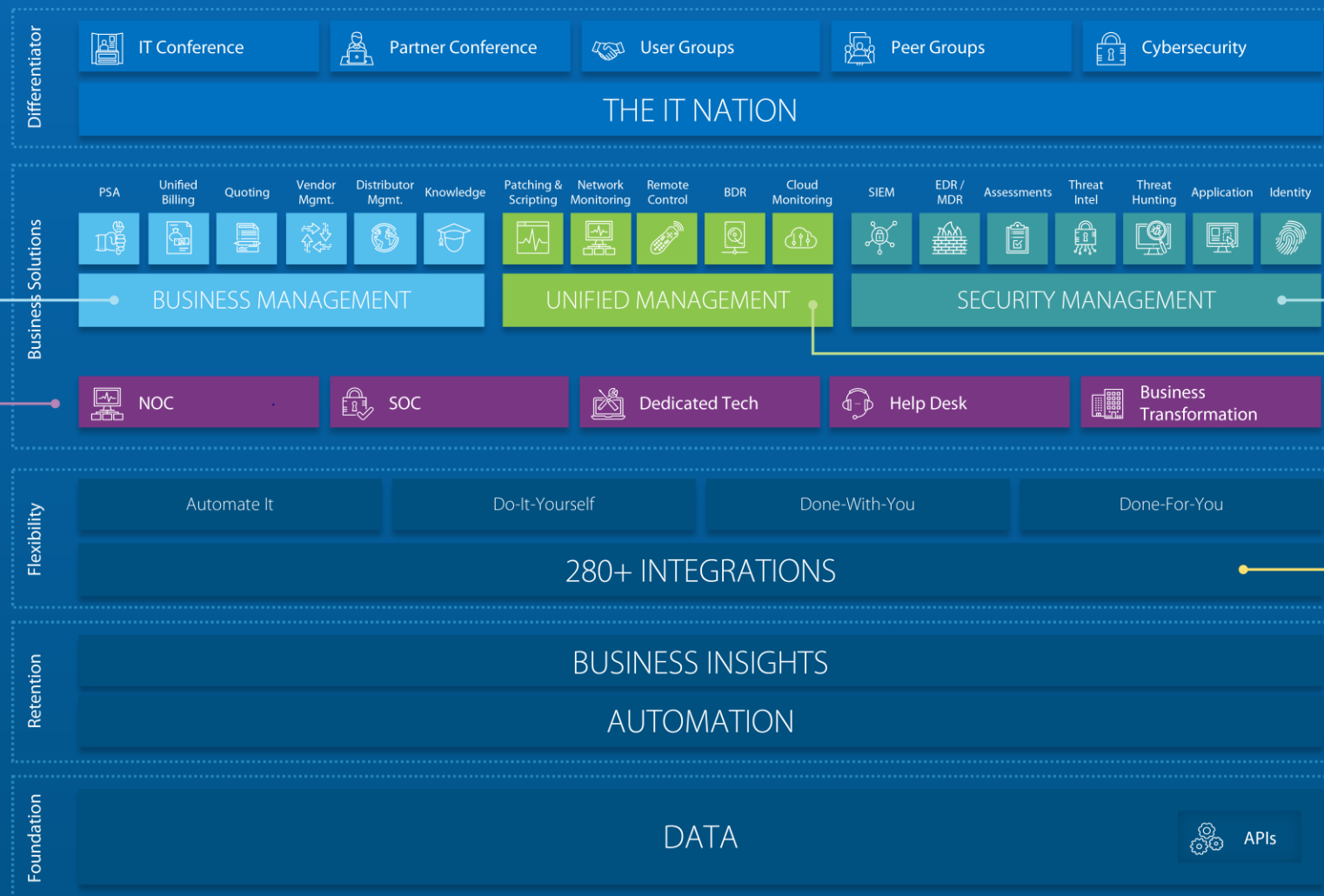# Industry Outlook & Threat report

CONNECTWISE™

Vision

To power a thriving IT ecosystem that transforms what's possible for SMBs.

Mission

We empower IT solution providers with unmatched software, services, and community to achieve their most ambitious vision of success.

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Agenda

SMB Industry Outlook

CRU Threat report

ConnectWise approach

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4 MSP take aways from SMB Industry report

1. MSP business demand is strong
   1. IT Modernisation hybrid workstyles will boost IT investments from SMB
   2. Cybersecurity and cloud are top business priorities

2. BIC MSPs will outgrow rest of industry
   - High OML average ARR / managed clients $14k vs 9k for lower OML
   - BIC generate 22% more revenue per employee (€185k vs €145k)

3. MSPs looking to further in NOC/SOC
   - Partner/Build/Enhance

4. Continuation in trend of threat actors targeting MSPs (and upstream)

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What your clients want

The State of SMB Cybersecurity in 2021
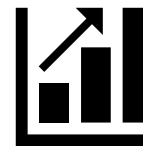
Vanson Bourne Research

CLIENT CHURN

92%

Would consider a new IT service provider for the 'right' cybersecurity solution.

PERCEPTION

7%

Believe they have cybersecurity specific conversations with their service provider as a matter of course,.

CLIENT SPEND

77%

Plan to increase their investment in cybersecurity overt the next 12 months.

D-I-Y

61%

Lack the skills in-house to properly deal with security issues.

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2022 MSP Threat Report

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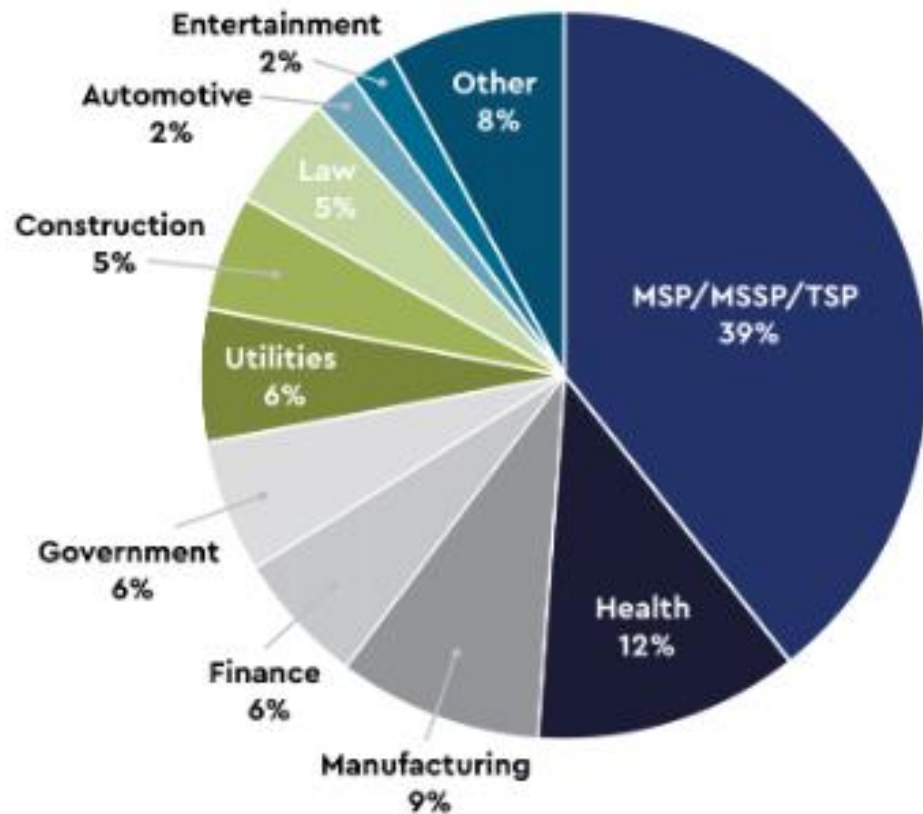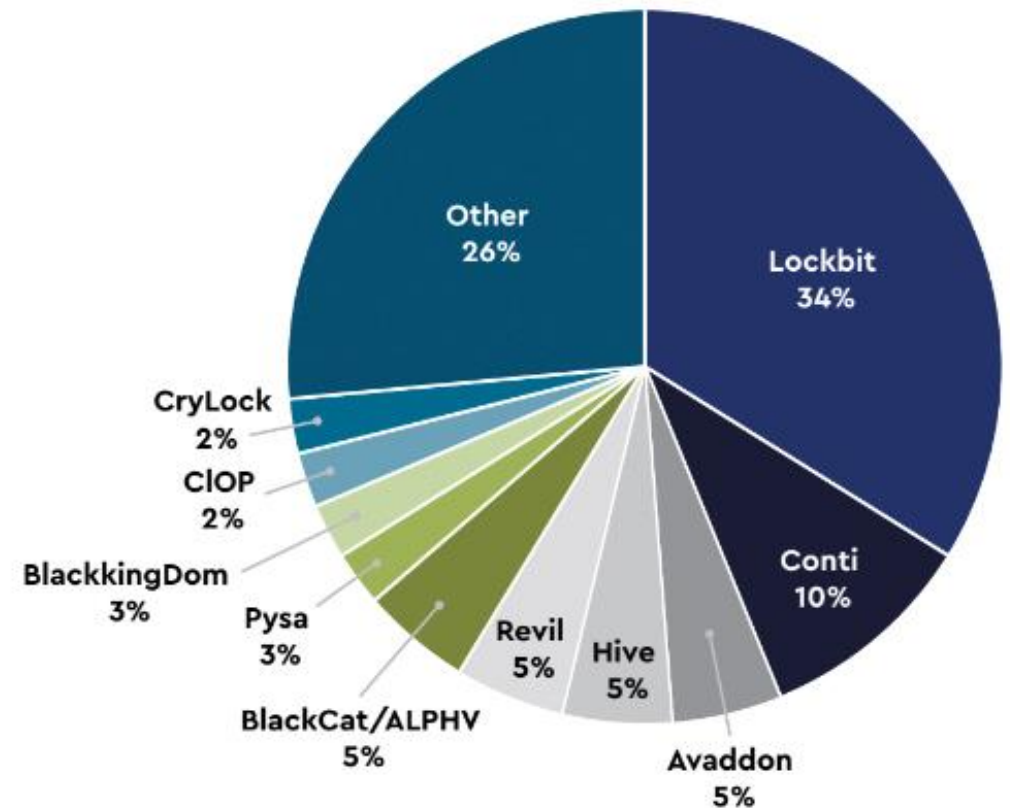
CRU threat report Synopsis

- MITRE ATT&CK Framework - 370 techniques, 14 tactics; however, Phishing still most common technique for access followed by reusing valid accounts

- Emotet takedown 27th Jan – 75% of our incident count, resurfaced in Nov

- Colonial Pipeline Attack – Catalyst for change, ban of RaaS ads, US Gov declares cyber attacks act of terrorism, law enforcement arrests

- REvil Buffalo Jump 2nd July – 40+ MSP's and 1500 End Users impacted (largest of its kind)

- Sonicwall report shows 148% surge in MSP focused ransomware attacks

- Sharp increase in double/triple extortion attacks

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Ransomware is on the rise

Top 10 Industries Targeted by Ransomware – 2021

- MSP/MSSP/TSP 39%
- Health 12%
- Manufacturing 9%
- Finance 6%
- Government 6%
- Utilities 6%
- Construction 5%
- Law 5%
- Automotive 2%
- Entertainment 2%
- Other 8%

Top 10 Ransomware Targeting MSPs – 2021

- Lockbit 34%
- Other 26%
- Conti 10%
- Avaddon 5%
- Hive 5%
- Revil 5%
- BlackCat/ALPHV 5%
- Pysa 3%
- BlackkingDom 3%
- ClOP 2%
- CryLock 2%

Notable Findings

Throughout 2021, the CRU collected data from all cybersecurity incidents across ConnectWise MSP partners and their clients.

- Of the incidents, 40% were related to ransomware, 25% were directly related to Exchange vulnerabilities, and 10% were coin miners with some overlap.

- Most incidents occurred in Q1 and Q3.There was a significant increase in ransomware incidents targeting MSPs in the second half of 2021, with 72% of all ransomware incidents directly targeting MSPs occurring in the second half of 2021.

- We recorded the mass ransomware attacks that happened during the July 2 Kaseya incident as a single incident. This attack targeted at least 40 MSPs and over 1500 of those MSPs' clients, putting MSPs in the spotlight for threat actors, researchers, and government officials alike.

Top 10 Industries Targeted by Ransomware – 2021

- Entertainment 2%
- Automotive 2%
- Other 8%
- Law 5%
- Construction 5%
- MSP/MSSP/TSP 39%
- Utilities 6%
- Government 6%
- Finance 6%
- Manufacturing 9%
- Health 12%
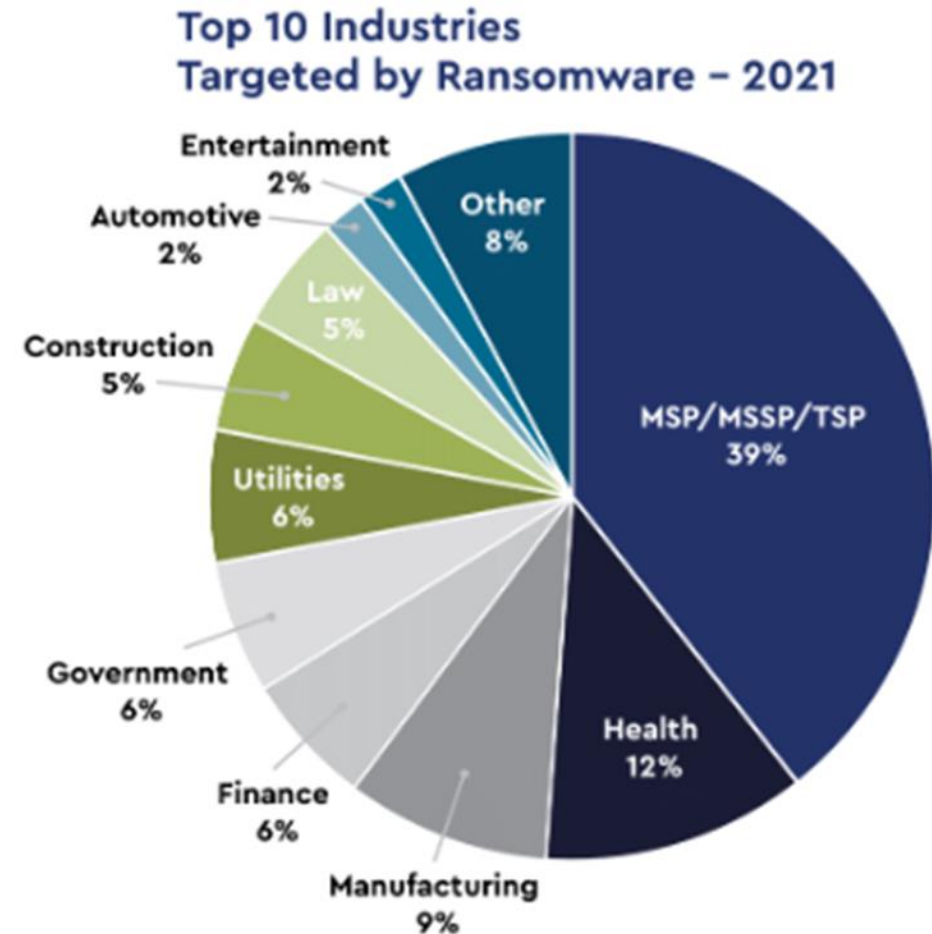
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Predictions from the ConnectWise Cyber Research Unit

2022 MSP Threat Report

1. The anatomy of an MSP will be different in 2022

2. Tighter policy + Regulators and legislators will create and define clarity on ransomware payments

3. The SMB market is going to spend more on Cyber Security in 2022

4. Threat actors will change tactics to stay under the radar in response to law enforcement success. Shift away from "big game hunting"

CW Information Security Update

Raising our game

- Increased External Audits & Testing

- Delivery Pipeline Automate (Shift Left)

- Internal Red Team

- More than doubled our InfoSec investments year over year from 3 years ago when we increased them 10x spend on infosec

- 2020 launched IT Nation Secure

- 2020 launched the Cyber Research Unit

- ConnectWise Trust Center

- 2021 launched the Cybersecurity Partner Program

- 2022 launched Incident Response Service

ConnectWise.com/Trust
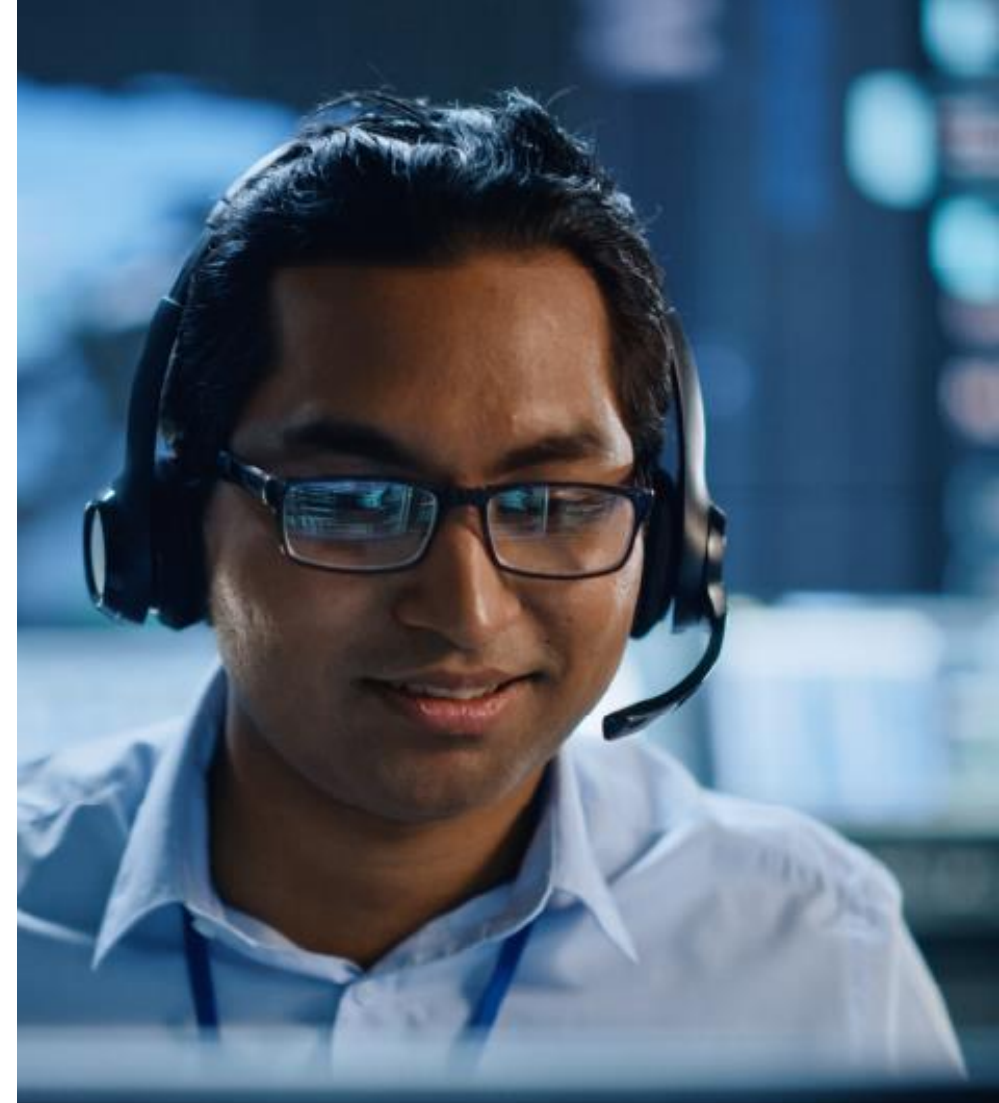
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ConnectWise Partner Program

The Partner Program is open to all ConnectWise partners

REGISTERED PARTNER
Grow at your own pace

ACCELERATE PARTNER
Customizable, designated journeys

SELF-PACED JOURNEY

- Access to on demand education
- Exclusive Partner Portal access
- Brandable marketing assets
- Marketing automation platform
- Free fundamentals certification

BUSINESS READINESS

- Sales, marketing, tech readiness
- Optional internal assessment
- Implement CW cybersecurity
- Pricing and bundling tips
- Free advanced certifications

SELLING TO CLIENTS

- Dedicated partner development manager
- Marketing concierge
- Market development funds
- Pre-sales resources
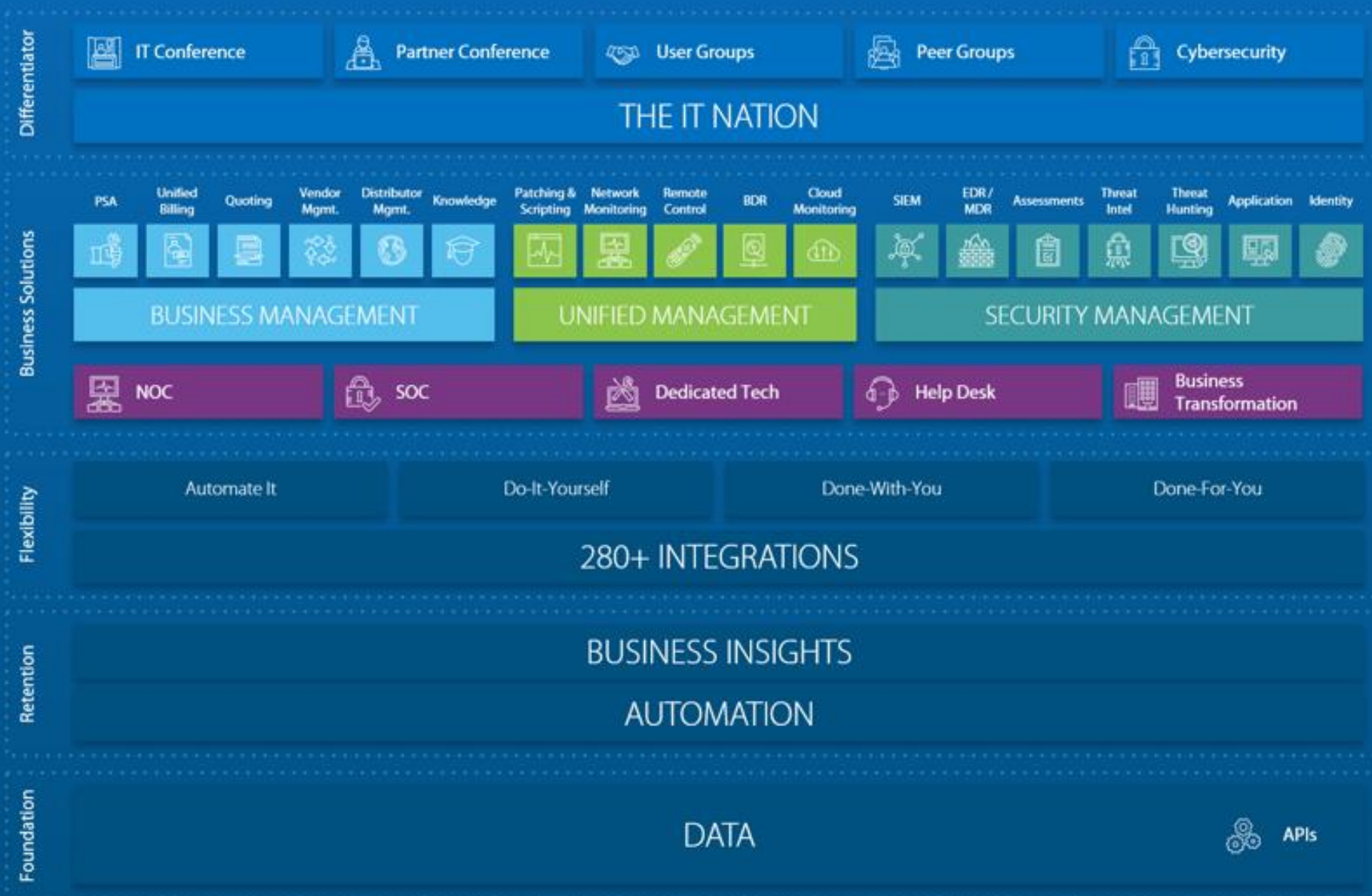- Client campaigns

SELLING TO PROSPECTS

- Dedicated partner development manager
- Marketing concierge
- Prospect list building
- Prospecting campaigns
- Co-op funds

If you're a ConnectWise partner and would like access to cybersecurity sales and marketing resources, follow the QR code to register for access today!

More innovation, **faster.**

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THE CONNECTWISE PLATFORM