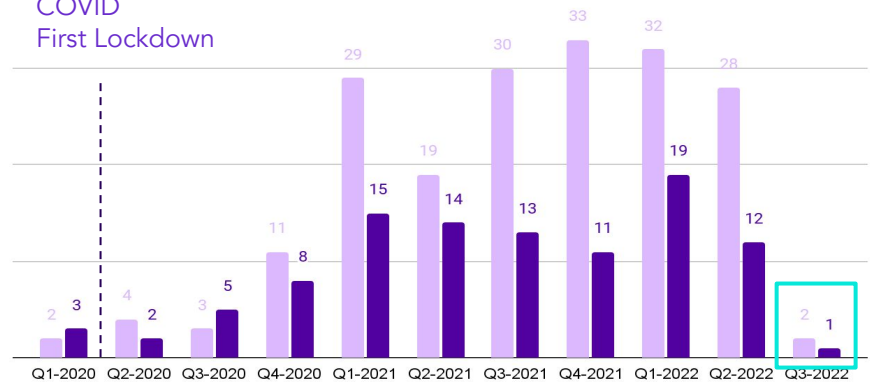
LTM NEW UNICORNS CREATION



NEW UNICORNS OVER TIME

US EU/IL

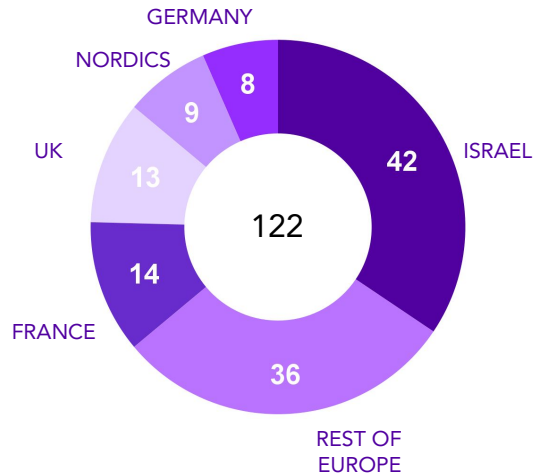
COVID First Lockdown



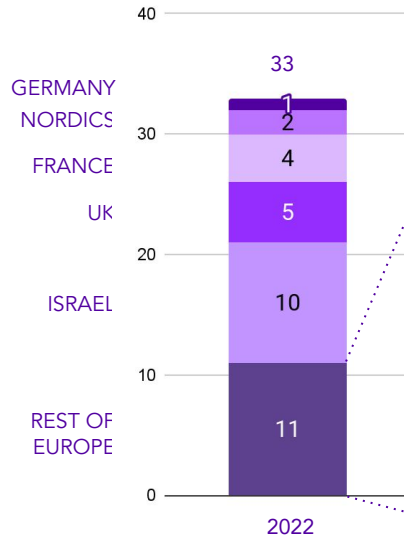
Notes: Excluding Factorial (Q4 Unicorn)
Source: Accel Analysis, CB Insights, Dealroom, Pitchbook

Recent EU/IL SaaS unicorns highlighting diversity of EU ecosystem

TOTAL # OF EU/IL SAAS UNICORNS



2022 NEW UNICORNS



SELECTED NEW RoE UNICORNS



Note: Unicorns from October 2022 added to the total despite being in Q4 2022
 Source: Accel Analysis, CB Insights, Dealroom, Pitchbook, Public Information

PART 1

Market Snapshot

PART 2

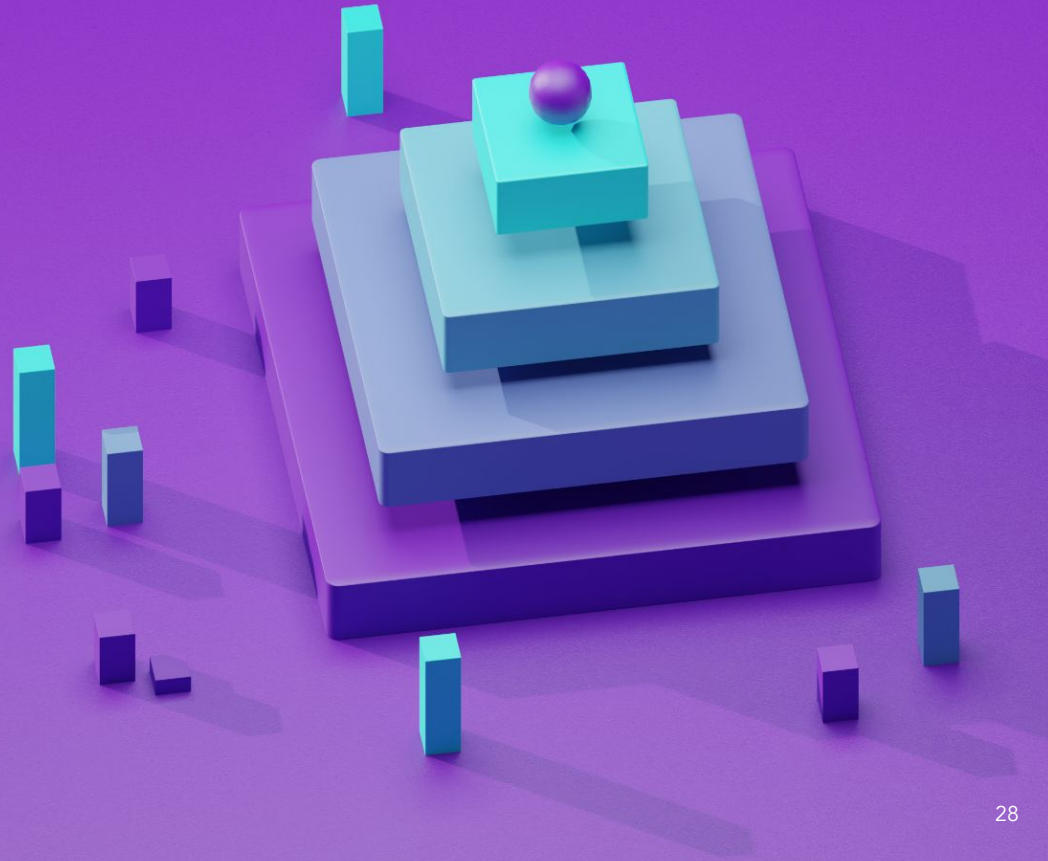
Europe & Israel Unicorn Health Check

PART 3

Accel 2022 Euroscape

PART 4

What's Next?



122 Europe and Israel Cloud Unicorns

EUROPE AND ISRAEL CLOUD UNICORNS

122 COMPANIES
\$44B RAISED SINCE JAN 2020

\$10B+

celonis | deel | checkout.com
grammarly | miro | talkdesk

\$5B+

CONTENTSQUARE | Chainalysis | Collibra | Doooh | Fireblocks
GONG | hopin | MAMBU | mollie | outsystems | Personio
Rapyd | snyk | tipalti | VEEAM | WIZ+
RELEX | STARKWARE

\$2.5B+

AXONIUS | CATO | contentful | cybereason | dataiku | DRIVENETS
FORTER | Grafana Labs | melio | MessageBird | MIRAKL
Own{backup} | papayaglobal | PEO | alik | remote | Tradeshift | Transmit
aiven | BACKBASE | bob | sonar | Thought Machine

Added in last 12 months

\$1B+

aircall | algolia | AppsFlyer | aqua | BigID | BITFURY | BRINGG | AUGURY | BigPanda | CHEQ
CLAROTY | COGNITE | commercetools | COPADO | CloudBees | Cloudinary | copper
fenergo | HoneyBook | infobip | INTERCOM | ivalua | Ledger | deliverect | DEVO | Dune Analytics | ecovadis
MATILLION | nexthink | odoo | ORCA security | PandaDoc | people.ai | pipedrive | factorial | FIREBOLT | flipdish | GOCARDLESS
ppro | redislabs | SaltPay | Shift | SISENSE | solarisBank | Hugging Face | Lusha | noname | NORD security | optibus
Tricentis | TRUELAYER | Trustly | UNIT4 | verbit | workhuman | yotpo. | paddle | PayFit | payhawk | PENTERA | perimeter 81 | productboard
TRACTABLE | SALT | SCANDIT | spendesk | Staffbase | THE BANK OF LONDON | Swile
TransferMate | TravelPerk | unit | veriff | viz

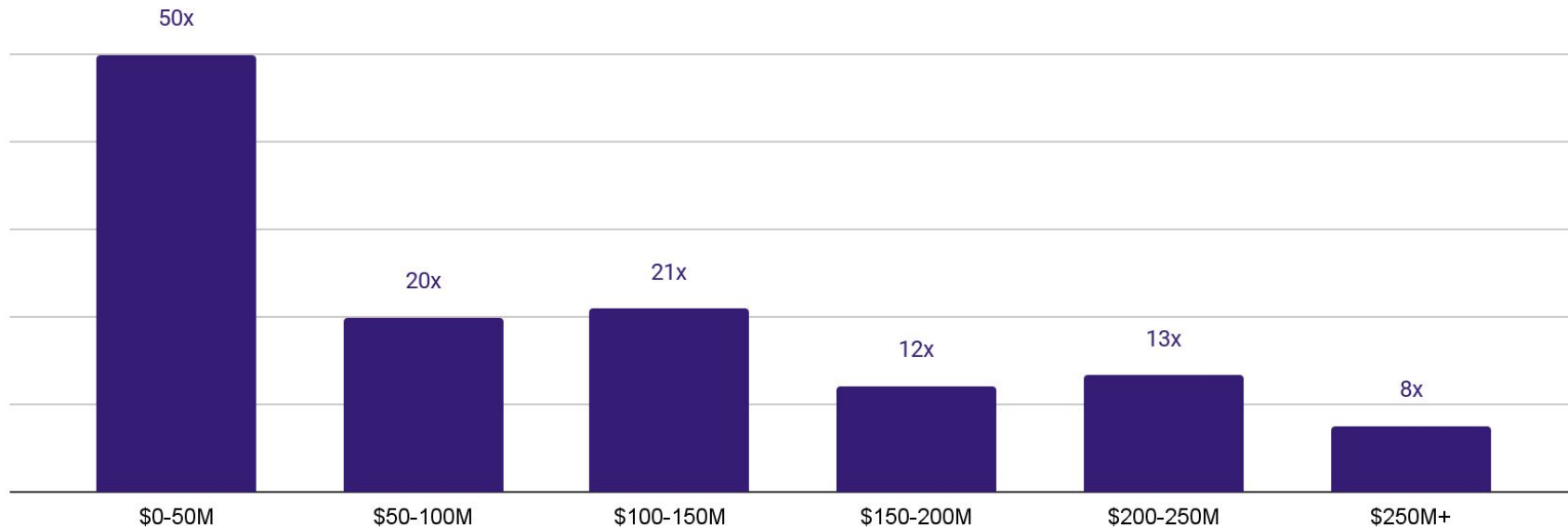
~50% with less than \$100m of ARR

EU/IL UNICORNS BY ARR BAND



ARR multiples at last round valuation ranging from 8x to 50x

EV / ARR MULTIPLE OF EU/IL UNICORNS BY ARR BAND*



Framework - Example for Unicorns with ARR \$0-50M

	Metrics	Description
Valuation	\$1.25B	Median valuation of companies in the \$0-50M ARR bracket
Current ARR	\$25M	Assumed ARR of companies in the \$0-50M ARR bracket
Estimated Cash Balance	\$123M	Current paid-in capital minus estimated capital burned to-date (1/3rd) also assuming \$50M buffer ahead of next round
ARR Multiple (Next Round)	10x	Assumed ARR multiple at next round, based on normalized market multiple
ARR Required for 'Flat Round'	\$125M	Calculated as a Unicorn's current valuation divided by ARR multiple (e.g., $\$1.25\text{B} / 10\text{x} = \125M)
ARR Gap	\$100M	Incremental ARR for Unicorn to grow into its valuation; E.g., if a Unicorn has \$25M in ARR when it raised capital at \$1B valuation then the ARR gap is \$75M assuming 10x ARR multiple
Burn Multiple for 'Flat Round'	1.2x	The burn multiple is equal to 'net burn / net new ARR'; To have a burn multiple of 1.4 means for every \$1M of net new ARR, the company burned \$1.4M
Burn Multiple for 2X mark-up	0.5x	'Net burn / net new ARR' to double valuation at the next round

Prediction - Flat rounds likely, up rounds challenging

	\$0 - 50M	\$50 - 100M	\$100 - 150M	\$150 - 200M	\$200 - 250M
Valuation	\$1.25B	\$1.50B	\$2.62B	\$2.13B	\$3.00B
Current ARR	\$25M	\$75M	\$125M	\$175M	\$225M
Estimated Cash Balance	\$123M	\$147M	\$283M	\$250M	\$300M
ARR Multiple (Next Round)	10x	10x	10x	10x	10x
ARR Required for 'Flat Round'	\$125M	\$150M	\$262M	\$213M	\$300M
ARR Gap	\$100M	\$75M	\$137M	\$38M	\$75M
Burn Multiple for 'Flat Round'	1.2x <i>Not so easy</i>	2.0x	2.1x	6.7x <i>Likely</i>	4.0x
Burn Multiple for 2X mark-up	0.5x	0.7x	0.7x	1.0x <i>Challenging</i>	0.8x

PART 1

Market Snapshot

PART 2

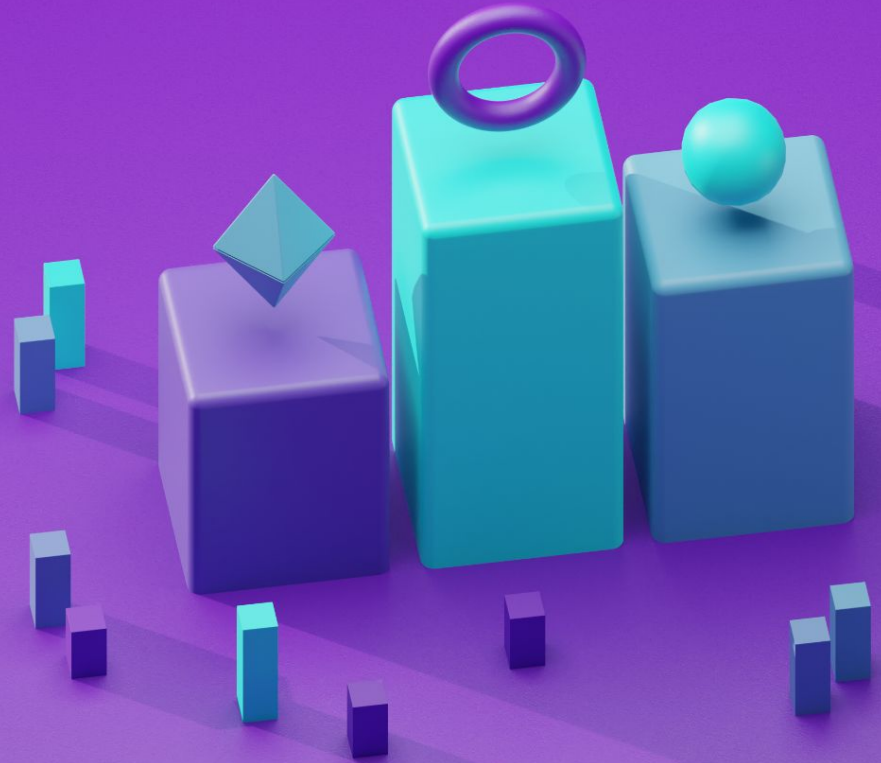
Europe & Israel Unicorn Health Check

PART 3

Accel 2022 Euroscape

PART 4

What's Next?



2022 Accel Euroscape

WHO?

2,200+

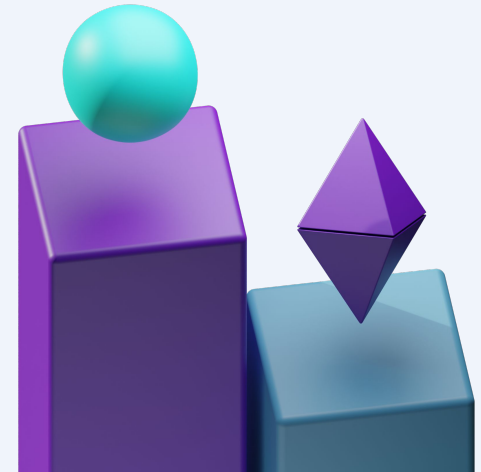
EU & ISRAEL BORN SAAS COMPANIES

25+

COUNTRIES

HOW?

- Market attractiveness
- Competitive differentiation
- Product
- Team strength
- Momentum (ARR, FTEs)
- Customer feedback



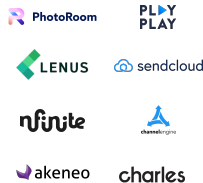
2022 Accel Euroscape

Top 100 EU & Israel cloud companies with revenues above \$1m and valued at less than \$1bn

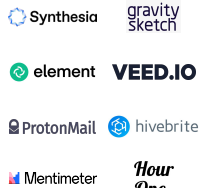
SALES / SUPPORT



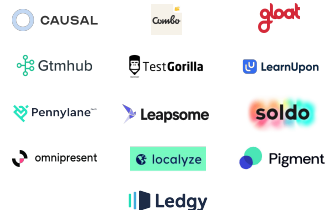
E-COMMERCE / MARKETING



PRODUCTIVITY / COLLABORATION



FINANCE / HR / LEGAL



COMPLIANCE



BLOCKCHAIN / CRYPTO



VERTICAL SAAS



DATA / BI / ANALYTICS



AUTOMATION



PAYMENTS / BANKING INFRA



DEVELOPERS / INFRASTRUCTURE



SECURITY



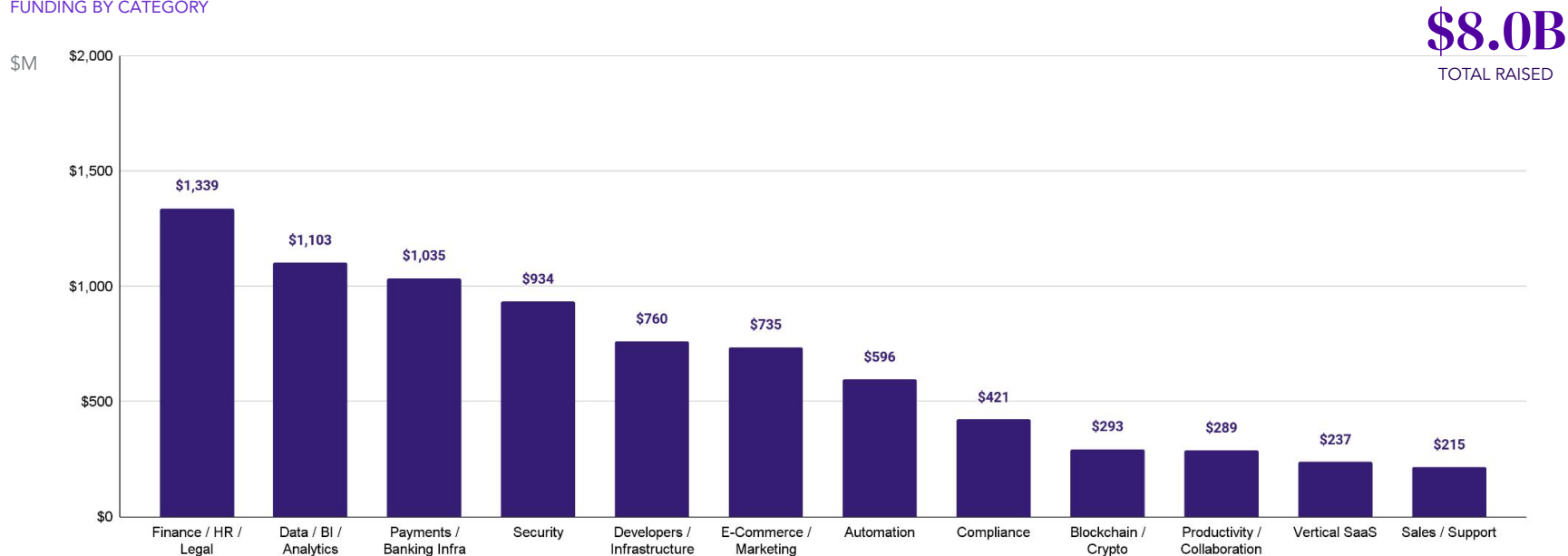
2022 Accel Euroscape: At a glance



EuroscAPE winners raised \$8B

– Finance/HR/Legal category leading the pack

FUNDING BY CATEGORY



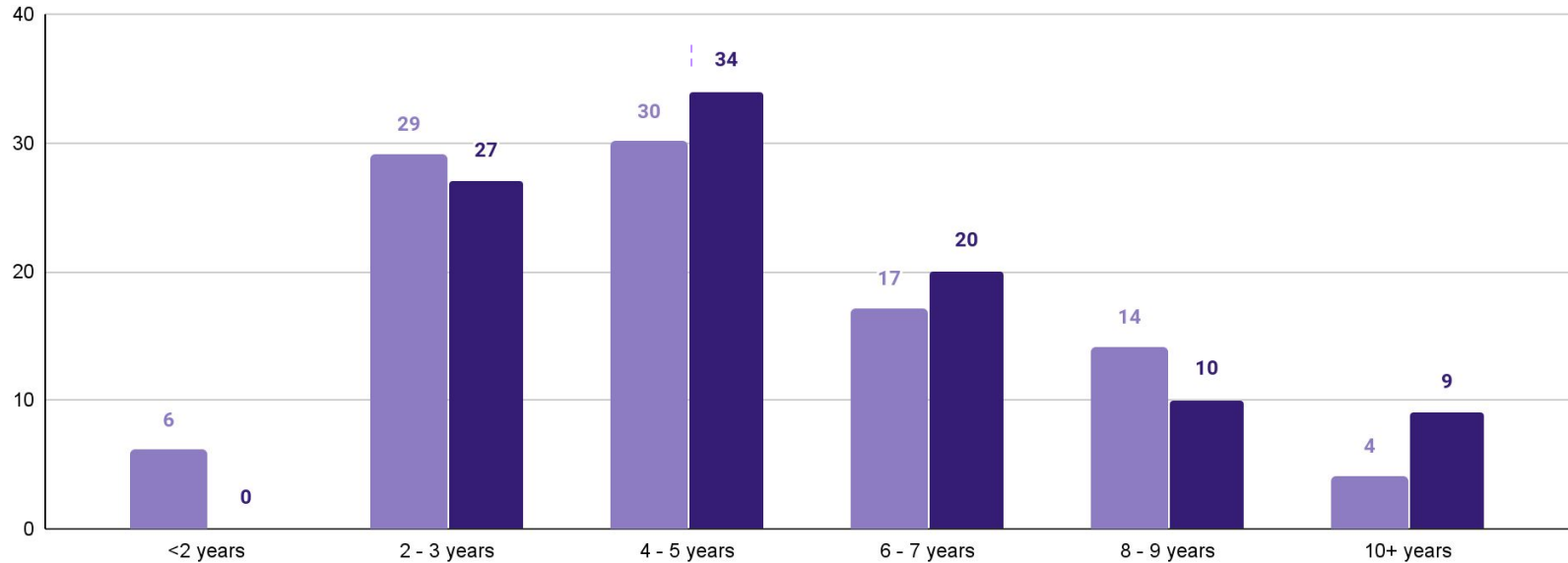
Most winners founded 4-5 years ago...

YEARS FROM FOUNDING

of companies

Median = 5 years
(same as 2021)

2021 2022

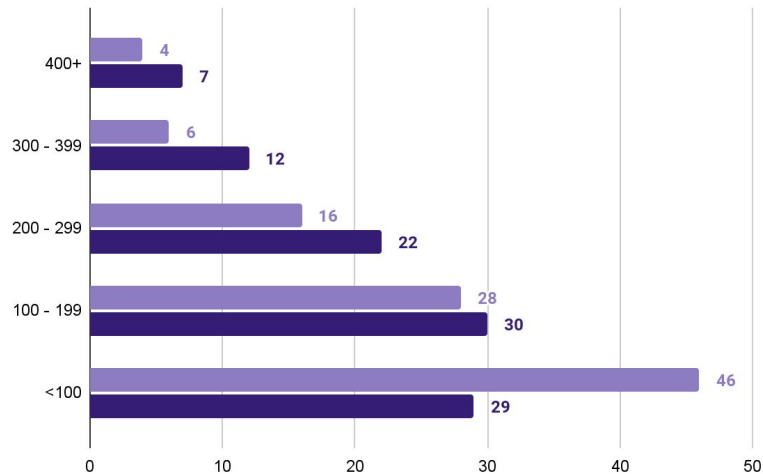


... with less than 200 FTEs and less than \$100M raised

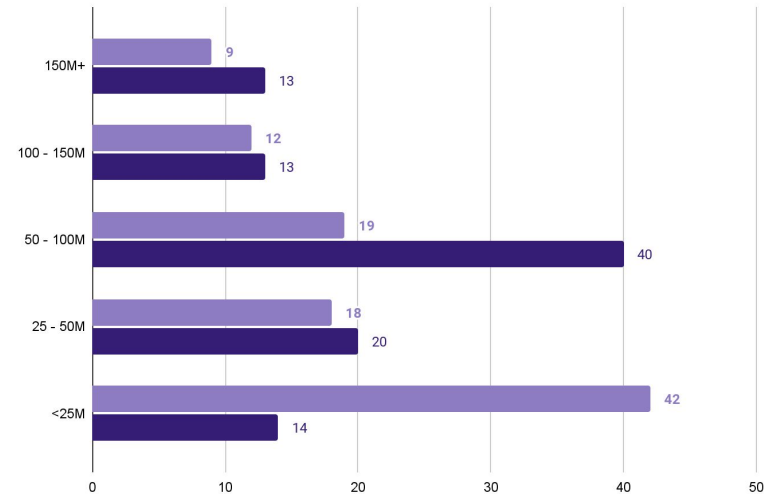
Number of companies by category

■ 2021 ■ 2022

OF EMPLOYEES



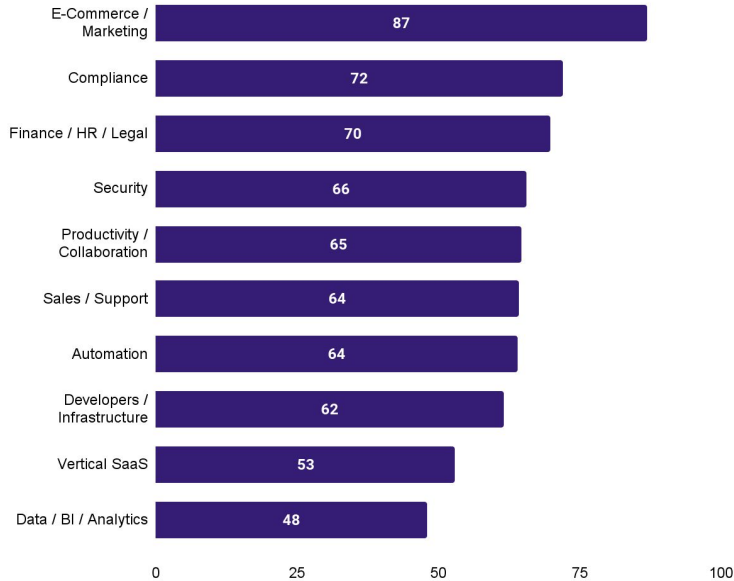
CAPITAL RAISED (\$)



2022 Accel Euroscape: Customer centric

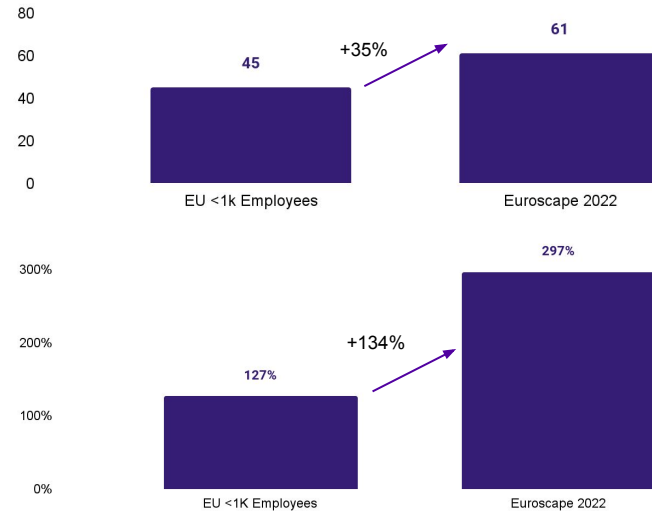


Score by Category



Score & Review Growth

G2 Average Score



Note: Only Top 10 categories highlighted for G2 scoring
Source: Accel Analysis, G2

PART 1

Market Snapshot

PART 2

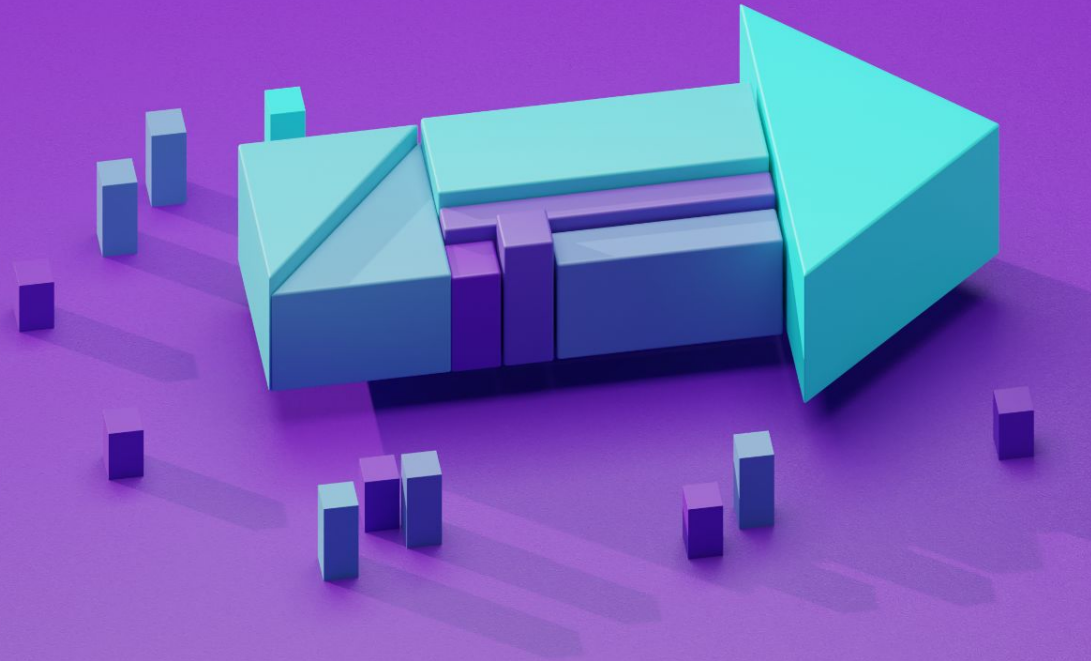
Europe & Israel Unicorn Health Check

PART 3

Accel 2022 Euroscape

PART 4

What's Next?



What's Next?



CLOUD SECURITY TURNING TO
THE APPS & DATA LAYERS



INFRASTRUCTURE AND TOOLING
FOR THE HYBRID WORKFORCE



PERSONALIZED COMMERCE
BECOMING A REALITY



PROLIFERATION OF
EMBEDDED FINANCE



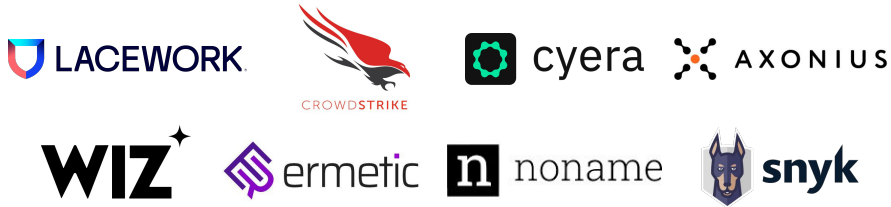
RISE OF THE DEVELOPER DRIVEN
DATA STACK



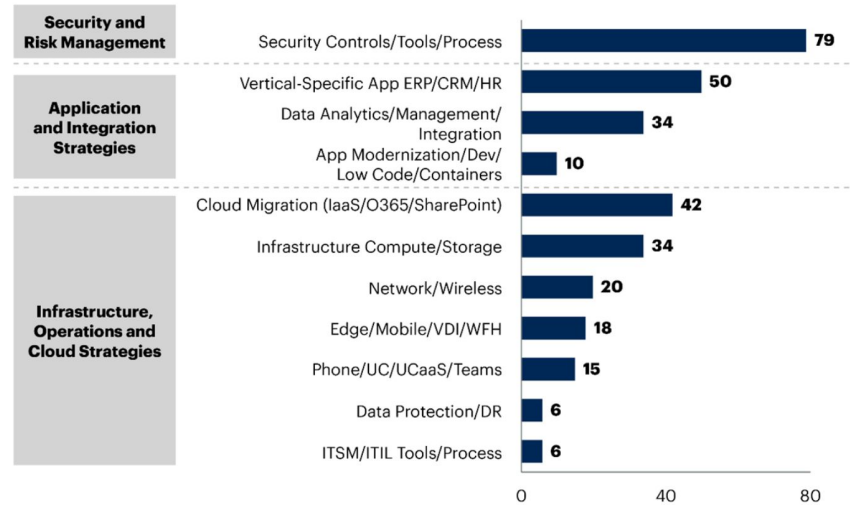
WEB3/CRYPTO DEVELOPER, DATA AND
SECURITY TOOLING LEVELLING UP

Cloud security turning to the app & data layers

- With the ongoing migration to the cloud in full swing and only around 40% complete, securing the cloud remains a top priority for companies
- Following heavy investments in cloud infra security (e.g. CSPM, CIEM) and identity solutions, CISOs are turning their focus to securing the development pipeline, apps and their data landscape across multiple platforms
- Emergence of solutions capable of classifying and remediating sensitive data at cloud scale



GARTNER SURVEY – SECURITY REMAINS THE TOP MID / ENTERPRISE PRIORITY



Values represent CIO / IT Leader survey responses in terms of active IT projects in these categories

Infrastructure and tooling for the Hybrid Workforce

- Post pandemic world increasingly requires collaboration tools that can adapt to the increasingly hybrid nature of remote work
- With remote / hybrid work becoming the new standard, companies are increasingly faced with complex and challenging compliance and legal issues
- Key labor shortages in critical areas driving greater need to maximise effective use of internal talent
- AI unleashing new generation of internal talent marketplaces and platforms

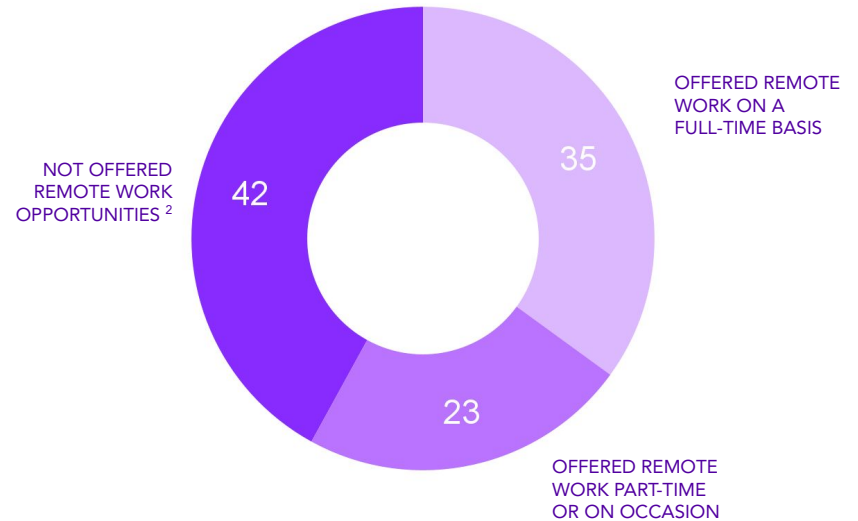









AVAILABILITY OF REMOTE-WORK OPTIONS IN THE US,
% OF EMPLOYED RESPONDENTS ¹



Personalized commerce becoming a reality

- Commerce platforms' move to cloud-native, API-driven headless architectures unlocks new customer journeys and customisation
- Consumers are looking for more personalized experiences, with merchants needing scalable new channels & automation to engage and sell
- Emergence of conversational and social commerce platforms in the US and Europe, following major adoption in Asia and LatAm



commerce layer



EMERGENCE OF CONVERSATIONAL COMMERCE GAINS MOMENTUM

SHOCKS

10% OFF

Sign up to our WhatsApp newsletter and get **10% off** your next order

Sign up in chat

Sign up to our WhatsApp newsletter and get **10% off** your next order

Enter your email

Proliferation of embedded finance

- Companies will increasingly adopt embedded finance within their offerings to improve their unit economics, build deeper customer relationships and stay competitive
- Proliferation of Open Banking platforms has democratized access to data that was historically limited to financial institutions making it easier than ever to underwrite risk / understand the customer
- Infrastructure tooling has matured and now targets non-fintechs - effectively lowering barriers to development

swan

meli^o

PLAID

MARQETA



codat

stripe



Primer

kevin.

MARKET SEGMENTATION

Payments	Lending	Banking	Insurance
B2C	BNPL	Account Issuing	B2C
B2B	POS Lending	Card Issuing	B2B
	Business		
	Mortgages		

Rise of the developer driven data stack

- Evolution in cloud data infrastructure is underpinning multiple growth categories, from data-driven B2C products to enterprise ML
- Data teams are borrowing best practices from software development and are demanding new tools for reliability, versioning and governance
- Data infrastructure stack is transitioning from 'top-down' legacy tools to developer-centric solutions for data engineers and analysts



GARTNER PREDICTIONS – DATA INFRASTRUCTURE

“By 2023, 60% of organizations will compose components from three or more analytics solutions to build business applications infused with analytics that connect insights to actions.”

“Through 2024, 50% of organizations will adopt modern data quality solutions to better support their digital business initiatives.”

“Through 2025, 80% of organizations seeking to scale digital business will fail because they do not take a modern approach to data and analytics governance.”

Web3 / crypto developer, data and security tooling levelling up

- The recent bull run stoked significant innovation in the picks & shovels for Web3
- The quality of tooling is catching up with expectations and usage, with thought leaders emerging across the stack
- Similar to the 2018-20 crypto winter, Web3 developer activity appears robust despite falling token prices
- Web3 security software is becoming increasingly sophisticated and battle-tested
- Europe and Israel remain well-positioned as Web3 innovation hubs

THOUGHT LEADERS EMERGING ACROSS THE WEB3 STACK

Security



Data & analytics



Development



Infrastructure





Euroscape 2022

Thank you!

Accel

List of companies in Accel Euroscope indices

Global Accel Euroscope Index - Currently Listed Companies

EU & Israel Accel Euroscope Index

Dynatrace	Austria
Trustpilot	Denmark
Unity	Denmark
TeamViewer	Germany
Global-E	Israel
Jfrog	Israel
Kaltura	Israel
Meltwater	Norway
Monday	Israel
Riskified	Israel
SentinelOne	Israel
SimilarWeb	Israel
Varonis Systems	Israel
Walkme	Israel
Wix.com	Israel
Elastic	Netherlands
Forgerock	Norway
UiPath	Romania
GitLab	Ukraine
Darktrace	United Kingdom

US Accel Euroscope Index

2U	CS Disco	Liveperson	ServiceNow
8x8	Cvent	Marqeta	Smartsheet
Adobe	Datadog	Meridian Link	Snowflake
Akamai	Definitive Healthcare	Momentive	Splunk
Alkami	Digital Ocean	MongoDB	Sprinklr
Alteryx	DocuSign	Ncino	Sprout Social
Amplitude	Domo	New Relic	SPS Commerce
AppFolio	Dropbox	Okta	Square
Appian	Duck Creek	Olo	SquareSpace
Asana	Dun & Bradstreet	ON24	Sumo Logic
Autodesk	Enfusion	Palantir	Tenable
AvidXChange	EngageSmart	Paycom	Toast
Bentley	Eventbrite	Paycor	Twilio
Bill.com	Everbridge	Paylocity	UserTesting
Blackbaud	EverCommerce	Paymentus	Veeva
Blackline	Expensify	Paypal	Weave
Blend	Fastly	PowerSchool	Workday
Box	Five9	Procore	Workiva
Braze	Flywire	Q2 Holdings	Yext
C3	Guidewire	Qualtrics	Zeta Global
Clearwater	HashiCorp	Qualys	Zoom Info
Cloudflare	HubSpot	Rackspace	Zoom
Confluent	Informatica	Rapid7	Zscaler
Couchbase	Instructure	RingCentral	Zuora
Coupa	Jamf Holding	salesforce.com	
CrowdStrike	KnowBe4	Samsara	