

# VMS Software, Inc.

## Business Update

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This presentation contains forward looking statements and is provided solely for your convenience. The information herein is based on our current thinking and best estimates, and is subject to change.



# Agenda

- A word about our vision
- History of the transaction with HP
- Business review
  - User review(s) of VSI strategy
  - How is VMS Software organized
  - Key team members
- Technical status, from a business perspective
  - Phased approach
  - Masterbuild
  - Future plans
- Q & A

# Vision

- Put the 'band back together'
- Let the team set the technical agenda
- Do not interfere

# History of HP Transaction

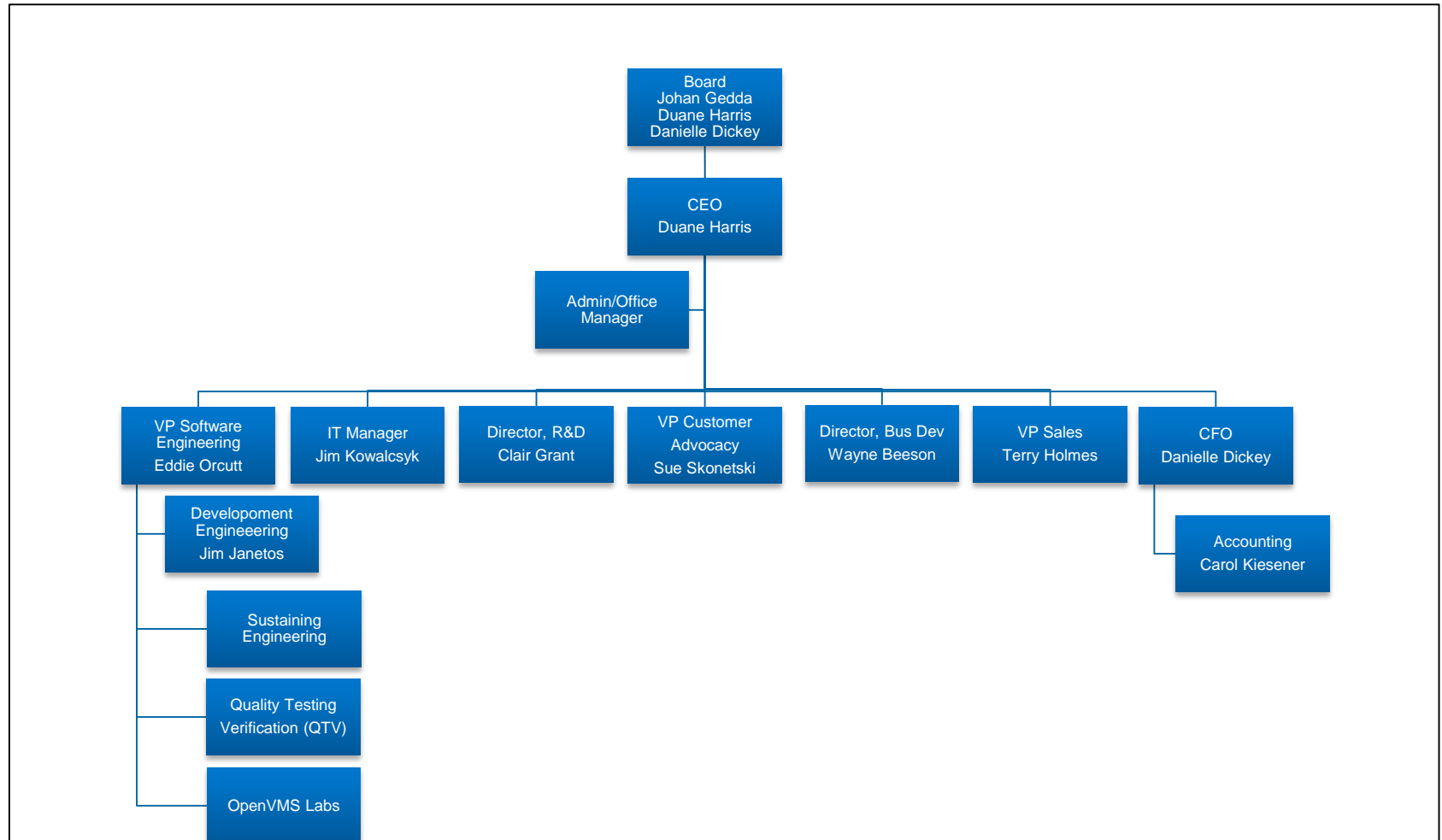
- August 2013: Launch of bid
  - Duane Harris, CEO of Nemonix
  - Eddie Orcutt, now VSI VP of Engineering
  - Johan Gedda, principal investor in Nemonix
- May 2014 VMS Software formed
- July 2014 Acquisition of HP License announced
  - Re-energize installed base with updates, performance improvements, solid roadmap
- Deal dynamics
  - Three proposals in front of HP's review board
  - 'Friendly' offer from 30 year partner of DEC/Compaq/HP
  - Ability to reconstitute the original Boston based OpenVMS team (located right in our neighborhood)

# HP Transaction: Key Licenses

- **IPLA** (Intellectual Property License Agreement)
  - Right to use source to develop derivative works
  - Grant of rights in perpetuity
  - No porting restrictions
  - Payment of royalties to HP
- **Trademark agreement**
  - Right to use “OpenVMS” trademark
  - “VMS” is not trademarked
  - Consistent branding
- **Reseller Agreement**
  - HP agrees to resell VSI’s version of OpenVMS to HP’s direct customers
  - Payment of reseller fees to HP
- **Support Agreement**
  - VSI to provide Level 3 support, incl. patches and bug fixes for VSI’s own versions
  - Small support revenue sharing

# VSI Organization

Org chart – recruiting continues



# Open VMS Market

- How do we think about the market
  - Size, stickiness, potential
  - Why OpenVMS in the first place? Still relevant.
    - Security
    - TCO
    - Reliability
- Reasons for decline (self inflicted)
  - In 2001 ported AlphaServer to Itanium, not x86
  - OpenVMS marooned on HP only hardware
  - Cost of Itanium higher than x86
  - HP prioritized HP/UX over OpenVMS
  - Little marketing and R&D investment
  - HP moved OpenVMS development to India, languished for yrs
- Stem decline, prepare for growth
  - Restore faith: delivery of new OpenVMS version for i4
  - First version ready: Bolton release, 8.4-1H1, Field test April 8<sup>th</sup>
  - Full release May 15<sup>th</sup>, June 1<sup>st</sup> for HP resales
  - Upgrade, enhance over 2 more releases in 2015, 2016
  - Port OS to x86 in 2017



# Marketing and Sales Strategy

- **Positioning** (mature market)
  - Performance Users – require cutting edge performance. On i2.
    - Bolton release to deliver 2x performance improvement
    - 21% of the user base
  - Legacy Users – older hardware, focus on stability of legacy apps.
    - Reluctant to move: cost, disruption, performance not critical
    - 79% of user base
- **Phase 1 – focus on Performance Users**
  - Work with HP to sell Bolton release.
  - Motivated to upgrade to i4
  - Need the bum in performance
- **Phase 2 – include Legacy Users**
  - Continue to improve OS, qualify more hardware
  - Tempt users with stability, new functionality
  - Software prep for eventual migration to x86
- **Phase 3 – Mainstream release**
  - Coincides with x86 port. Introduce to new users.
  - Niche player: mission critical apps in health care, government, manufacturing, energy, finance, military

# Technical Status – Business Perspective

## Phased approach

- One step at a time
- Limited resources

## Step 1: Set up the development environment

- Not just the source code. The entire development environment and tools.
- Data center
- Processes

## Step 2: Clean up everything

- Backlog of critical issues
- Layered products

## Step 3: Futures: Port to x86

- Not just x86
- Long list of new features is being considered

# Technical Status – Business Perspective

- Masterbuild – done
  - First one since 2010
- Future plans
  - For the OpenVMS roadmap and future features, R&D is considering the following (list is not exhaustive).
    - Port to X86/64
    - OpenVMS as a VM guest
    - Emulator/translator for non-native X86 OpenVMS applications – Like FX!32
    - 16+ TB file system
    - Greater than 32 CPU/Core support (128 or better)
    - Greater than 1TB memory support
    - SSH authentication via LDAP
    - Updated MOTIF Interface (or port KDE to OpenVMS)
    - More up to date SSL and CSWS (based on open source standards)

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- UPS monitoring/shutdown capability (built in)
- EMC Storage support
- Netapps Storage support
- Go forward DB common between OpenVMS/HP-UX/Linux/Windows
- CRTL improvements to ease UNIX code conversion to OpenVMS (for example FOPEN64, LSEEK64, FSEEK64, FTELLO64)
- Logical server support from management tools (System Insight Manager)
- NPIV support
- Soft partitioning (Galaxy) on x86
- Wire speed performance on 10Gb NICs at TCP protocol level
- iSCSI support on x86 servers
- Better MIME support in OpenVMS mail (read MIME mail in X11 xface)
- IP cluster performance improvements (I think some of this is in progress)
- Asynch HBVS ?
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- OpenVMS host Virtual Machine capability - Hypervisor (available on VAX)
- Secure IPCI
- Cluster in the Cloud
- Provisioning Cluster
- HA – Dynamic memory Resilience
- HA – Automatic Process Recovery
- Hyperthreading Performance Enhancements
- TCPIP Scalability
- Write Back Disk Caching
- Cluster framework for applications not aware of cluster
- Improve HBVS performance
- Support RPM package manager (for porting Linux applications)
- SSIO, Shared Memory, Message Queue, FORK
- Auto-fill feature with DCL, especially for long file names with ODS5
- Security Enhancements
- Enhance provisioning using Infoserver (TCPIP?)
- MSCP support for USB disks
- Host based firewall (TCPIP)
- Server Automation Support
- Blade Matrix Support
- IPv6 Support (TCPIP)
- Zero Alignment Faults
- Enhancements to utilities (create directory and create symbols in distribution)
- Recursive delete
- Support HP MoonShot (after port to X86/64)
- File System encryption
- Availability Manager improvements (better thread support)

