



## Rapid7 Secures \$50 million in Series C Funding

*Funding from Technology Crossover Ventures Will Support Hiring Great People, Acquiring Innovative Companies and Accelerating International Expansion*

**Boston, MA - November 17, 2011** - [Rapid7](#), the leading provider of security risk intelligence solutions, today announced it has secured \$50 million in a series C round from Palo Alto, Calif.-based Technology Crossover Ventures (TCV). The new funding will support Rapid7's growth strategy in three main areas: hiring critical talent to accelerate product innovation, strategic acquisitions and international expansion.

"In the security battle, attackers currently have the edge and Rapid7 intends to change this by recruiting the most talented people and organizations to drive innovation. We are looking for great people that are passionate about helping customers solve the hard problems they face in security," said Mike Tuchen, CEO of Rapid7. "Our desire to work with people that excel at what they do led us to this engagement with Technology Crossover Ventures. We're fortunate to have not only their financial support, but also their deep understanding of how to drive technology companies to success."

With more than 365 security incidents reported this year to date affecting over 126 million records, data breaches have become a mainstream event in the industry and impact small and large companies alike<sup>1</sup>. According to the *2011 Data Breach Investigations Report*, 50% of data breaches in 2010 utilized some form of hacking and 49% incorporated malware<sup>2</sup>. Rapid7 addresses this changing security landscape by providing security professionals with products and services that not only identify the risks in the IT infrastructure, but also prioritize their remediation based on the probability of an attack.

The security and vulnerability management market is predicted to exceed revenue of \$5.2 billion by the end of 2014 by industry analyst firm IDC<sup>3</sup>. Rapid7 is one of the fastest growing and most successful players in this space, with revenue increasing more than 900% over the past four years and the Company reporting its tenth quarter of record revenue in Q3 2011. More than 1,700 customers worldwide have decreased risk and increased productivity by remediating threats that pose the biggest impact on their business through Rapid7's solutions.

"Rapid7 has earned a reputation for product innovation, which has translated into strong sales and sustained revenue growth for the last six years," said Tim McAdam, TCV general partner. "The Company is well positioned for leadership in the global IT security market as companies continue to face sophisticated attacks from a variety of sources. We are excited to support Rapid7 in this next stage of growth."

TCV is a new investor in Rapid7, joining Bain Capital Ventures in supporting the Company's growth. As part of the investment, Tim McAdam, TCV general partner, will join Rapid7's board of directors. McAdam has more than 20 years of experience with companies of all sizes in the enterprise software, Internet and security markets.

Rapid7 will use the \$50 million investment to fuel its growth plans, including significant product innovation. To this end, the Company is expanding its engineering teams in Los Angeles, CA and Austin, TX, as well as staffing a brand new innovation center at the Company's headquarters in Boston, MA. These centers focus on delivering innovative solutions to address the complex security challenges facing organizations. Recently voted one of the *Boston Globe's* "Top Places to Work," Rapid7 is recruiting the most talented people in security and open source to join these teams and help design and build solutions that respond to changing IT paradigms and business needs. The Company has already increased its employee base by 43% so far in 2011, and aggressive recruitment will continue to be a priority following the investment. In addition to hires, the Company is poised to use today's funding towards further acquisitions and investments that will help all businesses make smarter decisions about their security risk.

"Rapid7 has established itself as the leader in the strategically important security assessment and information sector," said Ben Nye, managing director at Bain Capital Ventures. "With more than 1,700 active customers and a six year compound growth rate of 96 percent, enterprises of all sizes are turning to Rapid7 for actionable security risk intelligence."

In 2004, Rapid7 launched its flagship solution Nexpose, delivering the industry's first unified vulnerability management platform, which provides users with scanning capabilities across their entire IT environment, including Web, network, applications and databases.



In 2009, the Company acquired the popular open source Metasploit® Framework to further support the community and deliver advanced penetration testing solutions that integrate with vulnerability management. This innovation provided an industry pioneering level of contextual security risk intelligence. Since then, Rapid7 has delivered a family of Metasploit commercial products, while also growing the open source Metasploit Framework by a factor of four with more than 1 million downloads per year. The Company's support of the security industry continues with sponsorship of the w3af and John the Ripper projects, and the recently announced Magnificent7 program to provide \$100,000 among seven winning open source projects in 2012.

Rapid7 will also use the funding to continue building its presence in the EMEA and Asia-Pacific markets. In Q3 2011, the Company laid the foundation for this by opening its first international offices: an EMEA base in London, UK, and an Asia-Pacific base in Hong Kong.

### About Rapid7

Rapid7 is a leading provider of IT security risk management software. Its integrated [vulnerability management](#) and [penetration testing](#) products, Nexpose and Metasploit, and [mobile risk management](#) solution, Mobilisafe, enable defenders to gain contextual visibility and manage the risk associated with the IT environment, users and threats relevant to their organization. Rapid7's simple and innovative solutions are used by more than 2,000 enterprises and government agencies in more than 65 countries, while the Company's free products are downloaded more than one million times per year and enhanced by more than 175,000 members of its open source security community. Rapid7 has been recognized as one of the fastest growing security companies by *Inc. Magazine* and as a "Top Place to Work" by the *Boston Globe*. Its products are top rated by Gartner®, Forrester® and *SC Magazine*. The Company is backed by Bain Capital and Technology Crossover Ventures. For more information about Rapid7, please visit <http://www.rapid7.com>.

### About TCV

Technology Crossover Ventures (TCV), founded in 1995, is a leading provider of growth capital to technology companies, providing funds to later-stage private and public companies. With \$7.7 billion in capital under management, TCV has invested in over 150 technology companies leading to 50 initial public offerings and more than 40 strategic sales or mergers. Representative investments include Altiris, C|NET, eHarmony, Expedia, Facebook, Fandango, Groupon, HomeAway, Netflix, RealNetworks, Redback Networks, RiskMetrics Group, Solect Technology, TechTarget, and Zillow. TCV has 12 partners and is headquartered in Palo Alto, CA with offices in New York, NY. For more information about TCV, visit [www.tcv.com](http://www.tcv.com).

1 [Data Loss Database - 2011 Yearly Report](#) from the Open Security Foundation

2 [2011 Data Breach Investigations Report](#) from the Verizon RISK Team with cooperation from the U.S. Secret Service and the Dutch High Tech Crime Unit.

3 *Worldwide Security and Vulnerability Management 2010-2014 Forecast and 2009 Vendor Shares*, IDC, December 2010