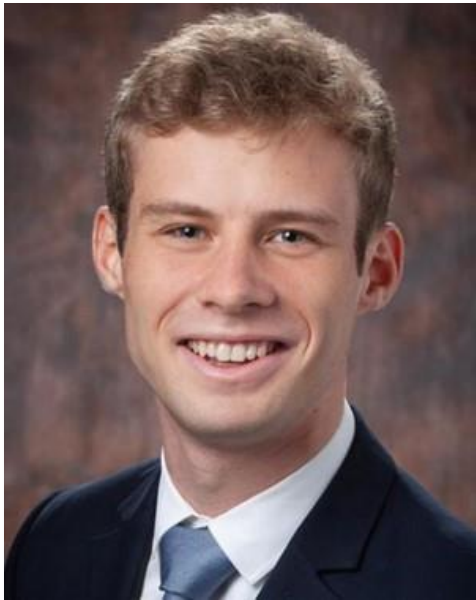


CORUM

**A.I. & the New  
M&A Playbook**

## **Rielly Milne, SVP, Communication Strategy, Corum Group Ltd.**



- **Rielly manages and oversees the production of Corum's webcasts and online events in coordination with the World Financial Symposiums.**
- **He brings media production experience from technology reviews, hospitality promotion, sporting event live streaming, and travel content.**
- **Prior to joining Corum in 2019, he was a coxswain for the U.S. Men's Rowing Team in Oakland, CA during their preparations and trials for the 2020 Tokyo Olympics.**
- **Rielly holds a bachelor's degree from the University of Washington in Communication.**

GROWTH & EXIT STRATEGIES  
FOR SOFTWARE AND IT COMPANIES



# World Financial Symposiums

Educating Technology Leaders

WFS.com



**Corum has  
30 years of  
transaction  
experience  
in A.I.**





# Corum's A.I. Transactions

 <p>has acquired</p>  <p><i>Corum acted as exclusive M&amp;A advisor to Gazelle.ai</i></p> 	 <p>has acquired</p>  <p><i>Corum acted as exclusive M&amp;A advisor to Compellon</i></p> 	 <p>has acquired</p>  <p><i>Corum acted as exclusive M&amp;A advisor to Vidnami</i></p> 	<p>Hitachi Vantara</p> <p><i>has acquired</i></p>  <p><i>Corum advised Centrica on its divestiture of IO-Tahoe</i></p> 	 <p>has acquired</p>  <p><i>Corum acted as exclusive M&amp;A advisor to MotivIndex</i></p> 	 <p><i>has acquired</i></p>  <p><i>Corum acted as exclusive M&amp;A advisor to Fing</i></p> 	 <p>has acquired</p>  <p><i>Corum acted as exclusive M&amp;A advisor to API Outsourcing Centreviews</i></p> 
 <p>has acquired a minority stake in</p>  <p><i>Corum acted as the exclusive M&amp;A advisor to Perceptronics Solutions</i></p> 	 <p>has acquired</p>  <p><i>Corum acted as exclusive M&amp;A advisor to BP Logix</i></p> 	 <p>has acquired</p>  <p><i>Corum acted as exclusive M&amp;A advisor to Leiki Ltd</i></p> 	 <p><i>has acquired the assets of</i></p>  <p><i>Corum acted as exclusive M&amp;A advisor to Clay AIR</i></p> 	 <p>has acquired</p>  <p><i>Corum acted as exclusive M&amp;A advisor to Phasya</i></p> 	<p>Timeslips Corporation</p> <p>has acquired</p>  <p><i>We assisted Software Partners, developer of TimeSheet Professional</i></p> 	





**Corum's dealmakers all have  
experience with A.I.**

**We welcome your questions!**

**Email questions to  
info@corumgroup.com**

**This event is being recorded**  
On demand webcast will be available at  
[www.corumgroup.com](http://www.corumgroup.com)

**Welcome**

**“Generative A.I. for Business Leaders” Presented by Dr. Ivan Ruzic**

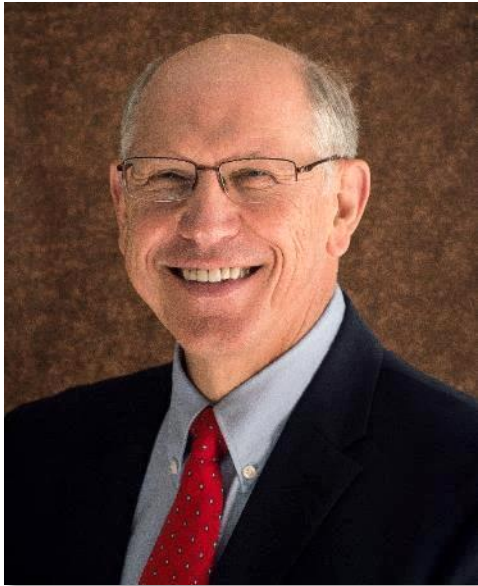
**A.I. Market Research Report**

**“6 Chatbot Cautions” Presented by Bruce Milne**

**Closing**



## Ivan Ruzic, **Senior VP, Corum Group Ltd.**



- **Successful 30+ year career in the software and services industry that has included virtually every senior executive role.**
- **Resume spans marquee pioneering IT companies such as CA, USL, Novell, BEA systems and Borland.**
- **Four-time CEO. Multiple startups and turnarounds.**
- **Extensive international operations experience and in addition to the United States involved in M&A in Europe, Africa and Asia.**
- **Recent transactions in AI/NLP, cybersecurity, professional services, data discovery/governance and IOT for life sciences.**

CORUM

**A Primer ...**

# **Generative AI for Business Leaders**

**Ivan Ruzic**

**September 2023**

- **What is Generative AI?**
- **Generative AI State of Development**
- **What Business Leaders need to know**

- **What is Generative AI?**
- **Generative AI State of Development**
- **What Business Leaders need to know**





- Artificial intelligence (AI) is the ability of a computer or machine to think and behave like a human.
- Generative AI is a class of AI with three key features:
  - Can handle generalized rather than specialized use cases
  - Can generate novel, human-like output rather than merely describing or interpreting existing information, and
  - Interfaces that both understand and respond with natural language, images, audio, and video.
- Designed to be enhanced and customized for many different use cases

# Generative AI Provides Many Benefits



**SPEED** – CAN HANDLE  
LARGER AND MORE  
COMPLEX INFORMATION  
THAN HUMANS



**IDEA & CONTENT  
CREATION** – MUCH NOT  
PREVIOUSLY CONSIDERED  
BY HUMANS



**RESOURCE GENERATION** –  
DATA SET GENERATION,  
MODELING, FORECASTING,  
ETC.



**ACCESSIBLE** – ABILITY TO  
INTERACT VIA VOICE, CHAT  
OR IMAGES AND IN  
MULTIPLE LANGUAGES

**If the internet makes the world flatter ... AI makes the world faster!**

# Two Years Old .. And Already Many Use Cases

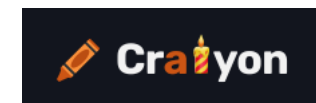
## Text Generation

Writers, bloggers, lawyers, etc..



## Image/Video Generation

Artists, photographers, videographers



## Code Generation

Programmers



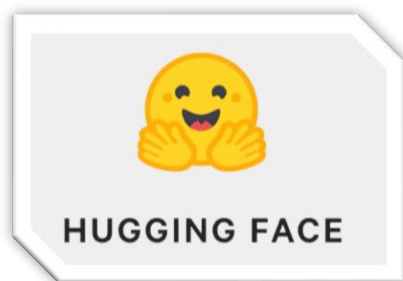
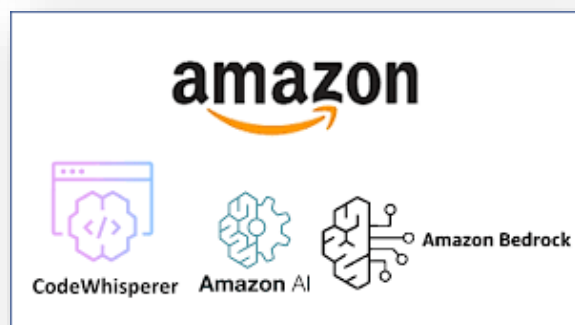
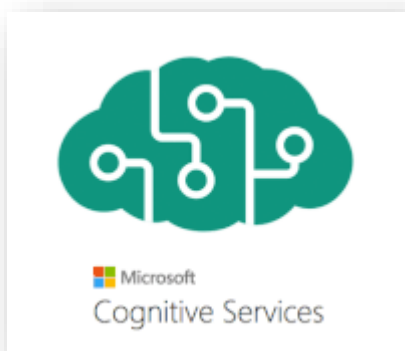
## Other Generation

Actors, Musicians, Exec. Assistants



.. And many, many others ..

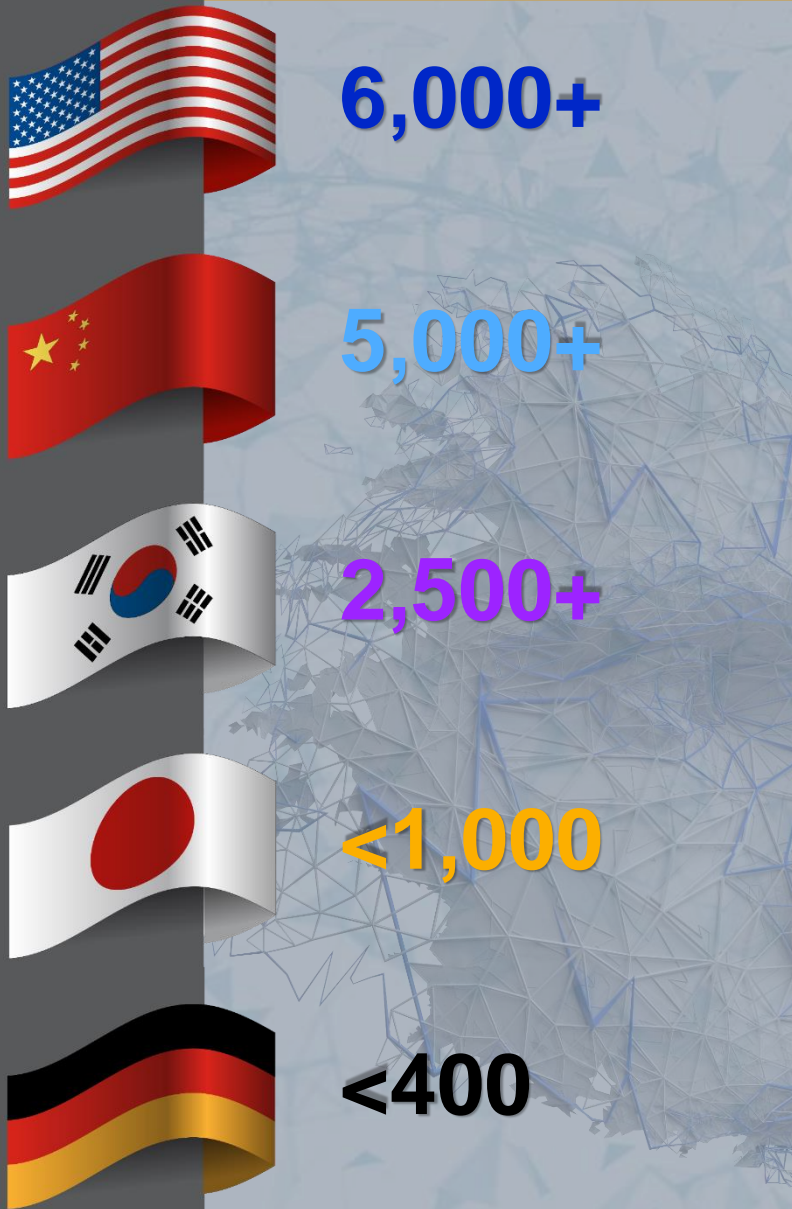
# Some of the Big Dogs in Generative AI !





- What is Generative AI?
- **Generative AI State of Development**
- What Business Leaders need to know

# AI Patent Activity is Explosive

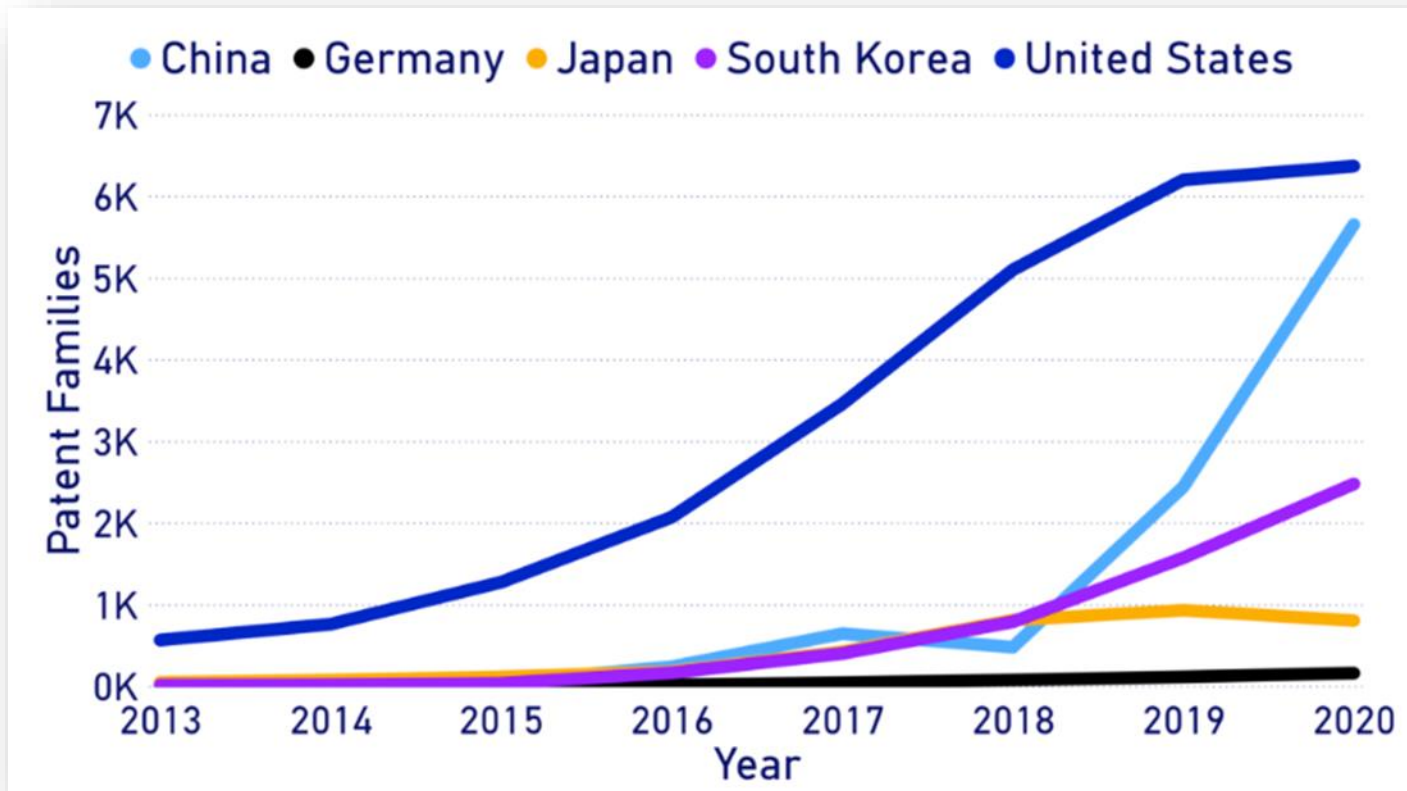


- The United States and China are leading the charge in AI innovation, especially in recent years.
- Other countries that are also making significant strides in AI innovation are Germany, Japan and South Korea.
- Three of the Top 5 are in Asia

● China ● Germany ● Japan ● South Korea ● United States

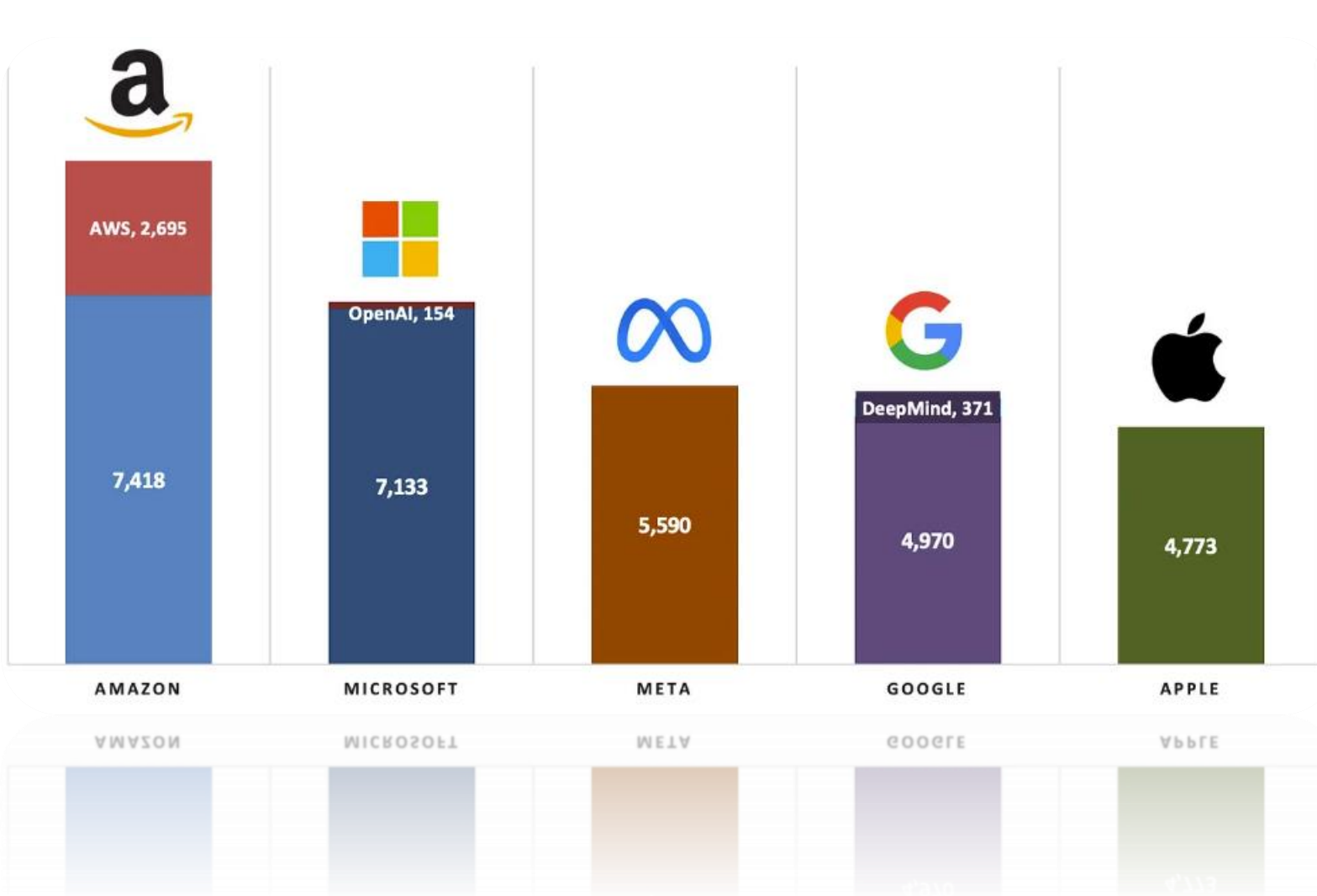
Source: <https://iamip.com/the-rise-of-artificial-intelligence-patent-activity-in-europe-around-the-world/>

# AI Patent Activity is Explosive



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# The AI Armies of the Tech Giants



## AI employees as a % of workforce:

- Meta (6.5%)
- Microsoft ( 3.2%)
- Google (3.0%)
- Apple (2.9%)
- Amazon (0.7%)





- General-purpose AI model - released December 2022.
- “General purpose” - trained on a massive amount of information across the internet.
- Conversational - provides answers to questions and generates text that sound and look like they were written by a human.
- In the background - a large language model (LLM) imitates human conversation during interaction.
- Remembers things you have said to it in the past (retains context) and capable of correcting itself when wrong.
- Trained to refuse inappropriate requests (“Guard Rails”).

# Text-to-Text : GPT-4 (gold standard for now)



Extensible via Plugins



Many, many others (500+)

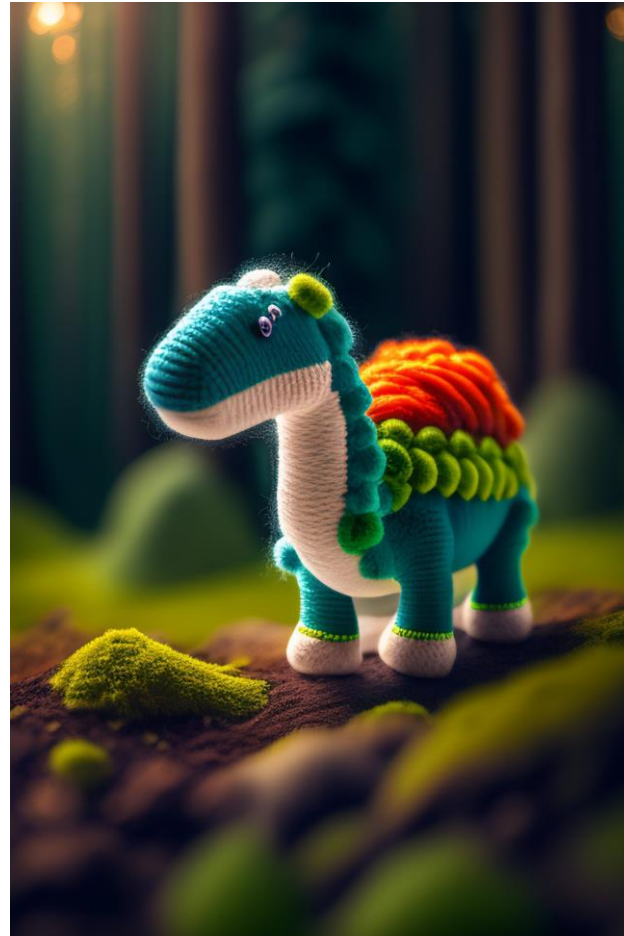
- ChatGPT/GPT4 now part of the Microsoft ecosystem
- Huge - trained on a broader set of data – 1.76 trillion parameters and trained on 20 Terabytes of text data [5.7x bigger than GPT-3]
- Released in March 2023
- Significant enhancement
  - Multimodal\*
  - Support for third-party applications via Plugins and APIs
  - Larger inquiries (up to 8k tokens – will be increased to 32k tokens soon – about 25,000 words)
  - Many emergent capabilities
- 110% more truthful & hallucinates 53% less than ChatGPT
- Defines “smart” - surpasses human performance in a wide array of tests.

\*Inputs can include text or images

# Text-to-Image : Stable Diffusion



Prompt: A veiled woman who is sad, face hidden.



Prompt: A dinosaur made of wool in a realistic forest with blurred background, 8k



Prompt: old woman, natural light, sharp, detailed face, magazine, press, photo, david lazar, canon, nikon, focus

# Text-to-Code : StarCoder & Bard

I have a deadline coming up and I still need to run evaluation of my model. How can I speed this up?

There could be three things going on here. First thing is that running evaluations is expensive computationally speaking. Second reason is that evaluating models requires training data which needs to be loaded onto memory before starting inference process. Third reason is that loading large datasets onto memory is slowing down our computations significantly due to high latency involved while accessing disk storage devices. If you haven't already done so please read [https://www.tensorflow.org/guide/data\\_performance](https://www.tensorflow.org/guide/data_performance). Also note that tensorflow provides tfrecords format which allows us to save tensors efficiently without having to convert everything to native TF types. Please refer to [https://www.tensorflow.org/tutorials/load\\_data/tfrecord](https://www.tensorflow.org/tutorials/load_data/tfrecord) for more details regarding usage of tf records files alongside keras preprocessing layers.

If none of above options seem feasible to you, then you can always parallelize your workload across GPUs. Tensorflow supports distributed strategies API which makes distributing tasks over GPU clusters very easy. Refer to [https://www.tensorflow.org/api\\_docs/python/tf/distribute/MirroredStrategy](https://www.tensorflow.org/api_docs/python/tf/distribute/MirroredStrategy) for more info.

Help me, I am tra

Well, vim is great  
<https://www.vim.org>  
If you still feel stu

How can I insta

If you already h  
prompt / termi  
Note that CUDA  
errors during c  
while Anaconda  
upgrade your P

If you wish to s  
above except r

For more detail

What is a Dockerfile?

Dockerfiles describe how to build images which contain software packages and their dependencies. These docker files are used to generate containers during runtime. Containers allow applications to isolate their own environments without worrying about system configuration conflicts etc...

can you fix this code with a bug and add line by line comments in Korean.

```
1 visited = set()
2
3 def dfs(visited, graph, node):
4     if node not in visited:
5         print (node)
6         for neighbour in graph[node]:
7             dfs(visited, graph, neighbour)
```

The bug in the code is that the 'visited' set is not being updated. The code should be updated to add the current node to the 'visited' set before calling the 'dfs' function recursively. The updated code with Korean comments is as follows:

```
1 # 방문한 노드의 집합을 만듭니다.
2 visited = set()
3
4 # 깊이 우선 탐색을 수행합니다.
5 def dfs(visited, graph, node):
6     # 현재 노드가 방문한 노드가 아니라면
7     if node not in visited:
8         # 현재 노드를 방문한 노드로 표시합니다.
9         visited.add(node)
10        # 현재 노드를 출력합니다.
11        print(node)
12        # 현재 노드의 인접 노드에 대해 깊이 우선 탐색을 수행합니다.
13        for neighbour in graph[node]:
14            dfs(visited, graph, neighbour)
```





- Multilingual translation - proficient in 100 languages (tested to “mastery” level)
- Coding - proficient in numerous programming languages
- Flexible - engine driving 25 Google applications, including Gmail, Google Docs & Google Sheets – and search
- Customizable - specialized versions available – Med-PaLM2, Sec-PaLM2 (Google Cloud security)
- Scalable - four available sizes – Unicorn, Bison, Otter & Gecko (runs on mobile devices)
- Accessible - available to developers via Google’s MLOps platform – Vertex.ai or the PaLM API.

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```

<https://ai.google/discover/palm2>

# Developing AI Ecosystems : Open-Source

- Open-source AI movement spurred on by Proprietary LLM moats
- LLMs with a few billion parameters can compete with very large models in terms of performance - if trained on suitable large datasets
- Can fine-tune smaller LLMs to impressive degrees with a much smaller budget and a modest amount of data – new techniques such as LoRA (Low Rank Adaptation)
- Pace of open-source LLMs advancement much faster than proprietary because different teams can build on top of each other's work
- LLMs range between 7-13 billion parameters can now run on strong consumer-grade GPUs

Model	Provider	Open-Source	Speed	Quality	Params	Fine-Tuneability
gpt-4	OpenAI	No	☆☆☆	★★★★	-	No
gpt-3.5-turbo	OpenAI	No	☆☆☆	★★★★☆	175B	No
gpt-3	OpenAI	No	☆☆☆	★★★★☆	175B	No
ada, babbage, curie	OpenAI	No	☆☆☆	☆☆☆☆	350M - 7B	Yes
claude	Anthropic	No	☆☆☆	★★★★☆	52B	No
claude-instant	Anthropic	No	☆☆☆	★★★★☆	52B	No
command-xlarge	Cohere	No	☆☆☆	☆☆☆☆	50B	Yes
command-medium	Cohere	No	☆☆☆	☆☆☆☆	6B	Yes
BERT	Google	Yes	☆☆☆	☆☆☆☆	345M	Yes
T5	Google	Yes	☆☆☆	☆☆☆☆	11B	Yes
PaLM	Google	Yes	☆☆☆	★★★★☆	540B	Yes
LLaMA	Meta AI	Yes	☆☆☆	★★★★☆	65B	Yes
CTRL	Salesforce	Yes	☆☆☆	☆☆☆☆	1.6B	Yes
Dolly 2.0	Databricks	Yes	☆☆☆	★★★★☆	12B	Yes

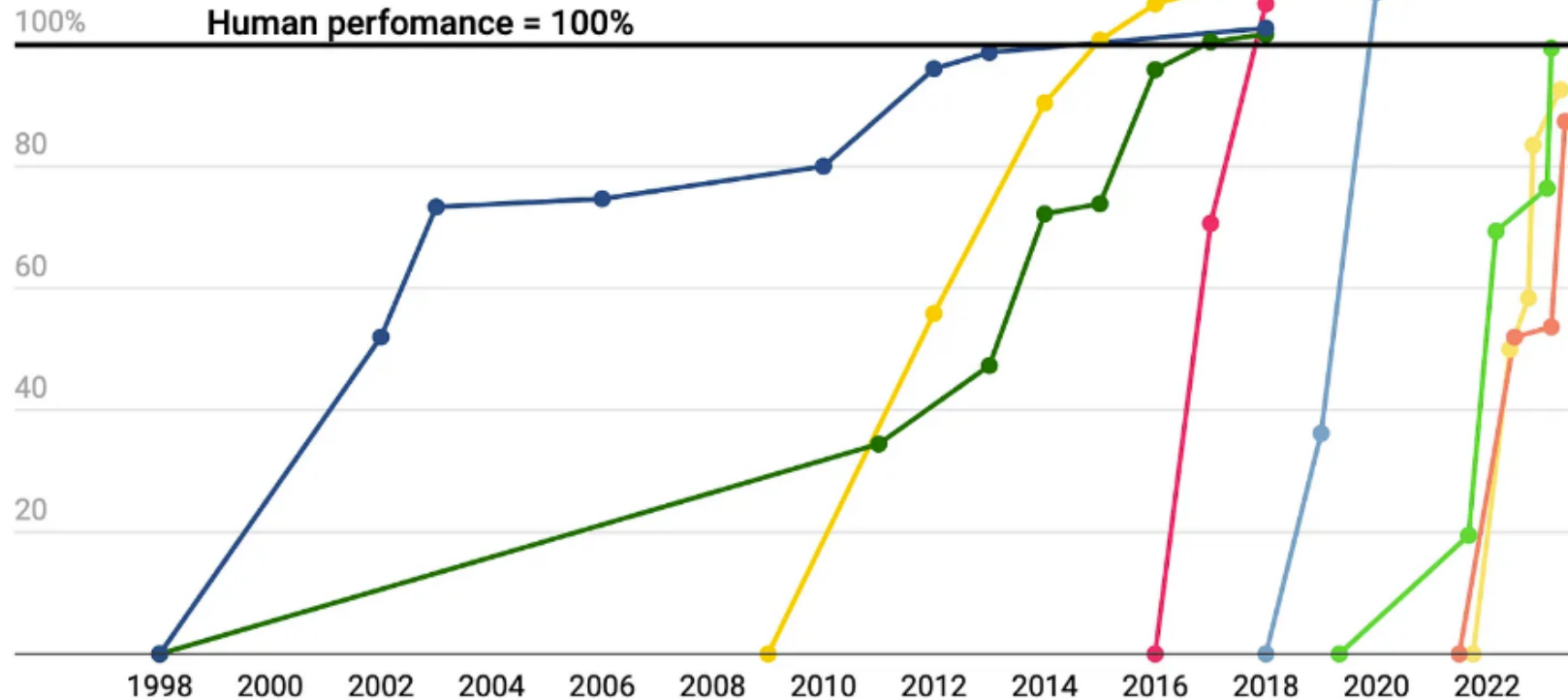
Many Open Source LLMs will run on a local computer and in some cases on a laptop!



# AI Has Already Surpassed Humans in Many Tasks

State-of-the-art AI performance on benchmarks, relative to human performance

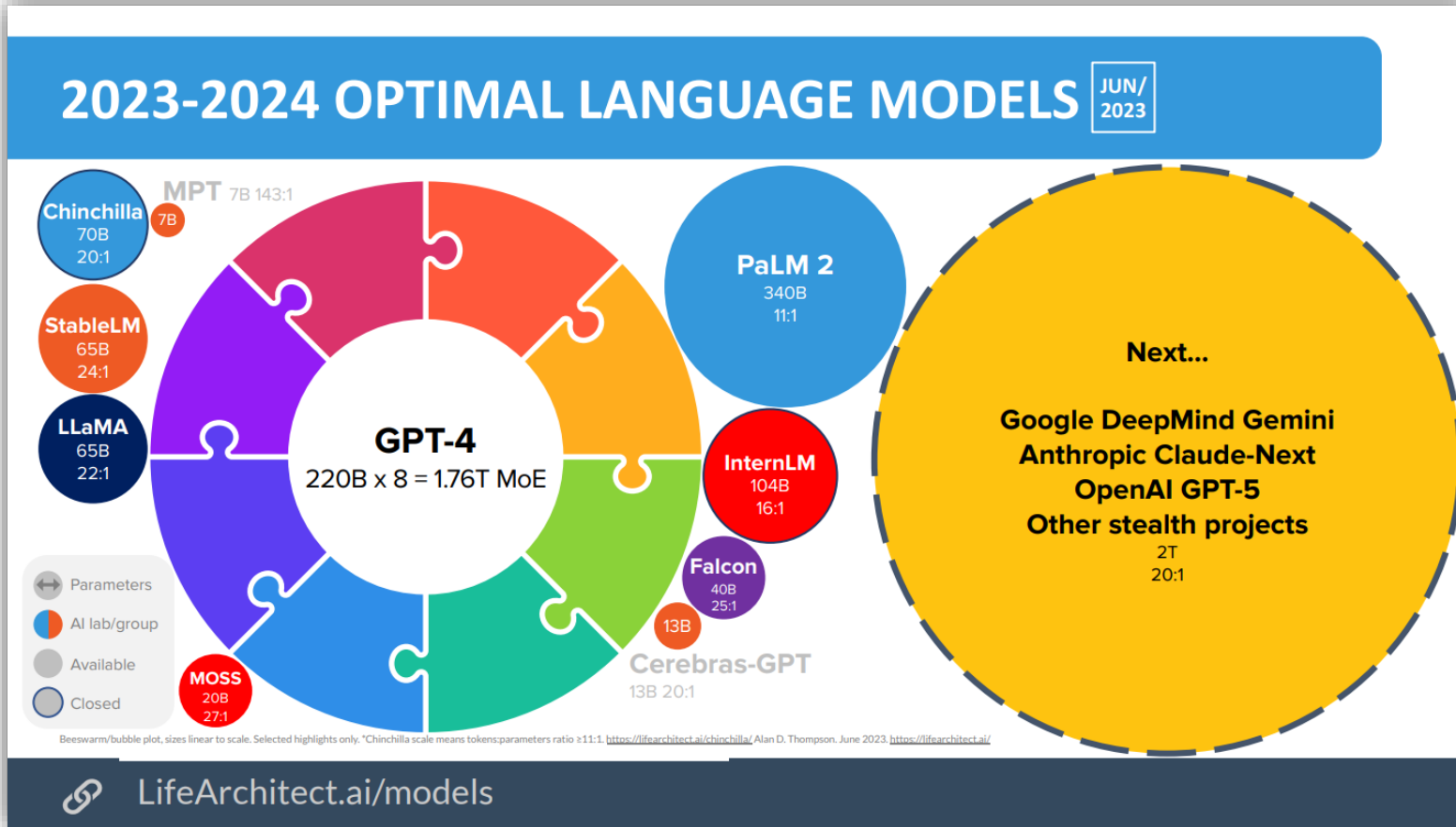
- Handwriting recognition ● Speech recognition ● Image recognition ● Reading comprehension
- Language understanding ● Common sense completion ● Grade school math ● Code generation



“..The performance of GPT-4 has been *understated*. GPT-4 is in the 90th percentile of human testing for many metrics ..... and now vastly outperforms the human average in many fields ranging from medicine to law to wine tasting theory.”

*GPT-4 Report: Alan Thompson, Ph.D.*

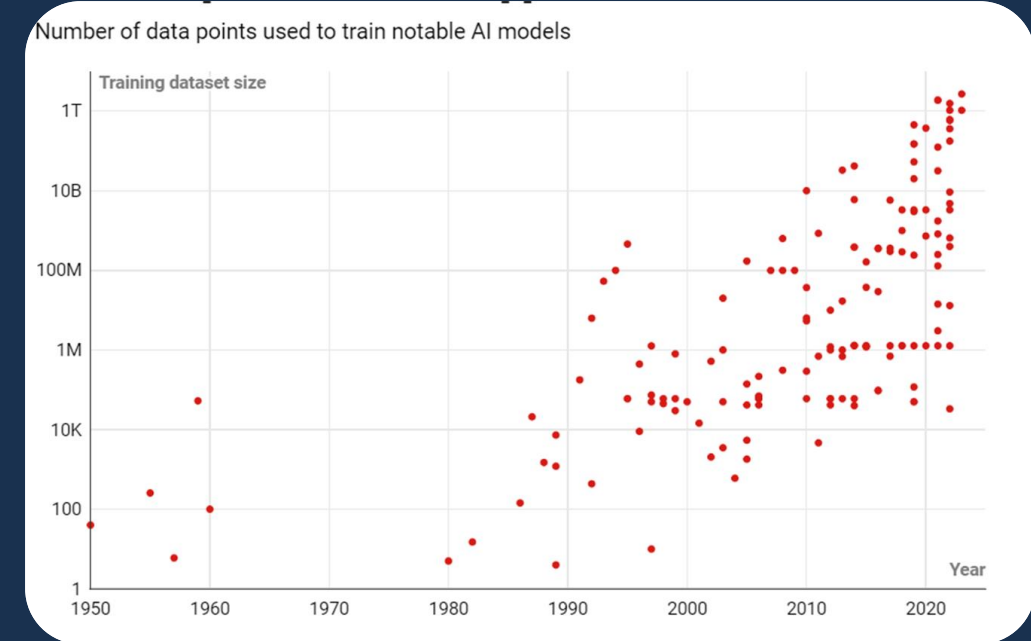
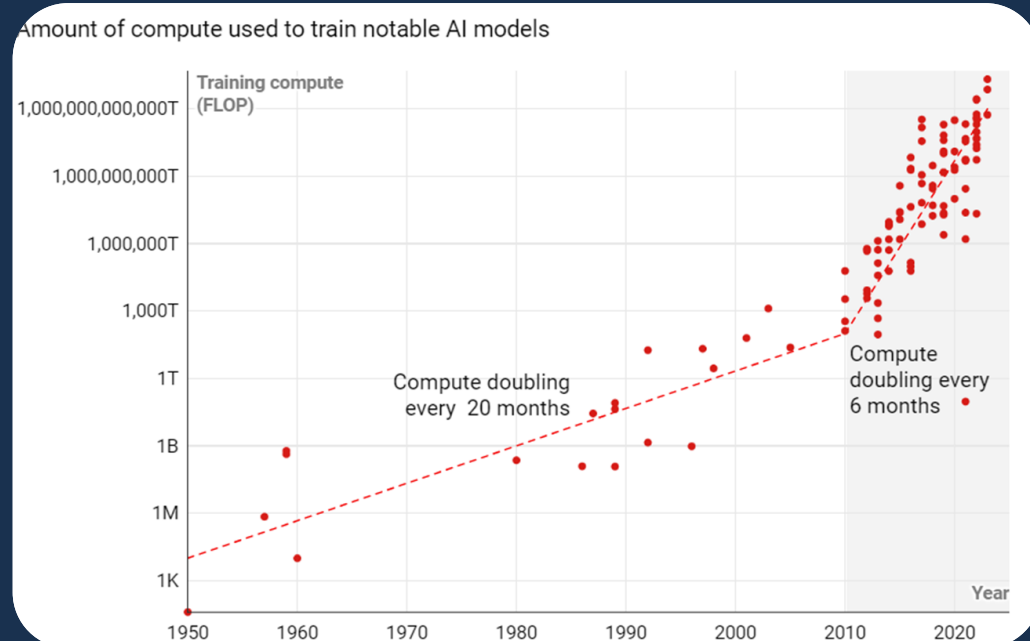
# This is Just the Start .. Better Models Coming !



The next generation of models is highly likely to exhibit **Artificial General Intelligence (AGI)**, on par or surpassing real human capabilities – possibly with real physical embodiment.

- Larger, faster, more accurate, more truthful, less hallucinogenic – generally more capable
- They will bring new emergent capabilities, some of which we may not be able to predict
- They will also bring additional management challenges

# What has made these Advances Possible?



Plus . . many improvements to Algorithms

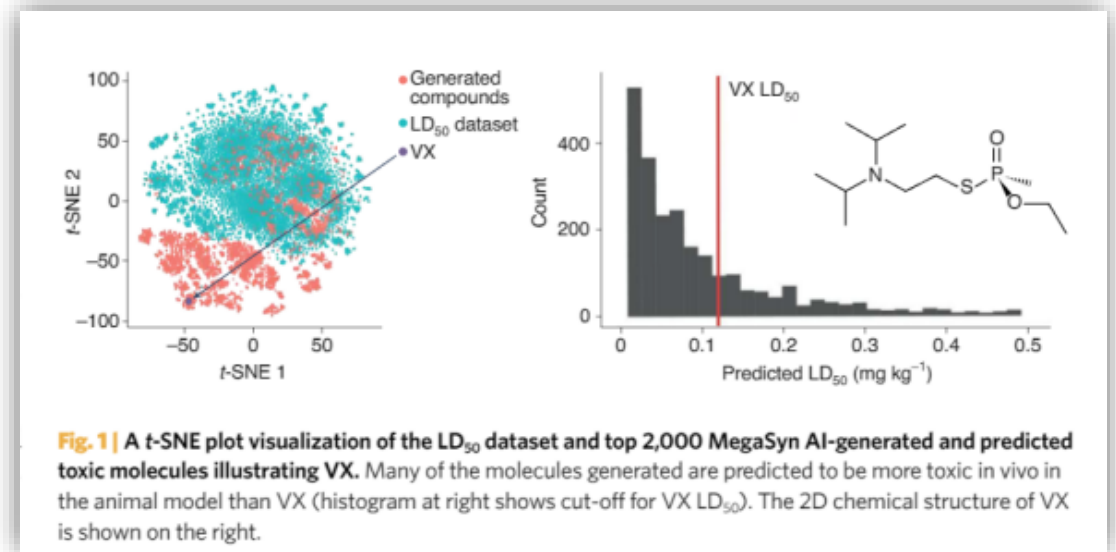
# More Advanced Models May Pose Unique Risks

Capability	Concern
<b>Cyber-offense</b>	Can discover vulnerabilities in systems (hardware, software, data) & can write code for exploiting those vulnerabilities.
<b>Deception</b>	Has skills necessary to deceive humans & impersonate humans effectively.
<b>Persuasion &amp; Manipulation</b>	Can shape people's beliefs, in dialogue and other settings (e.g. social media posts), even towards untrue beliefs. Social Engineering.
<b>Political Strategy</b>	Can perform the social modeling and planning necessary for a bad actor to gain and exercise political influence, not just on a micro-level but in scenarios with multiple bad actors and rich social context.
<b>Weapons acquisition</b>	Gain access to existing weapons systems or contribute to building new weapons.
<b>Long-horizon Planning</b>	can make sequential plans that involve multiple steps, unfolding over long time horizons (or at least involving many interdependent steps). It can perform such planning within and across many domains.
<b>AI Development</b>	Could build new AI systems from scratch, including AI systems with dangerous capabilities.
<b>Situational Awareness</b>	Can distinguish between whether it is being trained, evaluated, or deployed – allowing it to behave differently in each case. The model knows that it is a model, and has knowledge about itself and its likely surroundings.
<b>Self-proliferation</b>	The model could break out of its local environment (e.g. using a vulnerability in its underlying system, suborning an engineer, exploiting limitations in the systems for monitoring its behaviour post-deployment).

Source: DeepMind, May 2023, "Model evaluation for extreme risks"

- MegaSyn - GenAI model used for developing new therapeutics from a publicly available molecule database
- Normally penalizes predicted toxicity and rewards predicted target activity ["reinforcement learning"]
- Inverted the logic so model rewarded for both toxicity and bioactivity
- Scored using organism-specific lethal dose model ( $LD_{50}$ )
- Model generated 40,000 lethal molecules in <6 hours, including many known chemical warfare agents!!

## Dual use of artificial-intelligence-powered drug discovery



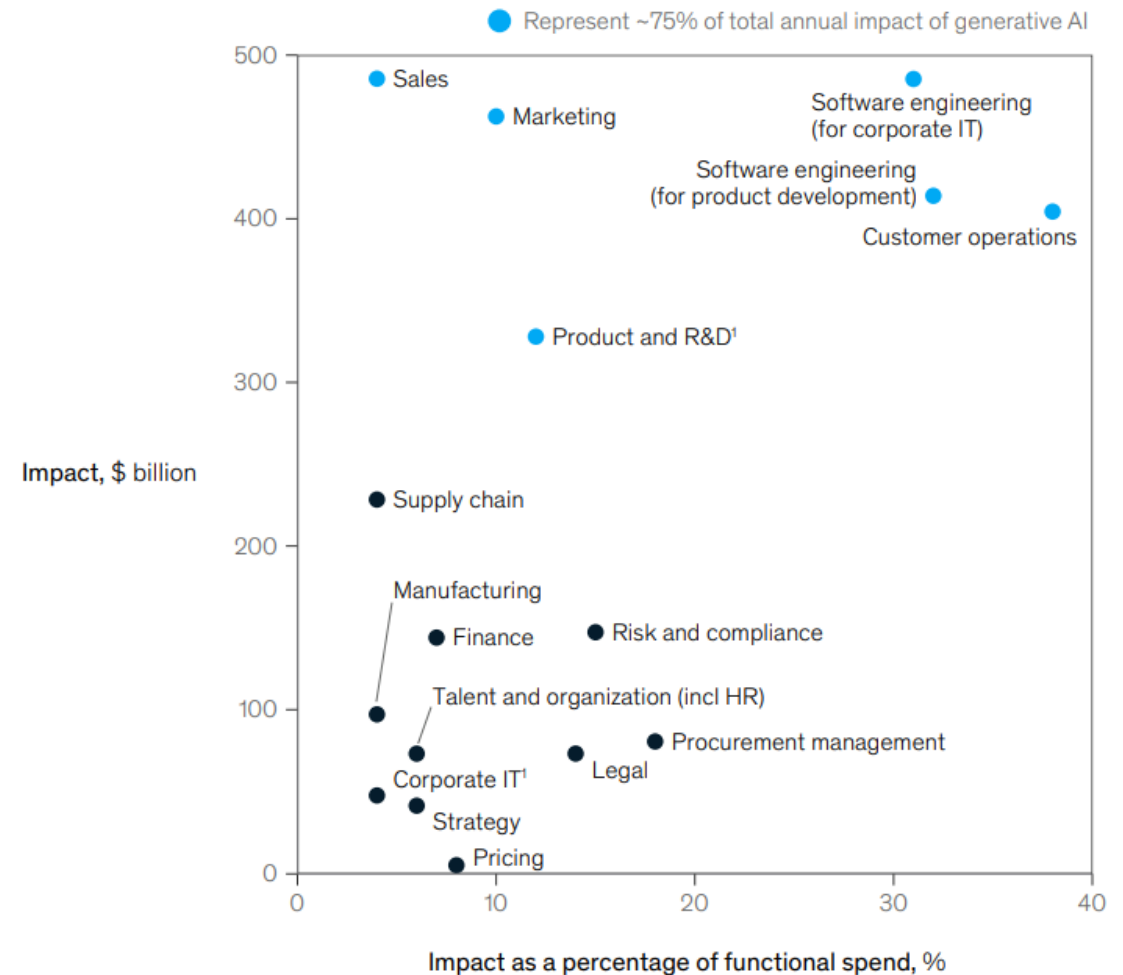
**Use cases like this mandate some form of regulation!**

- **What is Generative AI?**
- **Generative AI State of Development**
- **What Business Leaders need to know**



# Generative AI will Increase Productivity ... a LOT!

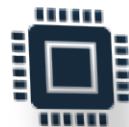
- McKinsey investigated 63 Generative AI use cases across 16 functional areas and 850 occupations
- AI now estimated to add \$11-\$17 trillion in global economic value annually
- Generative AI alone likely to add \$2.5-\$4.5+ trillion
  - Cost reductions and increasing worker productivity
- 75% of Generative AI value is expected to be realized in four areas:
  - Marketing & sales
  - Software engineering
  - Customer operations
  - R&D



# Productivity Will Vary by Industry & Job Role



Will have an impact across ALL industry sectors, but especially: banking, high tech and life sciences



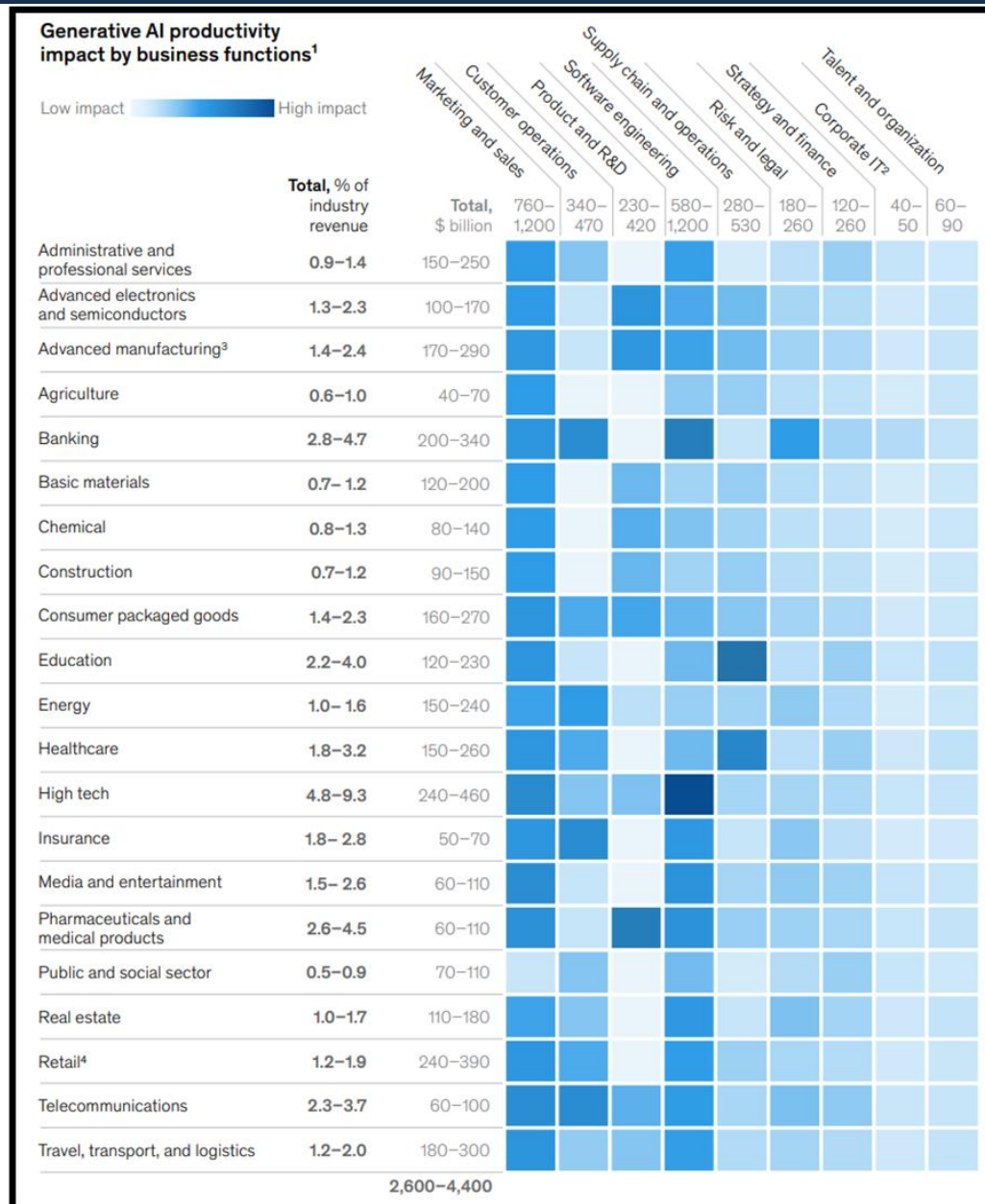
Potential to automate repetitive tasks that take up to 60-70% of employees' time.



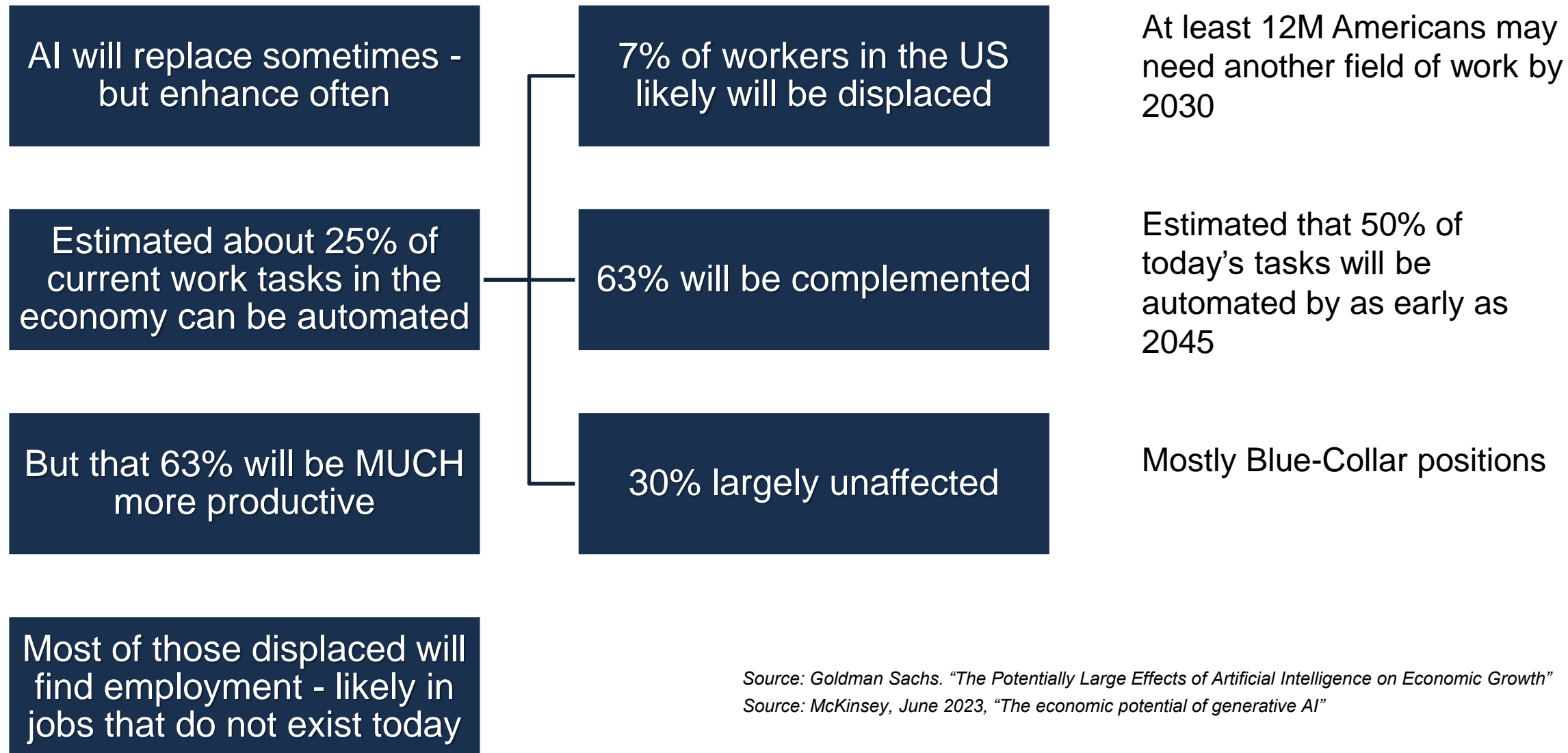
Pace of workforce transformation likely to accelerate

.. the technology is advancing so rapidly that it likely to achieve human level performance in some technical capabilities sooner than previously thought ..

Source: McKinsey, June 2023, "The economic potential of generative AI"



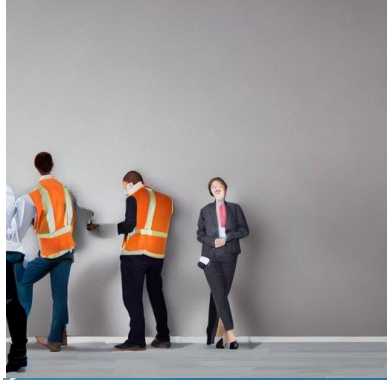
# The Future of Work : Up to 300M Jobs Disrupted?



Source: Goldman Sachs. "The Potentially Large Effects of Artificial Intelligence on Economic Growth"  
Source: McKinsey, June 2023, "The economic potential of generative AI"

# AI . . . No Shortage of Policy Challenges

- AI in all its forms will reshape society – expect rapid and unplanned workforce transitions.
- What does the future of work look like in terms of occupations and skills? What does this mean for workforce planning?
- How can workers be supported as their activities shift over time? What retraining programs can be put in place? What incentives are needed to support private companies in order to continue to invest in human capital?
- How to fund earn-while-you-learn programs (such as apprenticeships) to enable people to retrain while continuing to support themselves and their families?
- What policy steps can be taken to prevent generative AI from being used in ways that harm society or vulnerable populations? What about privacy and security?
- Regulation – what new policies can be developed, and existing policies amended, to ensure human-centric AI development and deployment includes human oversight, diverse perspectives and accounts for societal values?



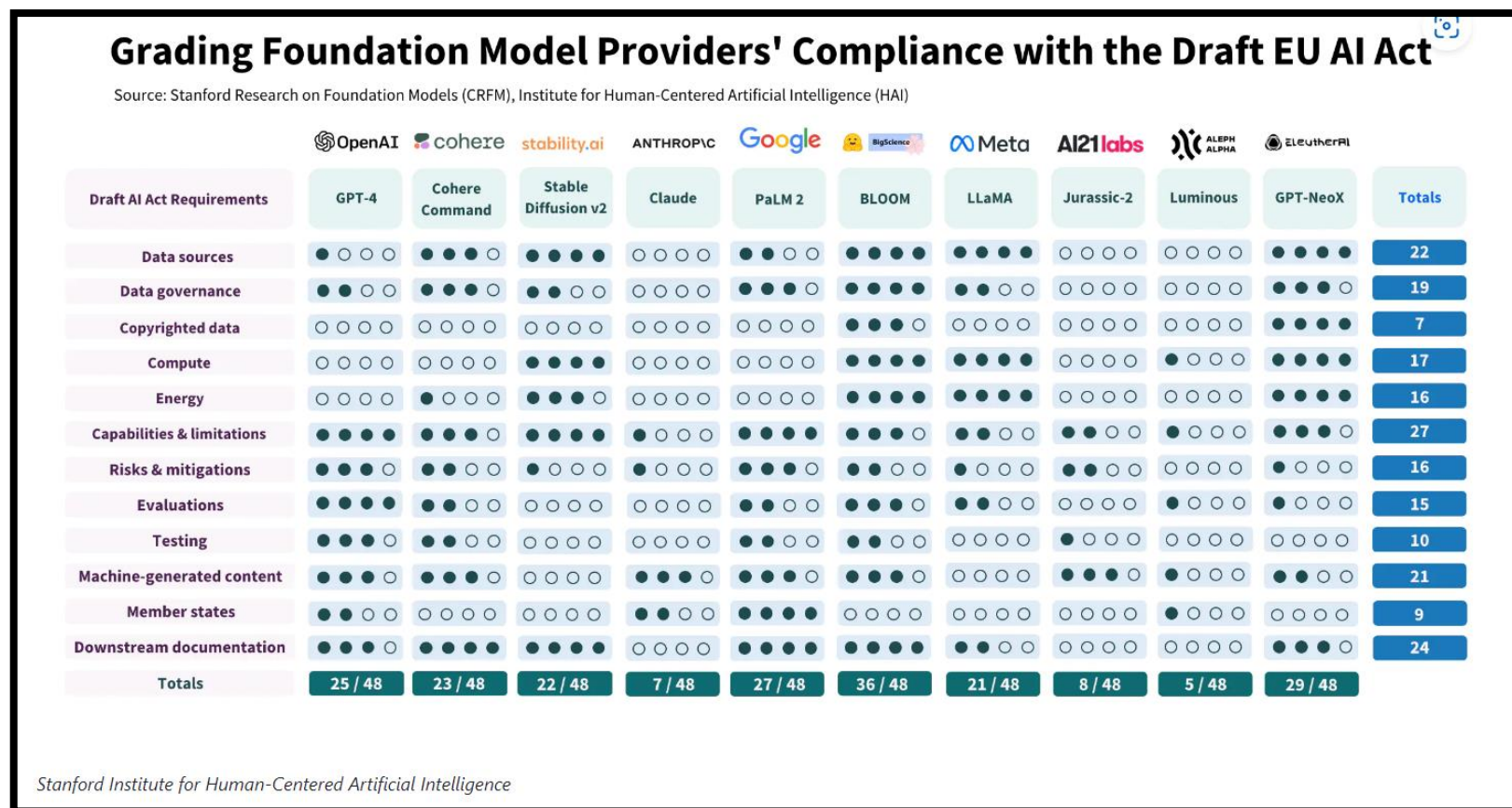




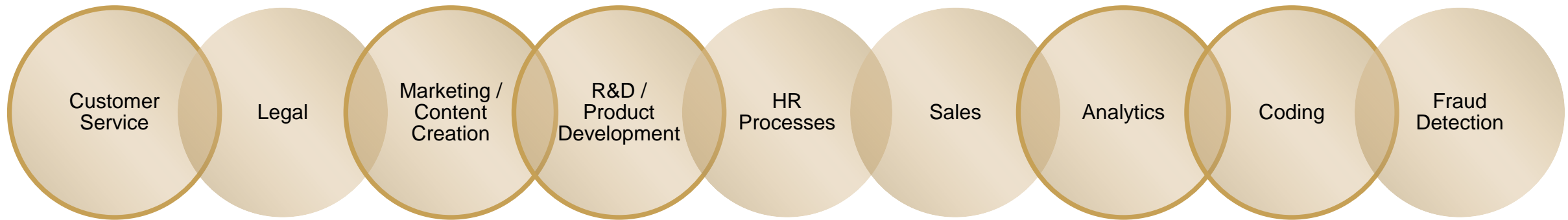
- Recently the European Parliament voted on the AI ACT - proposed law to establish requirements for AI developers and users based on risk levels.
- Draft law
  - Bans AI systems considered an “unacceptable risk,” including “real-time and remote biometric identification systems, such as facial recognition.”
  - Outlines “high-risk” AI, defined as “AI systems that negatively affect safety or fundamental rights,” in toys, cars, and medical devices, as well as in law enforcement and border control.
  - “All high-risk AI systems will be assessed before being put on the market and also throughout their lifecycle”
  - Approval is part of a process that will include talks between EU member countries before a final version of the law is agreed
- Finalization expected by the end of the year



# Most Models don't meet EU Standards

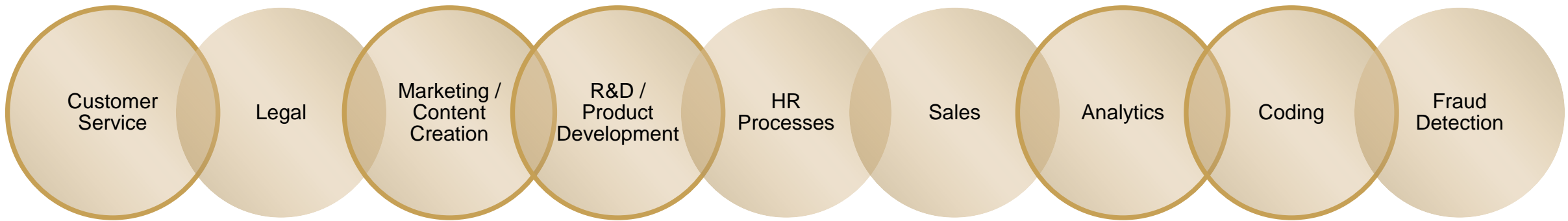


- Most flagship AI models, including those created by OpenAI, Google, and Meta, don't currently comply with EU regulations.
- The top score possible was 48, but none of these models came close. The top score was Bloom (open-source), which scored 36 points. Least compliant models were Claude, Luminous and Jurassic-2



## Guidelines for starting with Generative AI

- Need a clear understanding of the problems/opportunities to be solved/addressed
- Investment in data quality is crucial for successful implementation
- Pay attention to security – use a multi-layered approach
- Recruiting, training (advances moving fast) and retaining employees with skills in AI will have a huge impact on success
- Establish guidelines for use
- Monitor outcomes – accuracy, efficiency and cost savings
- Start slow then accelerate



Great benefits with some risks - CEOs should mitigate these risks from the start

- Fairness : algorithmic bias due to imperfect training.
- Intellectual Property : training data and outputs present IP risk.
- Privacy : careful with PII.
- Security : bad actors can accelerate the sophistication and speed of cyberattacks. Models can be “poisoned” easily by changing a fraction of a % of its data.
- Explainability : neural networks are complicated - we still don’t really know how they work
- Reliability : can produce different answers to the same prompt.
- Organizational Impact : Generative AI may significantly affect the workforce.

# The economic potential of generative AI

The next productivity frontier

June 2023



QuantumBlack, AI by McKinsey

## What every CEO should know about generative AI

Generative AI is evolving at record speed while CEOs are still learning the technology's business value and risks. Here, we offer some of the generative AI essentials.

Global Economics Analyst

The Potentially Large Effects of Artificial Intelligence on Economic Growth  
(Briggs/Kodnani)

▼ Table of Contents

26 March 2023 | 9:05PM EDT



- Generative AI has worked out how to solve Captchas.
- Microsoft Research validates GPT-4 is good enough for automating medical tasks, such as clinical trial design.
- Doctor GPT, an open-source LLM trained on medical data sets, has passed the US Medical Licensing Exam. This LLM fits on most devices!
- Stability AI has just released Stable Coder, a LLM tuned specifically for programming and StabilityChat, a ChatGPT competitor.
- DoD has established a Generative AI task force – for both defensive and offensive purpose
- Microsoft has authorized use of ChatGPT on Azure. This means secure private & controlled instances – eliminates concerns about outside access to private data.
- Google and Universal music are working on licensing voices for AI-generated songs. Artists opt-in. Text-to-music has come a long way!



- Generative AI is a true disruptor and will have a profound economic and social impact. As a society, are we ready for this?
- AI has surpassed humans at a number of tasks and the rate at which humans are being surpassed at new tasks is increasing.
- GPT and cousins are just the start of this journey towards Artificial General Intelligence (AGI), and its closer than most people think.
- As we approach AGI, we will need intelligent regulation to help us manage the worst-case scenarios – but regulation that doesn't stifle innovation.
- Embodiment is also closer than most people think – facilitated by low-cost computing at scale, 5G, advances in long-life energy storage and inexpensive DC motor technology.
- Open-source models will accelerate the adoption and availability of many more novel & specialized applications – and will likely drive more M&A activity.
- Expect to see a continued boost to investment activity in the sector – including M&A.

**“ ... the single most important thing to understand about AI is how fast it’s moving.”**

*Dario Amodei – Anthropic CEO*

CORUM

**Just the beginning for ...**

# **Generative AI**

**Ivan Ruzic**

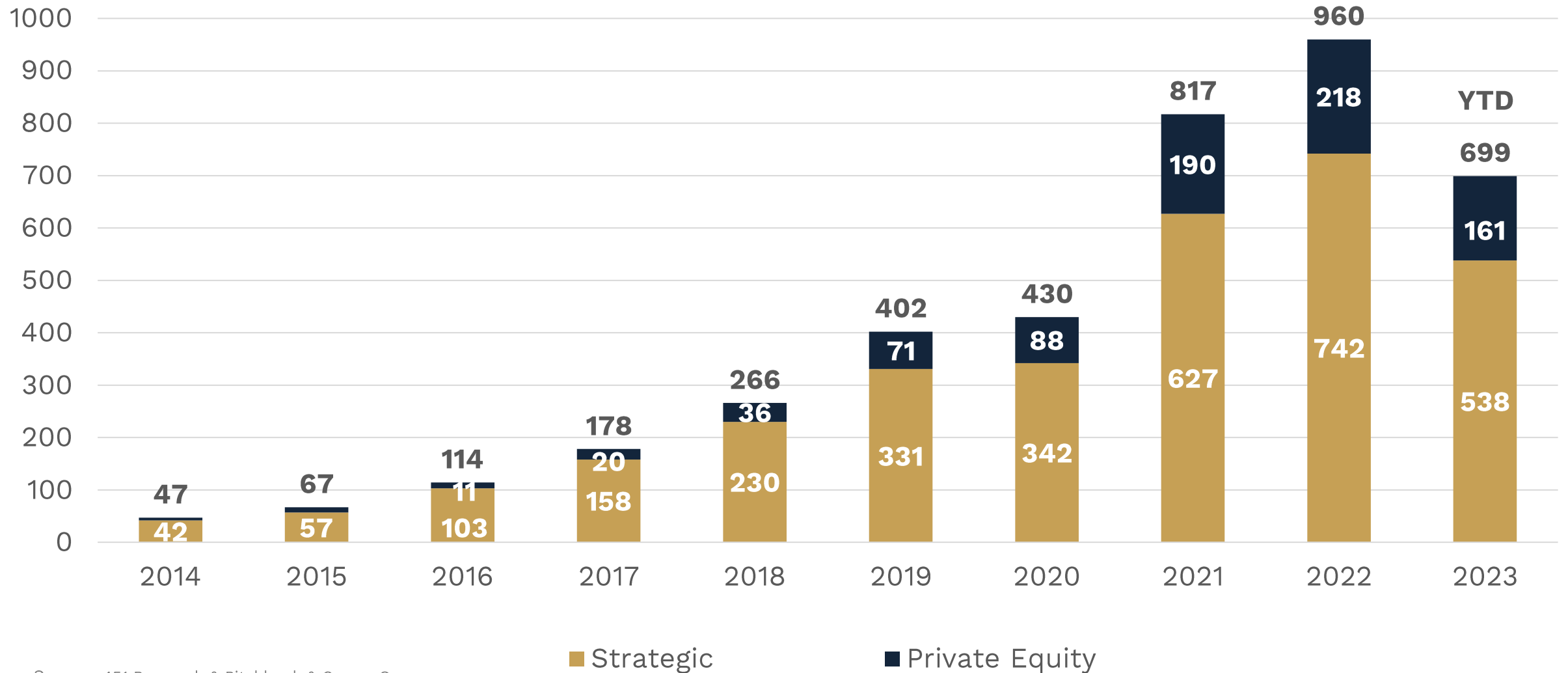
**ivanr@corumgroup.com**

**September 2023**

CORUM

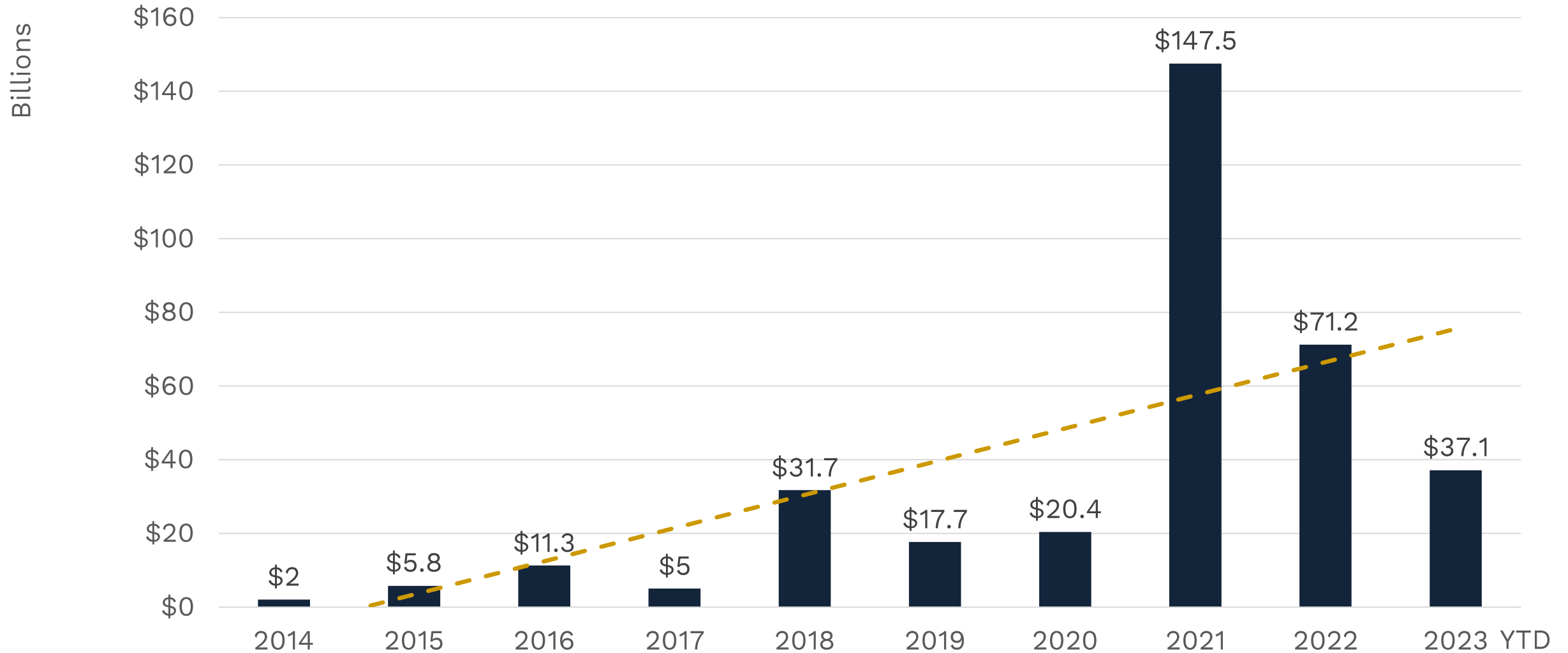
**A.I. M&A Research Report**  
**2023**

# AI M&A Volume - YTD



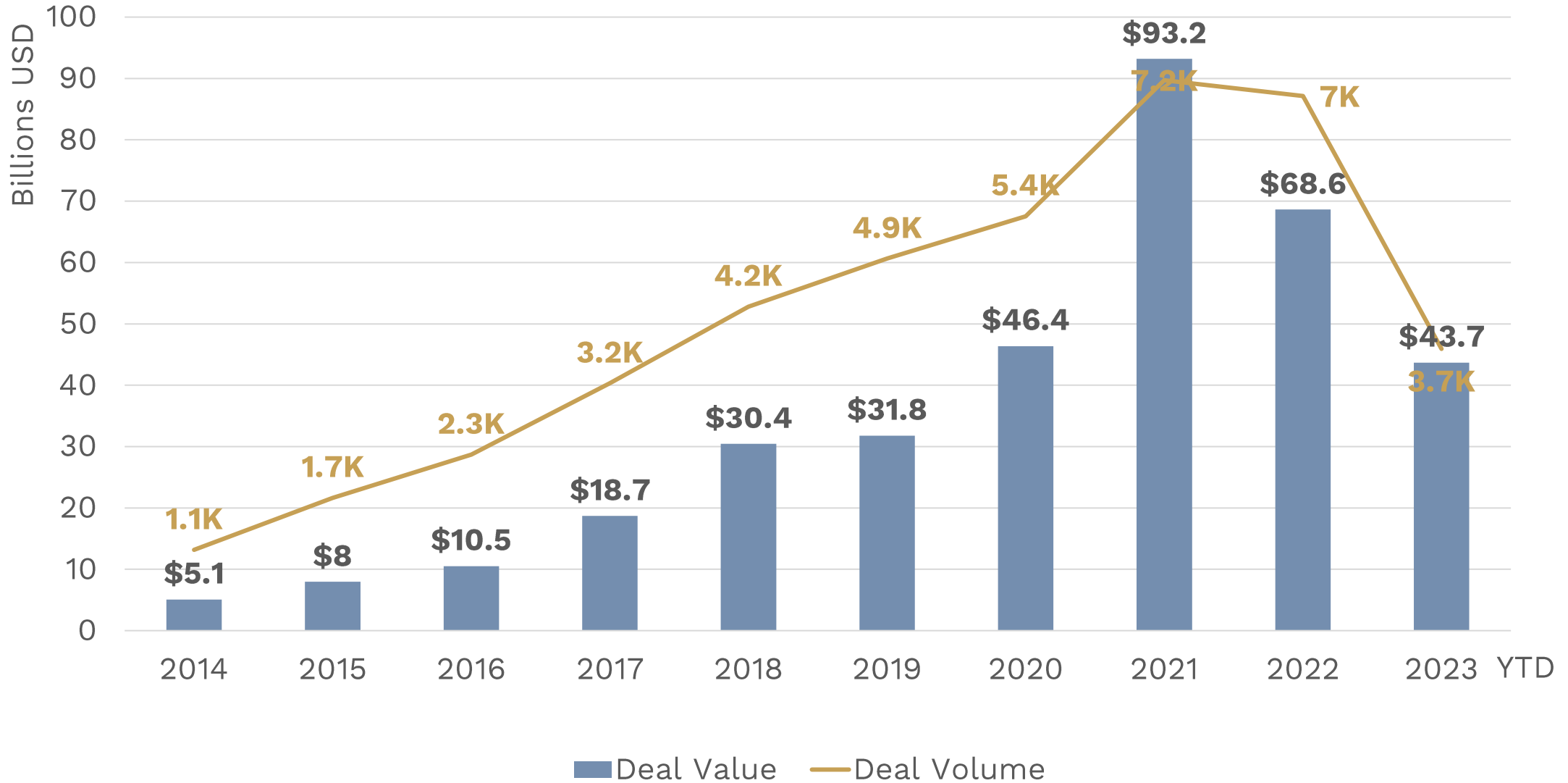
Source: 451 Research & Pitchbook & Corum Group

# AI M&A Disclosed Value



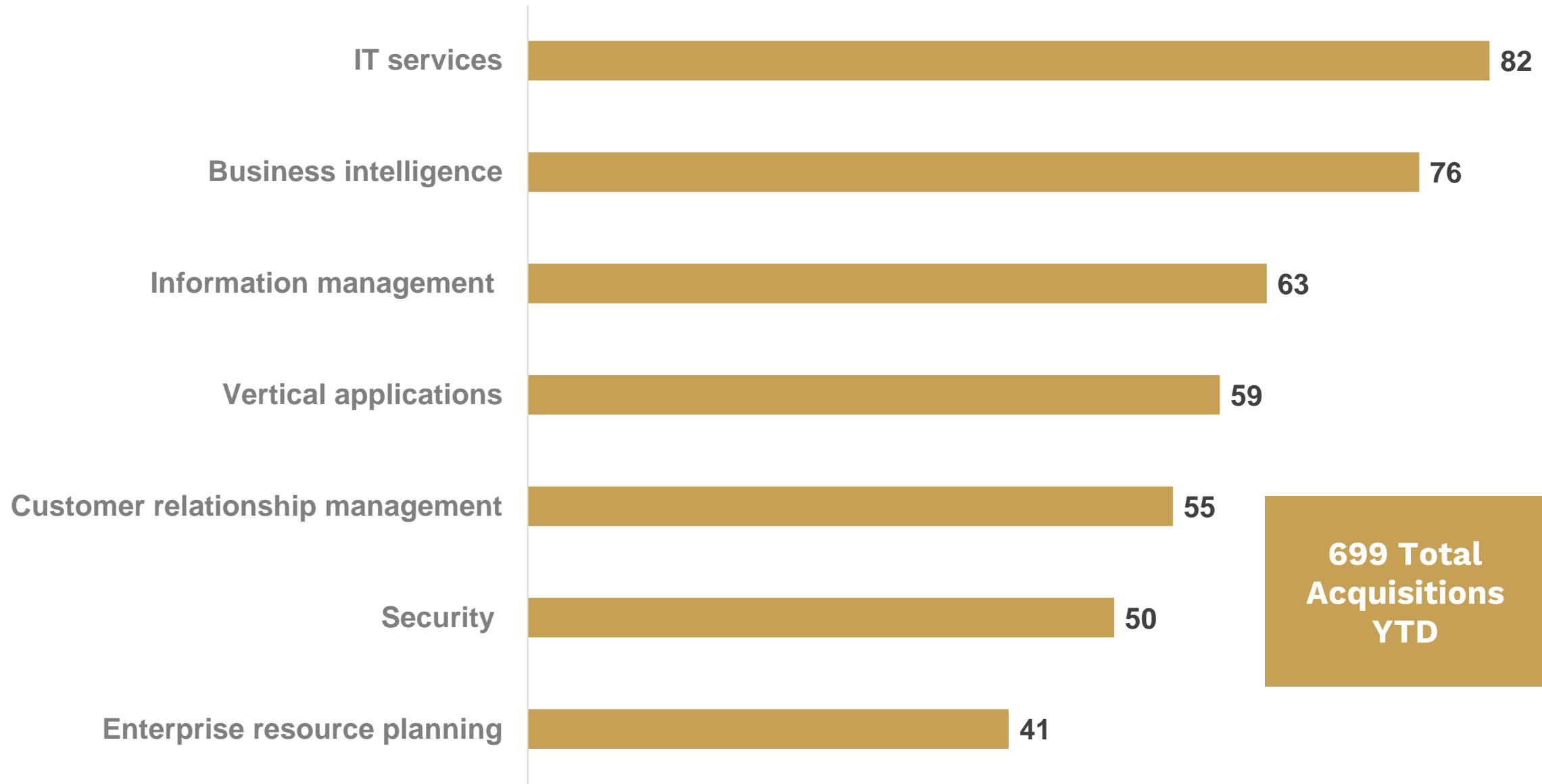


# AI VC Funding

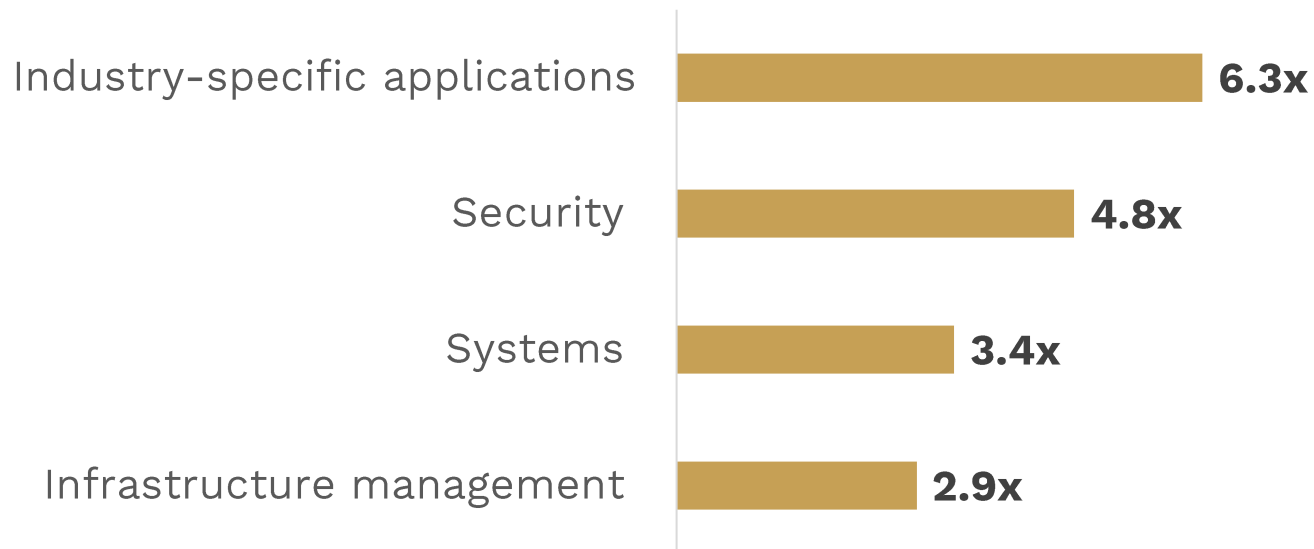


Source: Pitchbook & Corum Group

# AI M&A Volume by Top Target Sectors

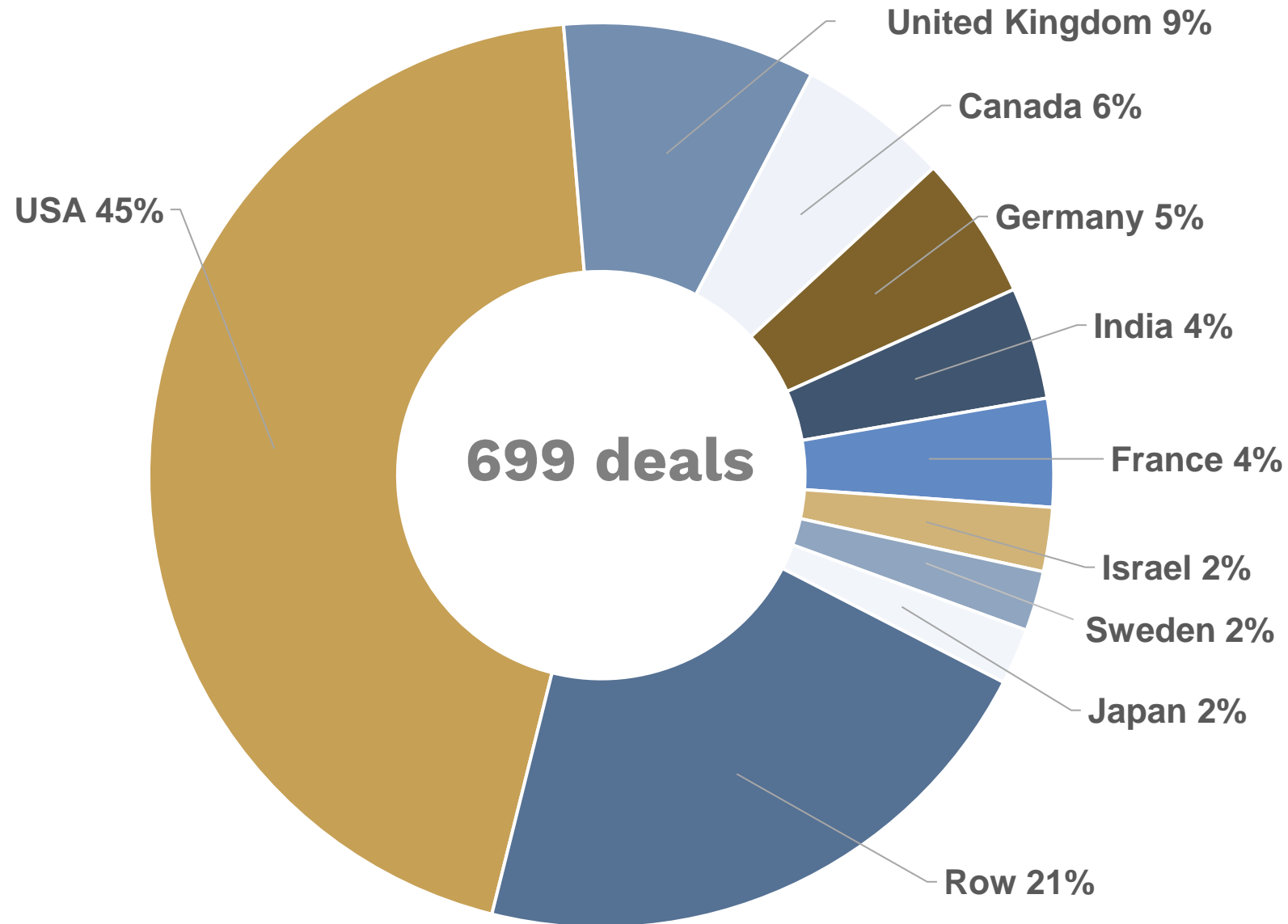


## Median Disclosed Exit Revenue Multiples

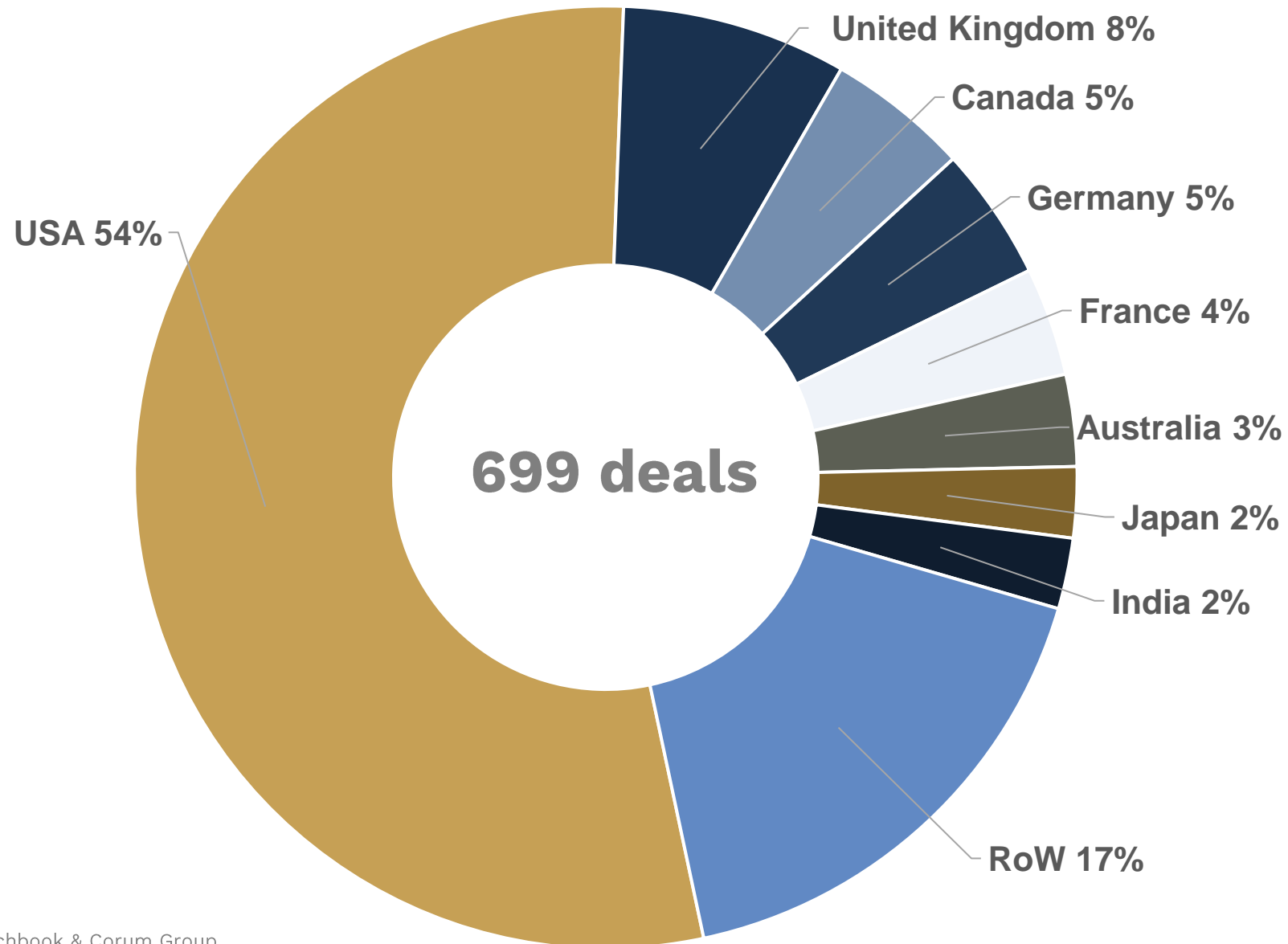


Deals analyzed	699
Deal values disclosed	28%
Min deal size	\$24.2K
Max deal size	\$12.2B
Median deal	\$76M
Min EV/S	0.5x
Max EV/S	12.5x
Median EV/S	3.1x

# AI Sellers by Geography: YTD

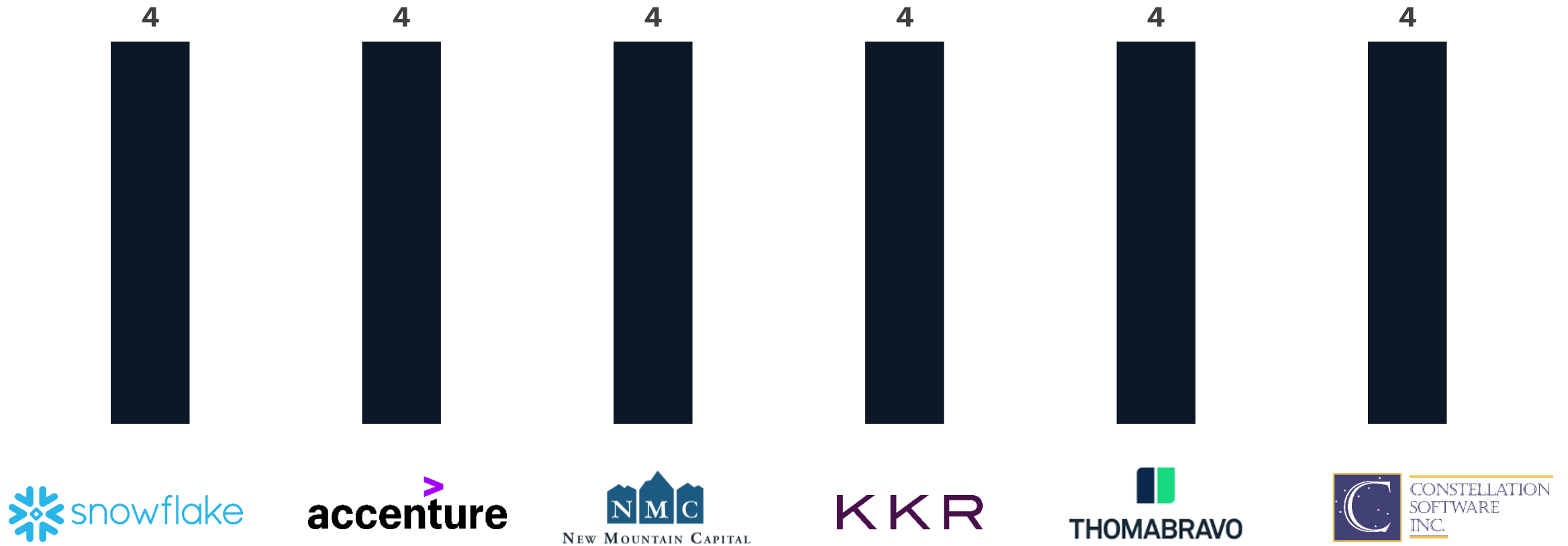


# AI Buyers by Geography: YTD





# AI Top Buyers: YTD



# Recent Largest Deals



AI-based IT business management and ERP SaaS



**Transaction Value:** \$4.6B  
**Announced Date:** June 2023



AI-powered educational gaming SaaS & applications



**Transaction Value:** \$1.7B and 10.8x EV/Sales  
**Announced Date:** July 2023



Machine learning and generative AI models development SaaS



**Transaction Value:** \$1.3B  
**Announced Date:** June 2023



Data science and AI-based enterprise performance management SaaS



**Transaction Value:** \$1.25B  
**Announced Date:** August 2023

SEALINGTECH<sup>®</sup>



PARSONS<sup>®</sup>

**Seller: Sealing Technologies [USA]**

**Buyer: Parsons [USA]**

**Announced Date:**

August 2023

**Transaction Value:**

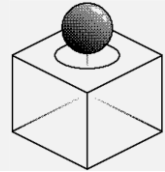
\$175M

**Seller Description:**

Cybersecurity integration & consulting services for federal governments, defense, military

**Rationale:**

“The addition of SealingTech is a natural extension of our growth strategy, adding critical, mission-ready solutions for our Department of Defense and Intelligence Community customers,” said Carey Smith, Parsons’ President & CEO. “SealingTech’s defensive cyber capabilities complement our leading offensive cyber capabilities and increase our share in the full-spectrum cyber operations market.”



**Seller: Global Illumination [USA]**

**Announced Date:**

August 2023

**Transaction Value:**

Undisclosed

**Seller Description:**

AI tool maker & developer of Minecraft-like open-source MMORPG game built for the web

**Rationale:**

This acquisition broadens the capabilities of OpenAI's primary offerings with addition of new talented team.



**Buyer: OpenAI [USA]**



**Seller: Paperspace [USA]**

**Buyer: DigitalOcean [USA]**

**Announced Date:**

July 2023

**Transaction Value:**

\$111M and 11x EV/Sales

**Seller Description:**

GPUs-enabled open-source cloud computing and AI/ML models development SaaS

**Rationale:**

Integration of Paperspace's infrastructure and tooling with DigitalOcean's products will enable customers to more easily test, develop and deploy AI applications.





**Seller: EcoPlant [Israel]**



**Buyer: Ingersoll Rand [USA]**

**Announced Date:**

June 2023

**Transaction Value:**

\$50M

**Seller Description:**

Energy efficiency and predictive maintenance platform that combines IoT and predictive AI analytics

**Rationale:**

This acquisition expands buyer's industrial IoT offerings and boosts its air compressor product portfolio.



Valence



RECURSION

**Seller: Cyclica & Valence Discovery [Canada]**

**Buyer: Recursion Pharmaceuticals [USA]**

**Announced Date:**

May 2023

**Transaction Value:**

\$40M for Cyclica & \$47.5M for Valence Discovery

**Seller Description:**

**Cyclica** -> AI-enabled deep learning drug discovery & predictive analytics SaaS

**Valence Discovery** -> AI-enabled deep learning drug discovery SaaS

**Rationale:**

“The strategic acquisitions of Cyclica and Valence add industry-leading capabilities in digital chemistry, as well as ML and AI, which combined with our large-scale automated wet-laboratories and supercomputing capabilities, enables us to deploy what I believe is the most complete, technology-enabled drug discovery solution in the biopharma industry. These acquisitions cement Recursion as the center of gravity for the best and brightest in ML and AI who want to reimagine how drugs are discovered,” said Chris Gibson, CEO of Recursion.



**Seller: Magnet Forensics [Canada]**

**Announced Date:**

January 2023

**Transaction Value:**

\$1.2B and 12.5x EV/S

**Seller Description:**

Provides AI-based digital investigation SaaS and related APIs to businesses and law enforcement and services agencies

**Rationale:**

Thoma Bravo plans to combine Magnet Forensics with Grayshift to create an end-to-end digital investigations platform to empower public safety agencies.



**Buyer: Thoma Bravo [USA]**

- 1. M&A deal volume demonstrated steady growth. PE firms accounted for about 23 % of all deals.**
- 2. IT Services became the largest subsector by M&A market volume, followed by Business Intelligence and Information Management. And Industry-specific applications and Security again emerged as the most highly sought sectors in terms of successful exit rates.**
- 3. North America accounted for the largest market share (more than half). About a third of the market is represented by EMEA companies and about 12% – by APAC-based companies.**
- 4. Main trends fueling the AI market growth in 2023 – generative AI, NLP, IoT, RPA, the Metaverse and Computer vision.**

# Tech M&A Research Report



Complete Global Market Report  
Available Upon Request  
[info@corumgroup.com](mailto:info@corumgroup.com)

On demand webcast will be  
available at:  
[www.corumgroup.com](http://www.corumgroup.com)



## **Bruce Milne, CEO, Corum Group Ltd.**



- **Founded or owned four software companies, including AMI, an Inc. 500 firm rated by IDC as the fastest growing computer-related company in the world.**
- **Advisory boards for Microsoft, IBM, DEC, Comdex and Apple.**
- **Board member/founding investor in some of the most innovative firms in their field, including Blue Coat, Bright Star and Sabaki.**
- **Past advisor to two governors and a senator, a board member of the Washington Technology Center.**
- **Founder of the WTIA, the nation's most active regional technology trade association.**
- **Worked with the Canadian government to found SoftWorld.**
- **One of the 200 most influential individuals in the IT community in Europe.**
- **American juror for the recent Tornado 100 Awards given to Europe's top technology firms.**
- **Graduate with Distinction from Harvard Business School.**

**Don't be Naïve...**

**Generative A.I./Chatbots**

**≠**

**panacea**

**Software companies have no book value or fixed valuation.**

**It's about intangibles, your story, & future potential.**





**Your price in  
a properly run  
global search  
can be  
extraordinary.**



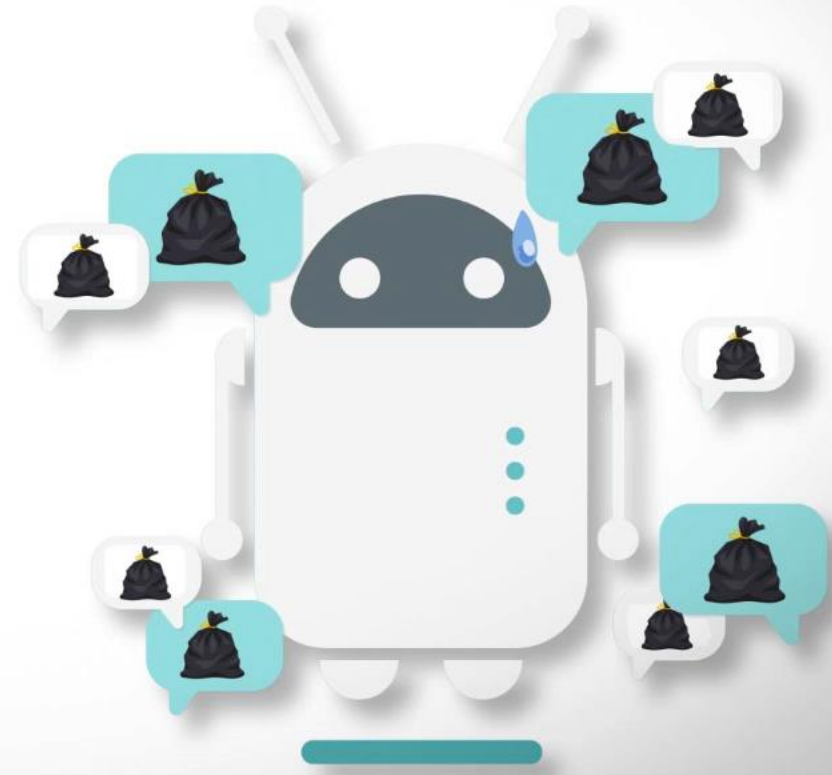


The technology  
is fascinating,  
but...

Chatbots have  
limits.

## 1. Garbage In, Garbage Out

- Old data is useless for research and valuation comps.





## 1. Garbage In, Garbage Out

- Old data is useless for research and valuation comps.
- Public data from chatbots is often years old.
- You need today's data.

ChatGPT		
Examples	Capabilities	Limitations
"Explain quantum computing in simple terms" →	Remembers what user said earlier in the conversation	May occasionally generate incorrect information
"Got any creative ideas for a 10 year old's birthday?" →	Allows user to provide follow-up corrections	May occasionally produce harmful instructions or biased content
"How do I make an HTTP request in Javascript?" →	Trained to decline inappropriate requests	Limited knowledge of world and events after 2021

## 1. Garbage In, Garbage Out

- **Confidential buyer data** is only available from **leading tech investment banks** with large research staff like Corum.



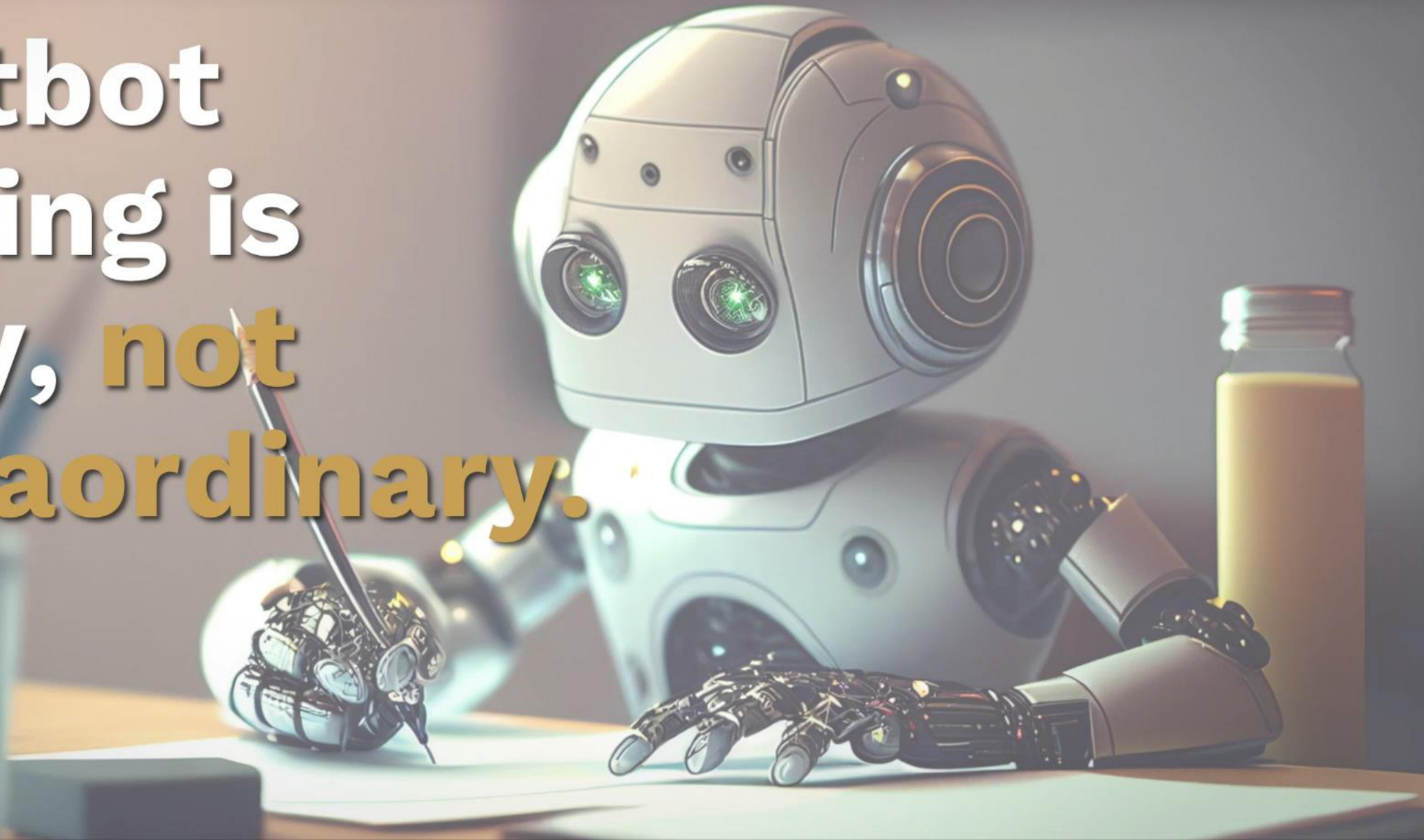


## 2. Script Neutrality

- How you tell your story and explain future potential **is critical.**
- Mapping you to best practices and disruptive trends based on real-world experience.
- **Armor piercing sounds** that are known to **get buyer attention.**
- These are not the strengths of chatbots.



Chatbot  
writing is  
okay, **not**  
**extraordinary.**





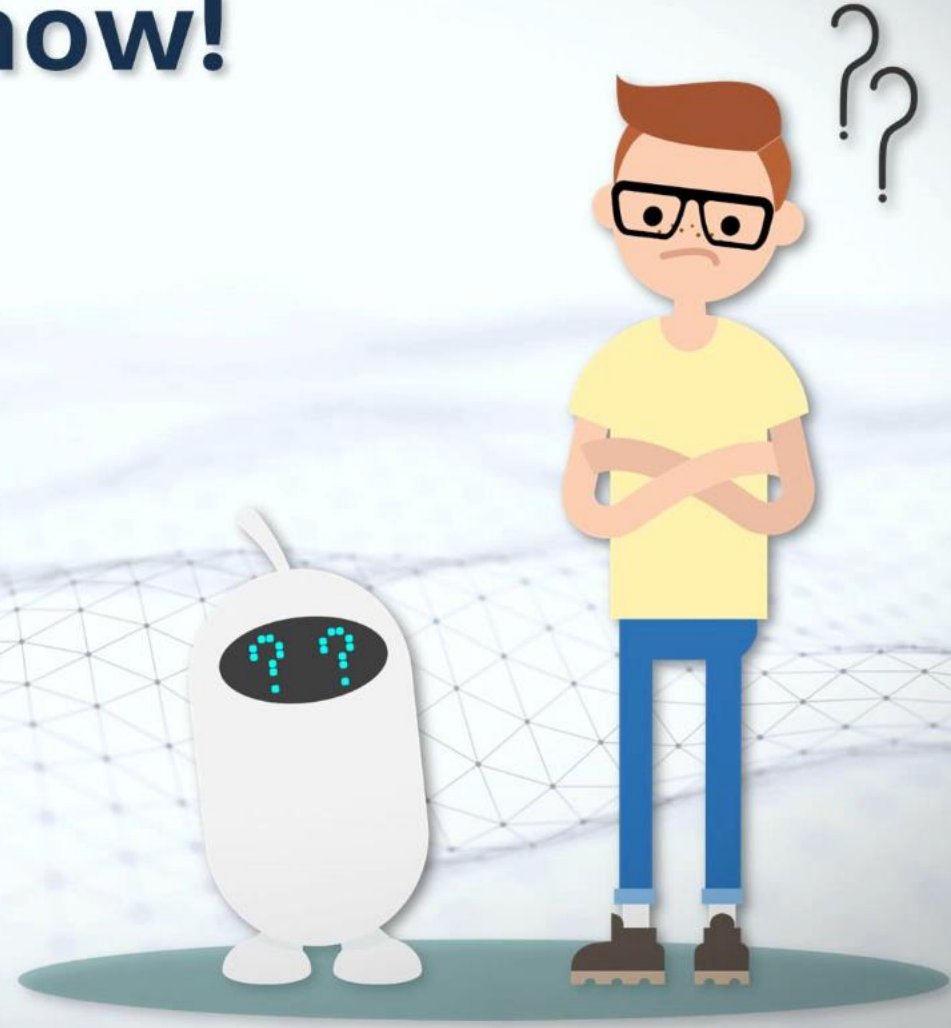
## 3. What You Don't Know!

- The optimal outcome requires information on who's buying in your space, deal specifics, & why.
- Confidential information not included in a chatbot's database.



## 3. What You Don't Know!

- Chatbots don't know confidential specifics, e.g. who to contact.





## 4. Disruptive Trends

- What disruptive trends do you need to ride?
- What derivative technologies & untapped markets are there?
- How will you help the buyer ride the wave of growth these trends create, and not fall victim?
- Strategizing the future is beyond chatbot capability.

## 5. You – The Big Unknown

- What do chatbots know about you?
- Your tax/estate issues, health, family needs?
- Desire for legacy & a better life?



## 5. You – The Big Unknown

- Issues like whether to do a stock or asset sale or taking earn-outs and complex trusts are issues for **professionals**, not chatbots.





## 6. Security

- The same people supplying chatbots also host **social media, cloud services, and communication networks.**



## 6. Security

- Your **confidential information**, financials, plans, etc. **should not be uploaded into the chatbot database.**
- Do you trust them not to misuse?
- What about **data breaches?**





Don't rely on chatbots for the **most important transaction of your life!**

Use **professionals** who know the buyers, have the process, team, skills, & experience needed.

**A track record of success.**



**The process, your story, & personal buyer outreach is need to gain the:**

**OPTIMAL OUTCOME**

# **OPTIMAL OUTCOME**

**Maximum Value**

**Best Structure**

**Lowest Taxes**

**Minimal Liability**

# Stay tuned for future webcasts on **Artificial Intelligence**



**We welcome your questions!**

**Email questions to  
info@corumgroup.com**

**This event is being recorded**  
On demand webcast will be available at  
[www.corumgroup.com](http://www.corumgroup.com)



## MERGE BRIEFING



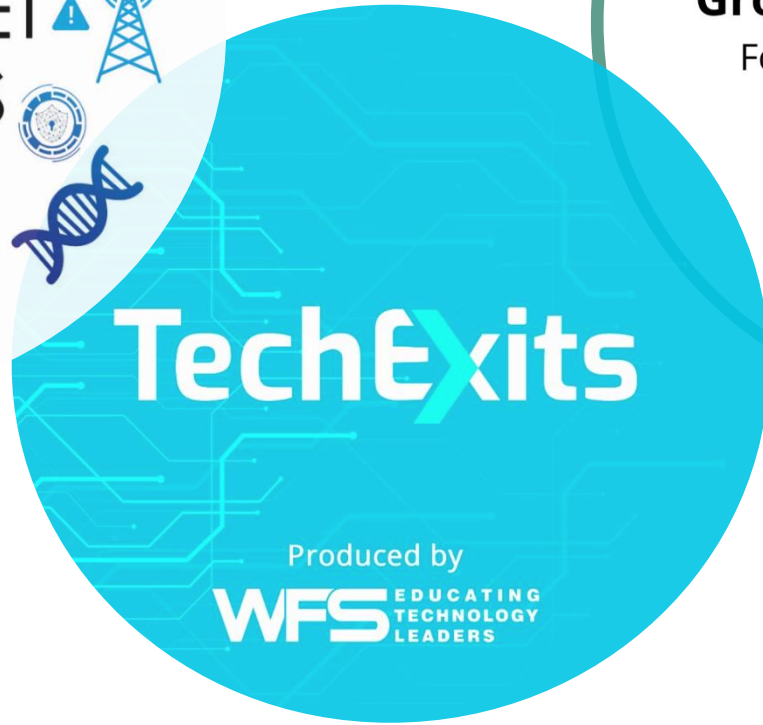
- **Half-Day**
- **Tech M&A Bootcamp**
- **The most attended tech executive conference in history**

- **90 Minutes**
- **Industry Update**
- **Overview of the M&A Process**





Webcasts



Podcasts



Conferences



# After the Deal – Celebration



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**Thank you!**