VMS Software, Inc.
Business Update

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Chairman
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 8th
  – Full release May 15th, June 1st 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)
    - 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)
Technical Status – Business perspective

- 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)
- 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, FSEEKO64, 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)
- Async HBVS?
- 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)
- Tools to manage security audits