REFLEX

Reflex Systems LLC
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Management:

- **Pete Privateer, President & CEO**
  Co-founder of KnowledgeWare, IPO in 1989, acquired by Sterling Software in1992. Co-founder and SVP of Operations of AXENT, IPO in 1996 acquired by Symantec in 1999. President of Pelican Security; acquired by Microsoft in 2001. SVP at ISS acquired by IBM, VP of Sales at IBM/ISS

- **Hezi Moore, Founder & CTO -** Founder of Reflex Security. Developed the first IPS; Developed first 10Gbps IPS; Developed the first virtualization security product. 8 patents to his credit.

Industry:

Virtualization data center management compliance and security software

Number of Employees: 25

Financing:

$8.5M series A

Lead Investor:

RFT Investments an Atlanta-based private equity fund

Business Description: Reflex helps organizations realize the cost savings and productivity benefits of *virtualization*, the next major paradigm shift in enterprise computing. Reflex's software enables virtual datacenter automation by dynamically managing virtual environments and automatically enforcing compliance with IT policies and government mandates, optimizing performance and securing virtual servers, desktops, and networks across VMware, Microsoft and Citrix virtualization platforms.

Company Background: Founded in 2000 Reflex Security was the first company to commercialize in-line intrusion prevention and the first company to break the 10 gigabyte throughput barrier. In 2006 Reflex was the first IT security company to recognize the potential of virtualization and released the first virtualization security product. In 2008 Reflex decided to focus exclusively on virtualization management. In 2009 the company was restructured under the name Reflex Systems LLC and raised an A round of financing from a top tier private equity fund.

Problem/Solution: Organizations are hesitant to move mission critical applications to a virtualized infrastructure because they lack the visibility, management, performance and security software necessary to see, optimize, understand and control increasingly complex virtual environments. Security professionals are reluctant to sign-off on virtualization projects because their current tools cannot adequately monitor or protect a virtualized environment. Likewise auditors and compliance officers often slow down the migration of mission critical applications to virtualization because they have little visibility into the virtualized world.

Reflex Virtualization Management Center (VMC) is a software solution which bridges the gap between security and management in the virtual data center. Reflex's VMC runs as a single virtual machine which can discover and map each element of the virtual infrastructure while providing centralized visualization, revision control, policy management and reporting functions. In addition, the VMC enables administrators to visually monitor and optimize network, virtual machine, application and storage performance. The VMC also manages Reflex's virtual monitoring and control software (VSA) which runs as a "virtual appliance" on each physical host. Using the VSA platform, VMC automatically monitors and filters all virtual network traffic (including all application protocols) and enforces resource, network, security, firewall, application, performance, and lifecycle policies. This architecture enables the VMC to scale to thousands of virtual machines spanning multiple locations.

Technologies/Special Know-how: 8 years of development have lead to core technologies capable of high speed, layer 2 through layer 7 deep packet inspection, in-line network protection, virtual firewall, application protocol analysis, network flow analysis, performance monitoring and integration with VMware, Microsoft and Xen hypervisors. This technology is protected by 5 US patents granted and 7 pending.

Markets: Server and desktop virtualization is being adapted at a rapid pace. 13% of 27.5 million servers shipped in 2007 were deployed as virtual hosts. IDC's expects the number of virtualized physical servers to see a CAGR of roughly 37.2% through 2010. IDC also estimates that the virtual security market alone could be worth $2 billion by 2011. Reflex Systems recognized as the leader in the virtual security market by Gartner, 451 Group and other analysts. A recent Gartner report says Reflex has "a 12 month advantage" over other virtualization start-ups. At VM World 2008 Reflex VMC was awarded best security product and Best of Show.

Competition: The market for virtualization security and management is still nascent. Some competition comes from tools provided by the hypervisor vendors such as VMware, Microsoft, and Citrix. These tools focus primarily on their own platforms and do not provide robust security or in-depth management and control. Additional competition comes from other early stage companies such as Akorri, Altor Networks, Catbird, and Fortisphere. These products tend to be one dimensional and lack the depth of features of Reflex's VMC. In the future we expect to see competition from the traditional systems management vendors such as CA, HP, BMC, IBM, Cisco, Symantec, etc. None of these vendors today have purpose built virtualization security and management tools.

Business Model: Reflex is using a two-tiered distribution model focusing on the key distributors and VARs already selling hypervisors and virtualization "eco-system" products. We have distribution deals with Dell, Avnet, and Lifeboat. Reflex has trained their sellers and their VARs and in conjunction with the distributors is offering several "bundles" which include Reflex software.