SOFTSHELL

2018 | 4

#VENDOR REPORT

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VENDOR REPORT

Welcome

We are excited to welcome you to the fourth edition of the Softshell Vendor Report. All good things come in three, so they say. But not with us. We have changed a few things for this year's Report. Keep reading to uncover first-hand insights, exclusive statistics and above all to get the most up-to-date and comprehensive overview of the entire cybersecurity industry.

This Report has been researched and developed over the past year by Softshell`s team in Germany and the United States. Our goal for this Report is to present the complex international array of cybersecurity hardware and software solutions in a more transparent and simplified manner. By doing this, we aim to provide a solid basis for end customers, system integrators and resellers alike to evaluate potential new vendors and technologies.

The Report and results are generated through:
* Market analysis
* Phone and web-based research
* Face-to-face interviews with vendors

Companies included in the Report have been given a Softshell Vendor Score. This score demonstrates how well a company and its products are positioned to meet the needs of the DACH (Germany, Austria, Switzerland) market, thus showing how likely it is that they will succeed in the region. We hope this score will be a helpful indicator when assessing which cybersecurity companies to work with in the German-speaking market.

About Softshell

Softshell is a value-added distributor of cybersecurity solutions, headquartered in Munich, Germany. We are unique amongst distributors in DACH, as we focus exclusively on cybersecurity vendors. While other distributors cover a broad scope of IT vendors and products seeking to leverage existing channels, we target, select and focus.

Furthermore, with our extensive knowledge and thorough understanding of the cybersecurity market, we are able to deliver exclusive and excellent consulting services for end customers. We listen, we understand and act appropriately as well as rapidly to help customers make decisions that they are more than satisfied with. We do not only accomplish goals. We aspire to surpass them.

Softshell is continuously working to update our Vendor Report, as the cybersecurity industry is a constantly growing and changing domain. If you have questions about the Softshell Vendor Report, the Softshell Vendor Score, our rating systems, or our services please do not hesitate to contact us.

THE POWERSELLING PROPOSITION

SOFTSHELL

VENDOR
REPORT

Overview

Softshell conducts extensive market research in order to decide which companies will be listed in the Report. We strive to include all active B2B companies in the cybersecurity market, whether they operate in the DACH market or not. There is no cost involved for participation in the Report, and there is no bias shown towards any of the vendors that Softshell is actively working with.

Categories

The Softshell Vendor Report contains two different categories of companies:
> 1. Companies listed with contact and general information, as well as a calculated Softshell Vendor Score (SVS) that ranges from 0.0-10. A zero means a company answered "No" to all scoring questions.
> 2. Companies with contact and general information, but without a Softshell Vendor Score. When Softshell is unable to get in touch with a company's representative, we do not calculate a score. In these cases, the score is displayed as "n.a." - not applicable.

Research Methods

Softshell's research team has contacted all companies listed in the Report multiple times, by as many means as possible. Companies are asked to fill out the "Softshell Vendor Report Information Form" which asks for their general company information, the types of solutions they provide (chosen from a list of 37 possible categories), and answer seven questions about their DACH presence.

Additional Information

If you find your company in our Report and notice any information is missing, has changed, or is incorrect, please contact us at info@softshell.ag and the information will be updated and published in the next version of the Softshell Vendor Report. If you would like to get additional information regarding our research methods and sources, or are looking for more in-depth information on a particular company, please contact us. Questions and comments are welcome.

THE POWERSELLING PROPOSITION

SOFTSHELL

VENDOR
REPORT

Softshell Vendor Score

The Softshell Vendor Score, which is part of the Softshell Vendor Report, displays how well a corporation and its solutions are positioned to meet the specific needs of the DACH market.

The score is composed of seven parameters:
1. Do your products or services come in German (GUI/website/no)
2. Do you have support in German (technical/sales/no)
3. Do you have support located in DACH (technical/sales/no)
4. Do you have a physical office in DACH (legal entity/office(s)/no)
5. DACH reference customers and/or case study (yes/no)
6. DACH resellers or distributors (yes/no)
7. Inclusion in a 2015, 2016, 2017 or 2018 Gartner's Magic Quadrant or Cool Vendor Report or Common Criteria Certification (min. level 3) (yes/no)

A Softshell Vendor Score is calculated according to the following scoring scheme:
1. Do you products or services come in German:
   a) GUI = 5   b) Website = 5
2. Do you have support in German
   a) technical = 10   b) sales = 10
3. Do you have support located in DACH
   a) technical = 10   b) sales = 10
4. Do you have a physical office in DACH
   a) legal entity = 10   b) office = 5
(NOTE: If a company has both a legal entity AND an office, points are not added up)
5. Customers in DACH that you list as a reference/case study
   a) Yes = 10
6. Do you have DACH resellers or distributors
   a) Reseller = 10   b) Distributor = 10
(NOTE: If a company has both a reseller and distributor, points are not added up)
7. Inclusion in a 2015, 2016, 2017 or 2018 Gartner's Magic Quadrant or Cool Vendor Report or Common Criteria Certification (min. level 3)
   a) Yes = 5
(NOTE: If a company is included in a Gartner MQ and CV and/or is CC certified, points are not added up)

We strongly believe that these parameters reflect a corporation's commitment in the region, as well as their strategy for penetrating the DACH market. The score also gives insight into the adaptation of a corporation's products and services to DACH customers, and the general maturity of their operations. Therefore the score estimates a corporation's level of engagement in the DACH market and consequently the likelihood of operating successfully in it.

These scores reflect how many of the parameters they had fulfilled at the time the company was researched and contacted. Please keep in mind that a company's DACH presence may have changed in the meantime and contact us if you would like the latest information on a particular vendor or more information on our sources.

THE POWERSELLING PROPOSITION

SOFTSHELL

VENDOR REPORT

Softshell Vendor Awards

In late 2017 we introduced our Softshell Vendor Awards, the seal of approval for those vendors included in the Softshell Vendor Report that received a Softshell Vendor Score. There are four Softshell Vendor Awards for cybersecurity vendors:

Gold Award
Gold is the highest recognition of the Softshell Vendor Report. This distinguished award displays the best possible score of 10 and is the stamp of complete approval for a well-established company in the DACH region.

Silver Award
The Silver Award is the second highest honor. Companies with the Silver Award already demonstrate excellent operations within the DACH market and possess most of the expected requirements from German companies. Vendors with Softshell Vendor Scores from 8.82 and 9.41 receive the Silver Award.

Bronze Award
The Bronze Award is the third highest award category for vendors. A company in the bronze category already operates successfully in the DACH market and will continue to expand. Vendors with Softshell Vendor Scores from 1.18 to 8.24 receive the Bronze Award.

Blue Award
The Blue Award contestants are deemed not ready to successfully enter the DACH market. We are actively observing these companies and expect future expansion within the DACH market in the next few years. Vendors with Softshell Vendor Scores from 0.0 and 0.59 receive the Blue Award.

THE POWERSELLING PROPOSITION

SOFTSHELL

VENDOR REPORT

Technology Categories

The technology categories that a company can choose from when filling out the "Softshell Vendor Report Information Form" are listed below. A company can select up to five (maximum) Technology Categories. When a company provides a solution not on Softshell's list, the term "other" will also be included in the "Technology Category" section of their column. When a company does not provide this information to Softshell, our research team decides which categories to list, based on extensive examination of their product literature. Some categories are listed within the Report in an abbreviated version, which is shown in bold.

2018 Softshell Vendor Report Technology Categories

- Advanced Persistent Threats **(APT)**/Advanced Threat Protection
- Antivirus/Malware
- Application Security
- Backup/Recovery
- Cloud Access Security Brokers **(CASBs)**
- Cloud/VM Security
- Data Center/Secure Data Storage
- Data Loss Prevention **(DLP)**
- Data Security
- DDOS Protection
- Digital Rights Management **(DRM)**/Fraud Management **(Mgmt)**
- Email Security
- Encryption/Public-Key-Infrastructure **(PKI)**
- Endpoint Security
- Firewall
- Governance, Risk & Compliance **(GRC)**
- Identity & Access Management **(IAM)**/Remote Access Management **(RAM)**
- Internet/Web Security
- Internet of Things **(IoT)**/Industrial Internet of Things **(IIoT)** Security
- Mobile Data Protection **(BYOD)**

- Mobile Device Management **(MDM)**/Enterprise Mobility Management **(EMM)**
- Mobile Security
- Multi-factor Authentication **(MFA)**/Authentication Management **(Mgmt)**
- Network Security
- Other
- Security as a Service **(SaaS)**
- Security Automation & Orchestration **(SAO)**/Security Operations, Analysis & Reporting **(SOAR)**
- Secure Communications
- Secure File Sharing
- Secure Payment
- Security/Behavioral Analytics
- Security Information and Event Management **(SIEM)**
- Threat Detection, Intelligence & Management **(Mgmt)**
- Unified Threat Management (**UTM**)
- Vulnerability Assessment & Management **(Mgmt)**
- Web Application Security
- **(Secure)** Web Gateway/VPN

THE POWERSELLING PROPOSITION

SOFTSHELL

VENDOR REPORT

Statistics and Key Figures

The Softshell Vendor Report contains valuable and comprehensive historical as well as recent data about the entire cybersecurity industry. We have complied some of the knowledge and put together illustrative statistics and diagrams. The charts printed in this version are only a fractional part of the various statistics we can run with the collected data.
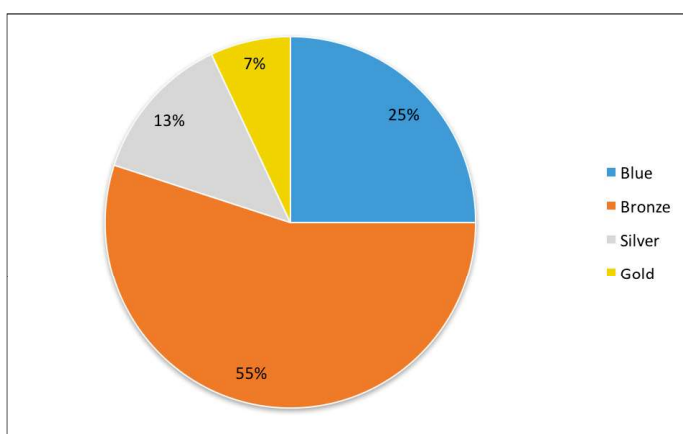
Number of companies included in each Softshell Vendor Report edition:
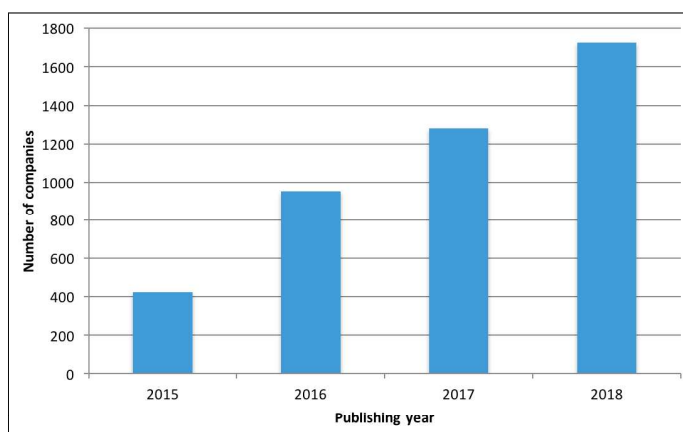
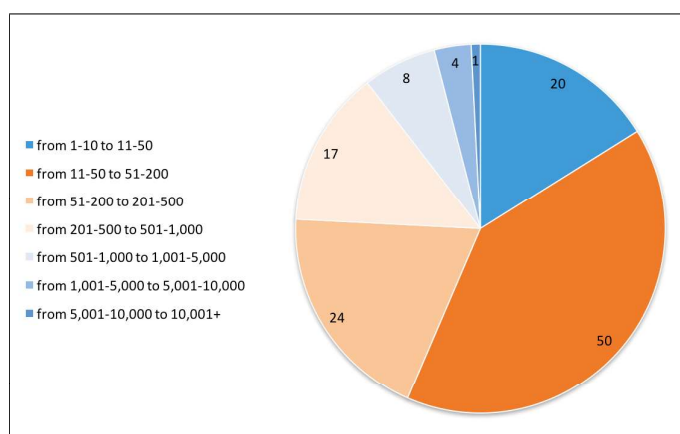### Number of international and DACH companies in each Softshell Vendor Report edition:
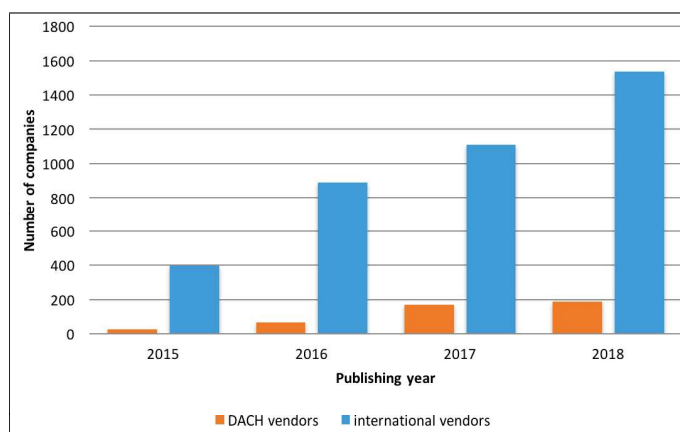
Awards received:

This pie chart shows how many vendors that were included in the 2017 Softshell Vendor Report originally had the Softshell Vendor Score "n.a." and have now in 2018 earned a Softshell Vendor Score and received a Softshell Vendor Award.
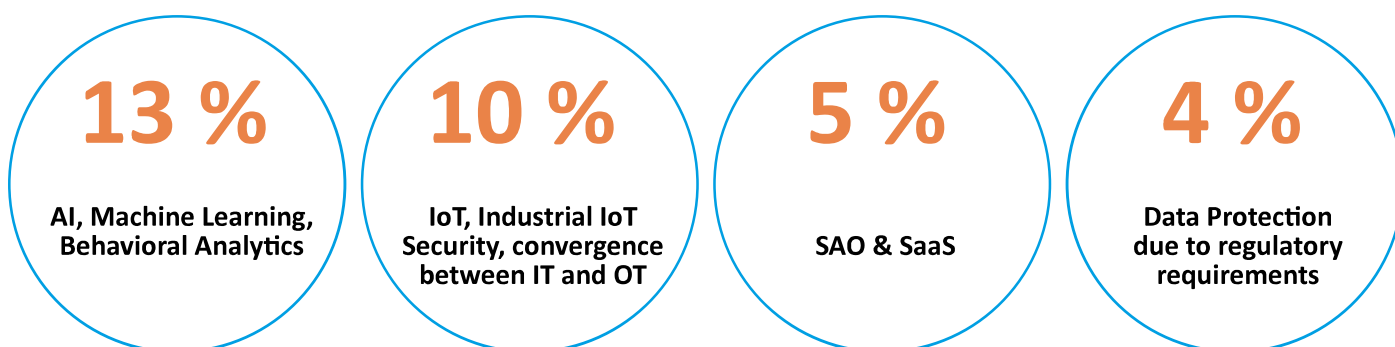
Annual company growth:

The second pie diagram shows how companies that have been part of the 2017 issue of the Softshell Vendor Report grew their workforce size consecutively e.g. 20 companies were able to increase their employee base from 1-10 to a range of 51-200.

THE POWERSELLING PROPOSITION

SOFTSHELL

VENDOR REPORT

Market Trends

Not only are we able to run surprising and insightful statistics with the Softshell Vendor Report, we are also able to identify and perceive how the market is developing and where the industry players are heading. Over the years we have been tracking a constant growth of vendors offering network security, compliance and risk management, threat detection and intelligence as well as encryption solutions. We have also seen a significant growth for security as a service provider. But the hidden champions this year are definitely the security automation and orchestration vendors. We expect a rapid increase of SAO and SOAR companies within the next few years.

We have also asked the vendors included in the Softshell Vendor Report for their thoughts on cybersecurity trends for the next few years:

The vendors see an increase in:

13 %	**10 %**	**5 %**	**4 %**
AI, Machine Learning, Behavioral Analytics	IoT, Industrial IoT Security, convergence between IT and OT	SAO & SaaS	Data Protection due to regulatory requirements

Agari: "In 2018 and beyond, organizations will need to be prepared for their employees to come under attack from increasingly advanced deceptive techniques designed to prey on the psyche and exploit gaps in traditional security measures. Social engineering attacks are too varied and subtle to expect individual users to protect themselves, so the priority must be for organizations to prevent these attacks from reaching them in the first place."

Cynet: "One of the trends in the Cybersecurity industry includes a move towards a single security platform approach. Instead of managing and cross-referencing multiple silo security solutions, which don't 'speak the same language,' IT security teams are looking for a single solution that ensures full visibility and response control throughout the organization."

DFLabs: "Enterprises are increasingly being forced to achieve more with fewer resources, while striving to keep up with the current threat landscape and plethora of security alerts. A combination of factors including increased workloads, manual processes, budget constraints and competition for skilled analysts are resulting in security operations centers struggling to remain efficient and

THE POWERSELLING PROPOSITION

SOFTSHELL

VENDOR
REPORT

effective. Security incidents are becoming more costly, meaning enterprises need to find new ways to further reduce the mean time to detection and resolution. Security and risk management leaders will therefore need to invest in Security Orchestration, Automation and Response (SOAR) technology and tools to help improve their security operations proficiency, efficacy and quality, in order to keep their cyber incident under control."

Nozomi Networks: "We see the adoption curve of ICS cybersecurity technology approaching the later stages of early adoption on a global scale. Mass adoption of the leading technologies within our space may occur as soon as 2019/2020, varying according to industrial vertical and regulatory pressures."

Rohde & Schwarz Cybersecurity: "As a future trend, we see the market shift from reactive towards proactive cybersecurity solutions. The development of reliable cybersecurity solutions will require a „Security by Design" approach in order to provide protection against the sophisticated cyber threats we witness today. Driven by upcoming regulations, compliance and GRC requirements, such as GDPR, this approach will be sidelined by products that focus on data-centric security, isolation and virtualization. Plus, there will be a growing number of cybersecurity solutions available as a service (SaaS)."

Table of Contents

THE POWERSELLING PROPOSITION

SOFTSHELL

VENDOR REPORT

SEP Hybrid Backup

SVS: 9.41

Company: SEP AG

Tech Category: Backup/Recovery; Data Center/Secure Data Storage; Data Security; Other

Website: www.sep.de

Description: SEP AG is a manufacturer of backup and disaster recovery solutions to protect cross-platform and heterogeneous IT-environments. Reliable restores, a flexible licensing model, high product standards and an attractive price performance ratio are only four of countless arguments why organizations and enterprises in over 50 countries trust in the Hybrid Backup solution SEP sesam.

Founded: 1992

Public/Privately held Company: Privately held

Size: 51-200

Address HQ: Konrad-Zuse-Str. 5, 83607 Holzkirchen, Deutschland

Phone HQ: +49 8024 46331 0

Address DACH: -

Phone DACH: -

Phone EMEA: -

Email: info@sep.de

SEPPMAIL

SVS: 9.41

Company: SEPPmail AG

Tech Category: Email Security; Encryption/PKI; Firewall; Secure File Sharing

Website: www.seppmail.ch

Description: Based in Switzerland, operating internationally, SEPPmail is a manufacturer in "Secure Messaging". Their patented, prize-winning technology for spontaneous, secure email traffic encrypts electronic messages and can add a digital signature if desired. The company has more than fifteen years of experience in secure sending of digital messages. In developing their email security technology, SEPPmail pays particular attention to user-friendliness and reducing complexity as much as possible. Companies of all sizes can apply SEPPmail solutions in a fast and easy, without any traditional training.

Founded: 2001

Public/Privately held Company: Privately held

Size: 11-50

Address HQ: Industriestr. 7, 5432 Neuenhof, Switzerland

Phone HQ: +41 56 648 28 38

Address DACH: Ringstr. 1c, 85649 Brunnthal, Deutschland

Phone DACH: +49 8104 8999 030

Phone EMEA: -

Email: info@seppmail.ch

SEQUITUR LABS

SVS: n.a.

Company: Sequitur Labs, Inc.

Tech Category: IoT/IIoT Security

Website: www.sequiturlabs.com

Description: Sequitur Labs develops seminal technologies to secure the connected economy. We are currently working on making IoT devices trustworthy because without TRUST there is NO IoT! IoT security is hard. But it doesn't have to be. We are obsessed about demystifying security and making it easy for for developers to use advanced hardware security.

Founded: 2010

Public/Privately held Company: Privately held

Size: 11-50

Address HQ: 33404 SE Redmond Fall City Rd., Fall City, WA 98024 USA

Phone HQ: +1 (425) 654 2048

Address DACH: -

Phone DACH: -

Phone EMEA: -

Email: info@sequiturlabs.com

THE POWERSELLING PROPOSITION

SOFTSHELL