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## Taking Aim At EMC, Nexsan Technologies Buys AESign Evertrust

By VentureWire Staff Reporters

Woodland Hills, Calif. – Nexsan Technologies Inc., a provider of disk-based backup and storage appliances, said that it will buy software provider AESign Evertrust for an undisclosed amount in a cash and stock deal.

By adding Evertrust's information lifecycle management technology into its appliances, Nexsan is hoping to compete with EMC Corp.'s Centera product, a storage system designed to comply with a range of government regulations.

"They've been the only game in town until recently," said Nexsan Chief Executive Philip Black. "They have an interesting product; they do not have a wonderful product. We believe that on price and performance and feature sets, there's a lot we can give to customers."

Financial terms of the acquisition, which is expected to close this week, were not released.

Black said that his company began talks with Evertrust roughly nine months ago. Under the terms of the deal, Evertrust will operate independently, and will continue to develop relationships with original equipment manufacturers. The company has fewer than 10 employees who will remain in Evertrust's development offices in Montreal.

At the same time, Nexsan will begin to integrate the company's software into its storage products. The company plans to release an integrated appliance in roughly two months.

Nexsan Technologies' line of storage and backup appliances are used in a wide range of industries, from financial institutions to media companies like the London-based post-production company Moving Picture Co.

With Evertrust's technology, Nexsan will extend beyond backup and storage, to offer information lifecycle management and storage appliances aimed at financial, medical, pharmaceutical and other sectors faced with regulations from the federal Sarbanes-Oxley Act and the Health Insurance Portability and Accountability Act.

"If you make dumb boxes - just discreet storage devices - you will be commoditized, so everyone is trying to figure out how to climb the food chain," said Steve Duplessie, a senior analyst with the Enterprise Strategy Group, a Mass.-based research firm. "Nexsan just made their big and relatively successful dumb box a whole bunch smarter."

Among other features, the new appliance will be designed to ensure that information cannot be tampered with. "A certain law may say you have to keep equity trades for seven years," Black said. "And you have to have that information immutable, so that even the CEO of a company couldn't bribe their IT manager to change the trade or delete the e-mail."

Formed in 1999, Nexsan Technologies has raised more than \$28 million across two rounds from Gesfid First Gen-e, RRE Ventures, Beechtree Capital, VantagePoint Venture Partners, and individuals.

The company became cash flow positive last year, Black said.

Formed in 2000, Evertrust was funded by individual investors, and had not yet begun generating revenue.

Nexsan Technologies is based in Woodland Hills, Calif., and has roughly 100 employees, including the newly added Evertrust staff.

<http://www.nexsan.com>