G-SIDE CAPITAL ADVISORS

Technology Perspectives

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Technology Deal Highlights

3%	57%	63%
Increase in YOY deal volume	Increase in YOY deal value	Private equity involvement

Notable Quotes & Trends:

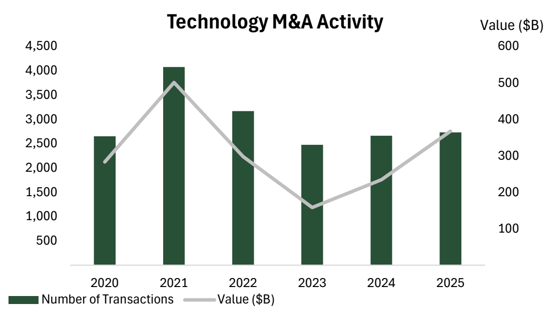
"IBM and Confluent together will enable enterprises to deploy generative and agentic AI better and faster by providing trusted communication and data flow between environments, applications and APIs...With the acquisition of Confluent, IBM will provide the smart data platform for enterprise IT, purpose-built for AI." **– Arvind Krishna, CEO, IBM**

"Agentic AI is where the industry is headed, is where our customers are headed. It's where they're demanding outcomes." **– Rishi Bhaskar, Director, Amazon**

The Trump administration launched the "U.S. Tech Force" initiative , aiming to hire about 1,000 engineers and AI specialists to accelerate AI infrastructure and tech projects across federal agencies, in partnership with Amazon, Apple, Google, Microsoft, Nvidia, and OpenAI.

Technology Year in Review

Propelled by the ongoing surge in AI, the Technology sector demonstrated a dominant presence in M&A activity throughout 2025. Transaction activity was concentrated in areas such as AI platforms, developer tools, cybersecurity, and digital infrastructure assets. Private equity exhibited a strong investment appetite for SaaS businesses, while strategic acquirers pursued AI-native capabilities, cloud-scale architectures, and data-centric software solutions to enhance competitive differentiation. Within this context of an AI-driven infrastructure arms race, the Semiconductor sector experienced heightened M&A activity, spurred by increasing demand for AI technologies, energy-efficient computing, and advanced connectivity solutions. Key areas of focus for dealmakers included AI accelerators, power semiconductors — particularly silicon carbide for data centers — photonics, high-speed interconnects, and edge AI processing. Cybersecurity also experienced a similar uptick in M&A activity in 2025, driven by the rapid expansion of AI agents, machine identities, and the escalation of credential abuse and AI impersonation threats. In response, industry consolidators prioritized acquisitions that offered capabilities in cloud misconfiguration detection, intelligent privilege controls, and cloud-native security to safeguard integrated platforms. Notable transactions, such as Google's $32 billion acquisition of Wiz and Palo Alto Networks' $25 billion acquisition of CyberArk, underscores these trends. The prevailing AI rush remained the principal catalyst for M&A activity in 2025, with consolidators acquiring advanced semiconductor hardware, AI-native software, and enhanced computing capacities to reinforce future industry positioning.



Looking Ahead to 2026

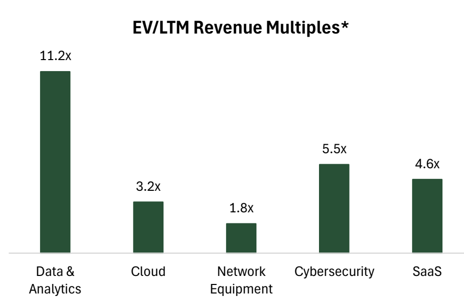
Looking forward to 2026, it is anticipated that Technology M&A will continue to be driven by AI's transformative influence on capital allocation, deal strategies, and infrastructure priorities. The rise of agentic AI — autonomous systems capable of independently executing complex tasks — is expected to further intensify this trend, amplifying demand for advanced, self-directed technological capabilities. The ongoing wave of consolidation is also expected to persist in resilient software verticals such as cybersecurity, vertical SaaS, and cloud infrastructure, where AI continues to drive differentiation amid intensifying competitive pressures. The broader mobility sector, encompassing autonomous driving, drones, and urban air mobility, is attracting significant buyer attention as companies invest in related technologies and intellectual property.

Deal & Valuation Tracker

Recent Headline Deals

Acquirer	Target	Value (Billions)
NETFLIX	WARNER BROS. DISCOVERY	$83.0
SKYWORKS	QORVO	$22.0
IBM	CONFLUENT	$11.0
WARBURG PINCUS / PERMIRA	CLEARWATER ANALYTICS	$8.4
servicenow	ARMIS	$7.8

Public Company Multiples



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