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Exclusive: Inside Wiz's acquisition of Gem Security

BY **ALLIE GARFINKLE**
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Wiz CEO and cofounder Assaf Rappaport in 2021.

HARRY MURPHY/SPORTSFILE FOR WEB SUMMIT—GETTY IMAGES

The word “wiz” is defined by Merriam-Webster as “a person who is very good at something.” It’s also a term that evokes wizards, in the *Harry Potter* sense.

And it’s proven to be a fitting name for a company that’s among the fastest-growing startups ever—in 2022, the cloud security company hit \$100 million in ARR just 18 months after its launch, and has continued growing at a rapid clip ever since.

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Now, the company is at a coming-of-age moment, as Wiz goes from nascent upstart to acquiring institution. Wiz CEO and cofounder Assaf Rappaport has talked to *Fortune* exclusively about Wiz’s second-ever acquisition with its purchase of Gem Security, a cloud threat detection startup:

Gem, which was founded in 2022 and specializes in what’s commonly termed cloud detection and response, or CDR, landed on Rappaport’s radar last year. “I never got so many calls from so many investors saying: ‘Hey, how can we get into Gem?’” said Rappaport. “That’s when I knew something was happening.”

In some sense, Wiz’s acquisition of Gem is more than a decade in the making, as Rappaport and Gem cofounder and CEO Arie Zilberstein go further back than you might expect:



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FROM ALIGHT

The speed of the Gem acquisition can be in part attributed to the common language between Rappaport and Zilberstein. The two have a lot in common, in a way that's easy to see as they talk to each other on a Zoom call—they both sit with evocative art in the background (on Rappaport's side, there's even a painting by his cofounder Costica) and they're both very excited to let me know that they both have border collie mixes.

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And then there's how they first met—more than a decade ago, Rappaport and Zilberstein were both in the elite cyber division of the Israeli Defense Forces, Unit 8200. It's a program that screens 100,000 recruits each year and only selects the top dozen or so.

Rappaport told *Fortune* that Wiz will be on the lookout for more deals this year, as the company looks to keep building its streak as a magic-maker.

[Read the full story here.](#)

See you tomorrow,

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Joe Abrams curated the deals section of today's newsletter.

≡ FORTUNE

- **Monad Labs**, the New York City-based developer of the Monad blockchain, raised \$225 million in Series A funding. **Paradigm** led the round and was joined by **Electric Capital** and **Greenoaks**.
- **HysetCo**, a Paris, France-based network of hydrogen distribution stations and provider of hydrogen vehicle rentals, raised €200 million (\$217 million) in funding. **Hy24** led the round and was joined by **RAISE Impact** and **Eiffel Investment Group**.
- **Guesty**, a Covina, Calif.-based property management software platform designed for the short-term rental and hospitality industry, raised \$130 million in Series F funding. **KKR** led the round and was joined by **Inovia Capital** and existing investors **Apax**, **BDT & MSD**, and **Sixth Street**.
- **Platform Science**, a San Diego-based fleet management platform, raised \$125 million in funding from **BDT & MSD Partners**, **Activant Capital**, **Manhattan Venture Partners**, **C.R. England**, **Cummins**, **Daimler Truck**, **PACCAR**, and others.
- **Grow Therapy**, a New York City-based platform that connects prospective therapy patients with therapists and provides insurance billing, electronic record keeping, and other tools, raised \$88 million in Series C funding. **Sequoia Capital** led the round and was joined by **Goldman Sachs Alternatives** and **PLUS Capital**.
- **Symbolica**, a San Francisco-based developer of AI models capable of structured reasoning, raised \$33 million in funding. **Khosla Ventures** led the round and was joined by **Day One Ventures**, **General Catalyst**, **Abstract Ventures**, and **Buckley Ventures**.
- **Onum**, a Madrid, Spain-based data observability platform, raised \$28 million in Series A funding. **Dawn Capital** led the round and was joined by **Kibo Ventures** and **Insight Partners**.
- **Reshape**, a Copenhagen, Denmark-based AI and robotics-powered imaging and analysis platform, raised \$20 million in Series A funding from **Astanor Ventures**, **R7**, **ACME**, **Y Combinator**, **Nicholas Francis**, and **21stBio**.
- **Andesite**, a Washington, D.C.-based AI-powered cybersecurity platform, raised \$15.3 million in funding from **Red Cell Partners** and **General Catalyst**.

- **StrikeReady**, a Dallas, Texas-based developer of an AI-powered unified cybersecurity operations platform, raised \$12 million in Series A funding. **33N Ventures** led the round and was joined by **Hitachi Ventures**, **Monta Vista Capital**, and others.
 - **Procurement Sciences AI**, a Washington, D.C.-based bidding-intelligence platform for government contractors, raised \$10 million in Series A funding. **Battery Ventures** led the round and was joined by existing investor **Tower Research Capital** and new investors **K Street Capital** and **Blu Ventures**.
 - **Bite**, a New York City-based developer of self-service kiosks for restaurants, raised \$9 million in Series A funding. **Staley Capital** led the round and was joined by **Graham Partners**, **Food-X**, **One Way Ventures**, and **Tamarisc Ventures**.
 - **KIKI World**, a Los Angeles-based beauty product company that lets users vote on new products, raised \$7 million in funding. **a16z crypto** and **The Estee Lauder Companies' New Incubation Ventures** and were joined by **Double Down**, **2Punks Capital**, **Advanceit**, and others.
 - **Spines**, a Boynton Beach, Fla.-based AI-powered publishing platform, raised \$6.5 million in seed funding. **Aleph** led the round and was joined by **M-Fund**, **Dan Senior**, and **LionTree**.
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- **Carrar**, a Sha'ar Hanegev, Israel-based provider of battery modules and thermal management systems for electric vehicles, raised \$5.3 million in Series A funding from new investors **Salida B.V.**, **OurCrowd**, **NextGear**, and existing investors **Gentherm**, **Next Leap Ventures**, **Dive Digital**, and others.
- **JUICER**, a San Francisco-based provider of restaurant revenue management and pricing solutions, raised \$5.3 million in seed funding. **York IE** led the round and was joined by **Augment Ventures**, **Mudita Venture Partners**, and others.
- **Marleybones**, a London, U.K.-based gourmet dog food and treat brand, raised £900,000 (\$1.1 million) in seed funding. **JamJar Investments** led the round and was joined by **Active Partners**, **Rapha**, and **KatKin**.

PRIVATE EQUITY

- **ARCHIMED** acquired a majority stake in **Cellese**, a Irvine, Calif.-based developer of topical dermocosmetics. Financial terms were not disclosed.

- **Cobalt Service Partners**, backed by **Alpine Investors**, acquired **Automated Door Ways**, a Columbus, Ga.-based installer of automatic and manual doors, **Toepfer Security**, a Waukesha, Wisc.-based security system installer, **Industrial Door Company**, a Sacramento, Calif.-based commercial and industrial door installer, and **Homeland Safety Systems**, a Shreveport, La.-based installer of security systems with a focus on school districts and correctional facilities. Financial terms were not disclosed.
- **Crest Rock Partners** acquired a majority stake in **Relocity Holdings**, a Los Angeles, Calif.-based provider of software and destination services designed to improve the employee relocation process. Financial terms were not disclosed.
- **Enlightenment Capital** acquired a minority stake in **Summit Technology Group**, a Mechanicsburg, Pa.-based provider of software platforms for government, regulatory, and financial workflows supporting U.S. federal government agencies, commercial financial institutions, and enterprise customers. Financial terms were not disclosed.
- **Fenix Parts**, backed by **Stellex Capital Management**, acquired **Neal Auto Parts**, a Peoria, Ill.-based automotive recycler. Financial terms were not disclosed.
- **Prospect Partners** acquired a majority stake in **Warren Roofing**, a Walton Hills, Ohio-based roofing services provider. Financial terms were not disclosed.

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- **RealmOne**, a portfolio company of **Enlightenment Capital**, acquired **Torin Consulting**, a Reston, Va.-based provider of operations support and consulting services. Financial terms were not disclosed.
 - **Verdane** acquired a majority stake in **Corlytics**, a Dublin, Ireland-based provider of regulatory intelligence and policy compliance technology. Financial terms were not disclosed.

FUNDS + FUNDS OF FUNDS

- **Arctos**, a Dallas, Texas-based private investment firm, raised \$4.1 billion for its second fund focused on professional sports franchise investments.

PEOPLE

- **Arctos**, a Dallas, Texas-based private investment firm, hired **Brian Lafemina** as an operating partner. Formerly, he served as chief business officer for the **Los Angeles 2028 Organizing Committee for the Olympic Games** and **President of the Washington Commanders football club**.

- **Define Ventures**, a San Francisco-based venture capital firm, hired **Frank Williams** as a venture partner. Formerly, he served as the CEO and chairman of **Evolent Health**.

- **Littlejohn & Co**, a Greenwich, Conn.-based private investment firm, hired **Farrukh Bezar** as an operating advisor. Formerly, he served as senior vice president and chief strategy officer at **CSX Corporation**.

- **Mercury Fund**, a Houston, Texas-based venture capital firm, hired **Devin Redmond** as a senior associate. Formerly, he was with **Wells Fargo**.

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