The PyBiz Vision

To be the top XML infrastructure software provider.

Enabling Edge of Enterprise Applications

by facilitating rapidly evolving e-business communication.

Corporate History

- **Founded – April 2000**
  - Founders – Joe E, Chetan P, Greg V
- **First product – XDisect (XML Query Repository)**
  - Shipping since October 2000
  - Over 300 eval downloads
- **Revenues**
  - 2000 - $140K
  - 2001 - $ 620K(committed so far), expected – $750K
- **Team**
  - 2 full time, 2 contractors (will turn full time on funding)
- **Customer/ Partners**
  - HP, Mobiliant, ePropose, PurpleYogi, OnDisc, etc

The Big Problem

- Enterprises exchange increasingly large volumes of information.
  - In 3 Years, majority of traffic passing between enterprises on the Internet will be XML.
  - By end of 2001,70% of b2b transactions will be in XML *(Gartner).*

- Pace of global economy drives rapid changes in enterprise data models
  - Current technology cannot effectively cope with these changes :
    - Destabilizes critical enterprise systems.
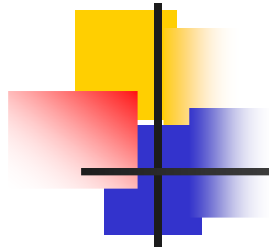   - Requires lots of re-coding and administration effort.

Solving The Problem

- ## XDisect

  - a Native XML query repository.

  - transparently enables rapid change to data & data models without destabilizing production systems.

- ## An enterprise software product sold via direct, OEM and SI channels.

Market Overview
Emerging XML Query Repository

Content Management
(Enhanced Search & Retrieval for semi-structured content)

3G Wireless Portals
(User & service profile management)

Internet Applications $13B in 2004

(IDC)

XML Search Engines $1.45B in 2004

(Gartner Group)

Databases Applications $12.7B in 2004

CRM Products
(rapidly evolving & diverse customer touch point data)

Supply Chain & Collab. Commerce
(Transaction Forensics, catalog consolidation)

Web Services/ EAI
(Store & Forward XML, Event triggers)
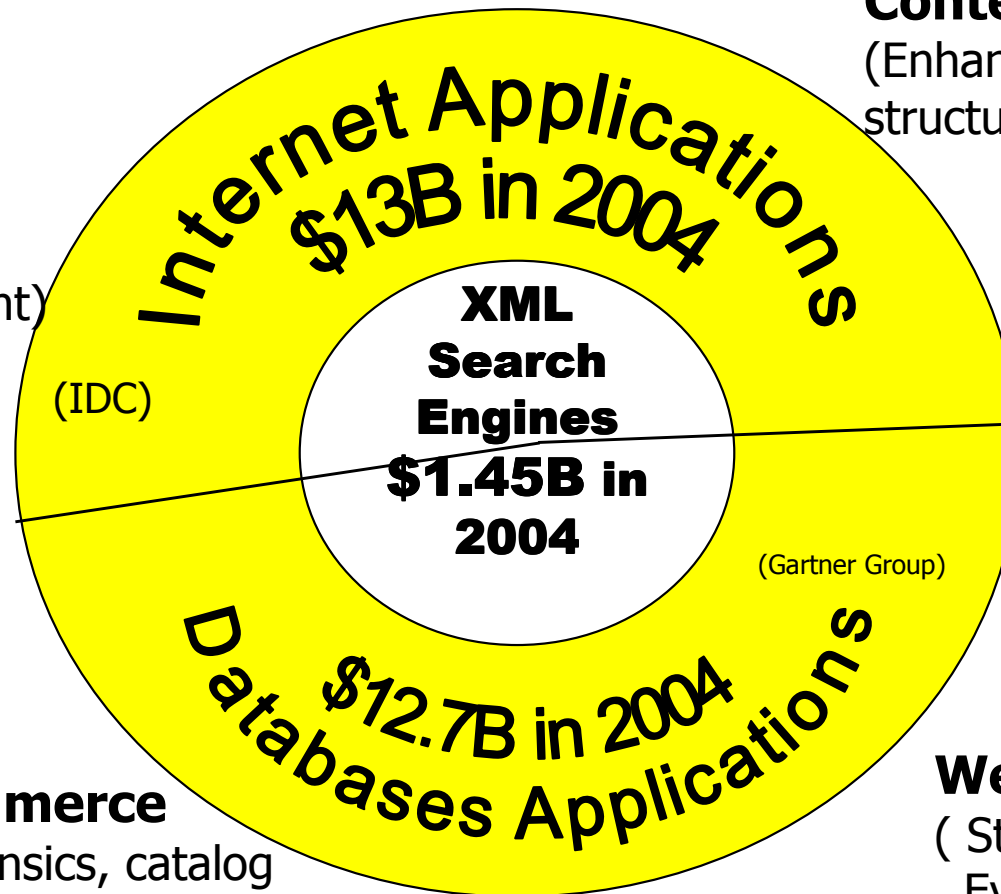
Sales of XML Infrastructure Software are poised to explode over the next two years.

How Is XDisect Different

Full-Text Search Engines

Delivers too many irrelevant results.

Do not use the structure of data for searching.

New documents take time to become searchable.

Ultraseek, Verity AGrep

XDisect
Native XML Query Repository

XYZFind, GoXML, IxiaSoft

Databases & Directory Servers

Are Not Good At:

High variability of structures.

Diverse evolution of data.

Full-text search of data.

Destabilized by Change

Oracle, Tamino eXcelon, IPlanet

XDisect - The Product

Key Features

- Context-Sensitive search using standard SQL.

- Insert, Modify XML documents

- XSLT Engine for XML transformations.

- High speed indexing of millions of XML documents of any type.

- Real time incremental indexing.

- Supports open XML schemas and evolution of schemas.
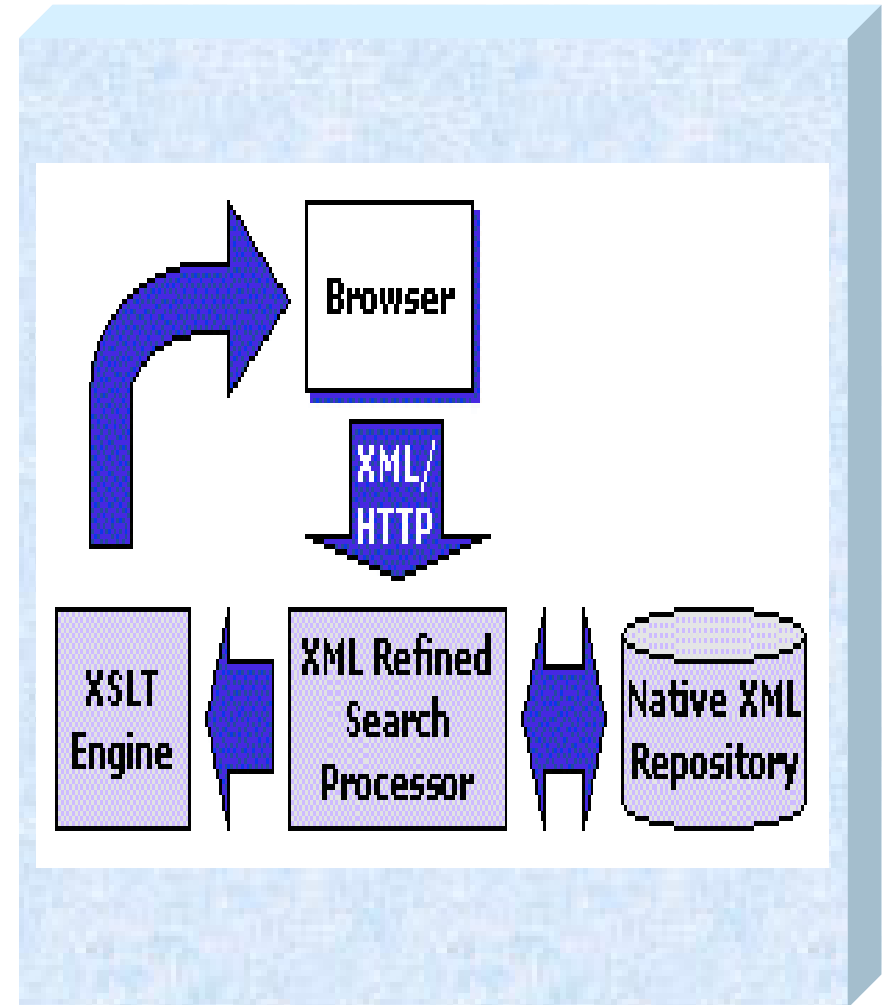
Management Team History
35 years of combined software experience and passion

- **Founders : Joe Ellsworth (Investors, Strategic Partners, Sales),**
  Chetan Patel (Sales, R&D, Marketing)
  - Highly cohesive team, together for 6 years at HP (ESpeak).
  - 35 years combined software experience with 15 years management experience.
  - Executed many successful multi-million dollar projects as a team.
  - Built teams of up to 50 with peak budgets of $15 million at HP (1995-2000).
  - History of thought leadership in E-Business and CRM.
  - Ran a software consulting & products business for 8 years.
- **Directors & Advisors :**
  - Kamyar – M&A Expert at Fidelity, Strategic partnerships, Investments.
  - Raman - principal engineer at Netscape, One of the first employees at Infoseek
  - Greg Von Kuster – PyBiz Co-Founder, Senior manager at HP, Strong technologist

Customer Value Proposition

- Enable edge of business apps to cope with rapidly evolving e-business conditions.
  - Easily supports changes to data models.
  - Reduces the technical barrier to effective e-business partnership & collaborative commerce.
  - Less re-work for programmers & administrators.
  - Enable more flexible systems.

Who Are Our Customers?

- ## Enterprises with diverse, rapidly evolving data
  - Particularly with inter-enterprise(extranet) collaboration requirements.

- ## Fortune 2000 Customers
  - *HP, Ford, Xerox, Raytheon

- ## OEM Partners (Emerging Markets)
  - *Mobiliant, *PurpleYogi, *ePropose,

- ## Potential SI Partners
  - Accenture, E&Y

- ## Horizontal Channel Sales
  - EAI, Middleware vendors

* Indicates Current paying/signed customers

Competitive Landscape

Full-Text Search	XML Engines	Databases & Directories
Ultraseek	XDex	Tamino
Verity	XML Global	Oracle
Texis	XYZ Find	Excelon
Agrep	Lore	Postgres
Internal IT development	Internal IT development	

- Though there are emerging competitors, XDisect's enterprise heritage and feature set have positioned us for market leadership.

- Only XML engines are direct competitors.   Databases and full-text search engines are related segments.

Our Revenue Model

- Revenue from enterprise server licenses & services in a rapidly growing market.

- Server license fees
  - maximize # of development seats.
  - maximize # of prototype deployments.
  - primary revenue from production deployment.

- Sale Price : 150k – 2Mil. Per enterprise customer.

- Revenue sharing in emerging markets.

Financials - 3 Year Plan

Resources	2000 1000 $	2001 1000 $	2002 1000 $	2003 **1000 $**
Revenue	135	620	2,000	10,000
Less Expenses	150	1,320	4,250	7,000
Year Net Profit / Loss	-15	-750	-2,250	3,000
Break Even Analysis	-15	-765	-3,015	-15

- 2004 market estimated at $1.45 billion with substantial upside potential.

- Exceeded 2001 forecasts - with committed revenue of over 620K, strong possibility of topping 750K.

Use Of Funds

Shift our focus to Market growth and product execution

- ## Funds
  - ### 4 Mil.

- ## Use of Funds/ Key Milestones
  - Expand the PyBiz team (VP Sales, Director Marketing, R&D).
  - 4 additional Fortune 2000 referenceable customers.
  - Sign 2 OEM agreements.
  - Build SI channel (Accenture ???).
  - Book Revenues – 2 Mil.
  - Packaged product release 2.0 with docs, glossies, case studies

Supporting Slides (Use only as needed)

- 3 Year Plan
- 2001 Revenue Plan
- 2001 Spending Plan
- M&A Candidates
- Current Management Team History
- Marketing Growth Strategy
- Sample Updates, Inserts & Deletes
- Sample Queries

2001 Revenue Plan

Category	Q1 1000 $	Q2 1000 $	Q3 1000 $	Q4 1000 $
Product Sales	30	45	65	100
Product Related Services	18	22	20	20
Royalty & Revenue Sharing	0	0	10	30
Quarterly Gross Revenue	48	67	95	150
Total Gross Revenue	48	115	210	360
Qtr Cost of Sales & Goods	23	29	33	42
Qtr Gross Margin	25	38	62	108
Total Gross Margin	25	63	125	233

2001 Spending Plan

Category	Q1 1000 $	Q2 1000 $	Q3 1000 $	Q4 1000 $
Sales & Marketing (bizdev, advertising, PR, etc)	50	50	160	350
R&D (internal & external)	40	96	144	200
G & A (operations, etc)	40	40	75	75
Qtr Total	130	186	379	625
Total Expenses	130	316	695	1320

M & A Candidates

XML Server & EIA Vendors	Large OEM Platforms	Related Markets
WebLogic Planet 7 Bowstreet Versata	Interwoven Vignette Broad Vision Commerce One Ariba Siebel	Oracle SyBase Verity Ultraseek Google Software AG

- Mergers with similar companies to improve market share would be viable. (XYZ Find, Sequoia Software, etc)

Business & Sales Model
Growth & Revenue Strategy

- **1)** OEM market bundling of XDisect with existing products to provide complementary services for tools
  - **Builds distribution and project use.**
  - **We pick up revenue when projects move in to production.**
  - **We pay these partners a commission on the version upgrades or they can pay royalty.**
  - **Fast time to Market**

- **2)** OEM component integration of XDisect to provide key functionality in new products (Fulcrum Logic)
  - **Pre-pay licenses**
  - **Revenue Sharing**
  - **Product license fees**
  - **We get our money before (or as soon as) our partners do.**
  - **Long integration cycles.**

- **3)** Integration into Emerging Market Service Providers (e-studies)
  - **Pre-pay licenses**
  - **Revenue sharing**
  - **Large Upside**
  - **XDisect becomes default infrastructure in the emerging niche.**
  - **Long product development cycles before we see substantial revenue.**
  - **Requires the market niche to mature before we see revenue**

- **4)** SI partners using XDisect in their customer projects (SRI)
  - **Requires customer demand for large scale success.**

- **5)** Direct customers - enterprise IT departments doing their own integration (HP CRM global search)

XDisect – Insert, Update, Delete XML

Sample Insert

```
<xml_insert><record>
    <person>
     <user_id>gkill2</user_id>
     <soc_sec_no>555-555-5555</soc_sec_no>
     <name>
        <first>gill</first><last>killroy</last>
     </name>
     <email>gill@killroy.com</email>
    <phone> <office>(408)364-
1741</office></phone>
     <interest>programming</interest>
    </person>
</record></xml_insert>
```

Sample Update

```
<xml_update>  <update>  <cmd>
    UPDATE  WHERE  person*name.first  EQ "gill"
    AND person*last   CONTAINS "kill"
    SET person.name.first = "Licra",
        person.phone.cell  = "408-343 6347"
  </cmd> </update> </xml_update>
```

Sample Delete

```
<xml_delete><delete>
    DELETE WHERE  person*name.first EQ "gill"
       AND person*last  CONTAINS "kill"
  </delete> </xml_delete>
```

- Supports insert, update & delete.

- Records can be batched.

- XML records do not need a pre-defined schema

- Schemas can be used for validation, but not mandatory.

- Update & Delete commands use a simple SQL-style syntax.

- Sub-second response time for most insert, update & delete commands.

- Updated data is available for querying instantaneously

- Updates support full merge, replace or additive semantics.

XDisect – Sample Queries

Server Side Stored Queries
```
<?xml version="1.0"?>
<xsql:query connection="demo"
    xmlns:xsql="urn:pybiz-xsql">
        SELECT *  FROM person
            WHERE person.user_id EQ
"{@id}";
</xsql:query>
```

Fuzzy Path Spec Queries
```
SELECT  person*name, person*phone
WHERE person*skill* CONTAINS "java";
```

Direct Queries
```
<xml_select>
  SELECT  WHERE
    person.interest CONTAINS
"programming";
</xml_select>
```

- server-side & ad-hoc queries.
- Server-side queries allow cgi-style passing of values for variables.
- Query language syntax based on SQL.
- Sub-second query response time
- Supports numeric comparison
- Supports soundex searches on any keyword in any tag.
- Single query can return different shapes and types of XML records.
- Queries can return full XML or specified parts of the XML record.
- Supports XSLT to transform query results into different XML or HTML formats

Competitive Differentiation

Like the RDBMS server market, multiple competitors will remain in this segment

- XDisect was designed ground up to solve the problems encountered in deploying several large-scale enterprise apps at HP. This is reflected in its feature set.

- Customers get started rapidly and can solve real problems on their first day.

- Strong OEM model for easy integration.

- A query language optimized for IT programmers to learn.
- Automatic recovery from system crashes such as power failures.
- Run multiple query agents from a single physical store to optimize scalability.
- Makes optimal use of very fast SANS storage for enterprise scaling.
- Easily handles widely diverse data structures.
- Optimally facilitates evolution of data structures over time including advanced support for diversity in the query language.
- Incremental indexing enables real time data changes.

PyBiz IP / Potential Patent Areas

- Fine-grained changes in XML trigger lightweight event detection.
- AI/Rules-based goal seeking requesting processing algorithm.
  - Multi-level, multi-goal optimization engine (queries, realtime updates, files, index size)
- Relational joins in hierarchical / semi-structured XML type data.
- Multi-process, multi-threaded agent architecture.
  - process queries with zero degradation under heavy concurrent insert & update loads.
  - Optimized use of SMP systems for better performance.
- Indexing algorithms & file formats.
  - gives some of the highest performance per class of hardware possible.
- DB & Index Mgmt.
  - Robust indexes that can span 2GB file size.
  - Realtime availability of modified/ newly indexed data.
  - Multiple readers from a single physical store like SAN for horizontal scalability.
- SQL queries against XML data
  - Substructure queries, multi-index query
  - sql query extensions for XML

Expectations From SBVC & GameChange

- Money to expand & gain market share.

- Advisors who have experience in our space.

- Leverage Accenture Partnership to accelerate SI Growth.

- Leverage portfolio for OEM partners.

- Leverage contact base for major account sales.

- Facilities & Administration.

- Recruiting.