



## AXS-ONE (OTC BB: AXSO)

### Corporate Profile April 2008

#### ABOUT AXS-ONE

AXS-One is a leading provider of high performance Records Compliance Management (RMC) software solutions. For almost 15 years, AXS-One's proven archiving and electronic records management software has been used by major organizations worldwide, including leading Financial Services companies, to address their requirements for regulatory compliance, corporate governance and legal discovery while reducing their costs and delivering measurable ROI. The AXS-One Compliance Platform™ enables organizations to significantly reduce the risk and cost of managing growing volumes of disparate electronic records, including e-mail and instant messages, reports, file systems, SAP output, desktop documents, images and other digital records. By providing a single, scalable archiving platform, all records are managed according to corporate records policies from initial capture and indexing through archiving, retention, search and ultimate destruction. Robust legal case management tools let users respond quickly and accurately to the growing pressures of regulatory audits, e-discovery and litigation support.

#### 2007 HIGHLIGHTS

- ▶ For the year ended December 31, 2007, total revenue was \$11.9 million, up 16%, compared with total revenues of \$10.3 million for the year ended December 31, 2006.
- ▶ License revenue was \$4.1 million, up 67%, or \$1.6 million, from the \$2.4 million in license revenue for 2006.
- ▶ The Company made significant progress with its channel strategy, including further evidence of success with Sun Microsystems: new license wins were reported through Sun Microsystems' Compliance and Content Management Solution with a railroad, an oil company, a European banking organization and a regional Asia-Pacific utility company.
- ▶ During 2007, the Company completed two rounds of financing, a reduction of expense structure and renewal of its bank line of credit. There was significant participation from the Board of Directors in the last round of financing. Members of the Board and senior management bought more than 3.5 million additional shares of AXS-One in the second half of 2007.

#### MARKET OPPORTUNITY

- ▶ AXS-One is strategically positioned in a major growth market driven by budgetary, regulatory and legal requirements. Leading IT analysts such as IDC are forecasting compound growth rates for software sales over the next four years greater than 25% in the e-mail archiving market and greater than 30% in the litigation readiness market.

#### AXS-ONE SOLUTIONS - VALUE PROPOSITION

- ▶ Proven in the Fortune 2000 for 15 years to deliver high-performance, enterprise-class software that addresses broad compliance issues.
- ▶ Designed, from day one, to address broad archiving and records management issues with scale and performance.
- ▶ Provide a single, integrated platform that is unique in its ability to scale (in size and ability to handle content types) to address emerging customer requirements.
- ▶ Delivers proven, rapid ROI.

**Sector:** Technology

**Industry:** Software

#### Corporate Headquarters

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#### Select Financials

**Fiscal Year End:** December 31

**Current Price:** \$0.25

(4/1/08)

**52 Week Range:** \$0.23 – 0.85

**Market Cap:** \$9.2 Million

**Shares** 35 Million

**Outstanding:**

**Float:** 25.5 Million

**Revenues:** \$0.34/share

**(YTD)\***

**Cash (MRQ)** \$3.4 Million

#### REGULATORY DRIVERS



- ▶ There are currently more than 15,000 regulations worldwide that mandate the supervision, retention and disposition of corporate records for a broad range of governance, privacy and litigation readiness requirements. These include:
- ▶ SEC CRF Part 240 17a-3 and 17a-4
- ▶ NASD 3010 and 3011
- ▶ FDA Title 21 Part 11
- ▶ Telecommunications CRF Title 24 Part 42
- ▶ UK MiFID
- ▶ Australia Corporations Act
- ▶ In the US, changes to the Federal Rules of Civil Procedure (FRCP), introduced on December 1 2006, are forcing all corporations to review their processes for the preservation and preparation of corporate records, in the event of litigation. One of the key changes to the Rules is the introduction of a new category of records described as "Electronically Stored Information". FRCP is likely to increase the adoption rate of technology like AXS-One's, as corporations raise the priority of technology to help them manage these new requirements. As a leader in providing archiving and electronic records management for disparate record types for 15 years, AXS-One is uniquely placed to exploit this market.

#### KEY CUSTOMERS INCLUDE:



#### AXS-ONE MANAGEMENT

##### **William P. Lyons - Chairman and Chief Executive Officer**

Bill Lyons joins AXS-One after serving as chief executive in several high growth software companies for large enterprise markets. In his last assignment, he served as President and CEO of Caminus Corporation, a publicly traded software company, providing mid and back office software applications to the global energy industry before it was sold to SunGard Data Systems. Previously, Mr. Lyons served as Chief Executive Officer of numerous software companies in both the public and private marketplace including Ashton-Tate, ParcPlace Systems, Finjan Software and NeuVis. Prior to his software executive positions, Lyons spent 18 years at the IBM Company in various sales and marketing roles culminating as Vice President Software/ General Manager PC Merchandising.

##### **Joseph Dwyer - Executive Vice President and Chief Financial Officer**

Joe Dwyer joins AXS-One with more than twenty-five years of senior financial and operational management experience. For the past fifteen years, Joe has specialized in the software and communications industries including consulting to companies with respect to corporate governance, business planning, financial reporting and mergers and acquisitions. Prior to joining AXS-One, he served as Chief Financial Officer of Synergen, Inc., a company engaged in the development and marketing of enterprise asset management and mobile workforce software to utilities, municipalities and asset intensive industries.

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