

## LogicalApps Acquires GRC Product Line from Applimation

*Added assets solidify LogicalApps as the de facto standard for internal controls automation for the Oracle market*

IRVINE, Calif.--(BUSINESS WIRE)--LogicalApps™, the provider of embedded governance software for enterprise applications, today announced it has acquired the Integra™ product line from Applimation™. Assets acquired in the cash transaction include all of the Integra intellectual property, customer licenses and support contracts, as well as key employees who bring product, development, customer support and domain expertise. The combined technology and market share – over 300 customers – solidifies LogicalApps as the undisputed leader of automated controls solutions for the Oracle market. [Editors – FAQ immediately follows]

**“Embedding governance is a strategic initiative that requires organizations to automate controls, not just document them. By putting in place the infrastructure to automate and manage the control environment, organizations can mitigate information and compliance risk, as well as achieve process optimization in the management of enterprise systems.”**

“By integrating Integra’s configuration management, access controls and transaction monitoring features with the real-time preventative and detective controls of ACTIVE Governance, LogicalApps is making the best automated controls solution even better,” said Chris Capdevila, founding CEO of LogicalApps. “This acquisition helps us accelerate availability of the leading embedded governance solution across an array of ERP platforms.”

The Integra product line will continue to mature and be integrated into LogicalApps ACTIVE Governance family of solutions, which includes user access management, configuration management and transaction monitoring. This integration will create the industry’s most robust and flexible solution for automating policy enforcement within enterprise applications to meet governance requirements and maintain sustainable compliance.

“Consolidation in the highly fragmented GRC market is inevitable, and IDC expects vendors to round out their offerings where it makes sense – especially in the area of controls automation,” says Kathleen Wilhide, Research Director, IDC. “Embedding governance is a strategic initiative that requires organizations to automate controls, not just document them. By putting in place the infrastructure to automate and manage the control environment, organizations can mitigate information and compliance risk, as well as achieve process optimization in the management of enterprise systems.”

“Selling Integra allows Applimation to direct its undivided attention to the Informia software products in the data growth management segment of the market, resulting in greater innovation and more aggressive product development plans that will benefit Informia customers,” said Bob Markese, CEO of Applimation. “In addition, the Applimation team felt LogicalApps would provide the best home for Applimation’s customers, employees and technology.”

ACTIVE Governance™ is the first solution to embed governance policies and processes directly into the Oracle E-Business Suite. Delivering more than simple documentation and monitoring of controls, ACTIVE Governance prevents control violations from happening by automatically enforcing governance policies in real time. By reducing risks and tracking data and configuration changes, ACTIVE Governance is the only governance software that enables better business processes resulting in greater efficiency and improved financial integrity.

## **About Applimation**

Applimation is a leading provider of enterprise data management solutions for packaged and custom applications across multiple data bases. The Applimation Informia™ solution enables organizations to manage the growth of their structured and unstructured data to achieve their Information Lifecycle Management objectives, reduce their overall infrastructure costs and meet their data compliance requirements. For more information, contact [www.applimation.com](http://www.applimation.com).

## **About LogicalApps**

LogicalApps provides embedded governance software for enterprise applications. The company's solutions enable organizations to manage risk, achieve compliance and reduce costs by automating real-time monitoring and enforcement of detective and preventive controls. Using the LogicalApps solutions, business processes execute at optimal efficiency with increased integrity, improving overall company performance. Founded in 2000, LogicalApps, privately-held with headquarters in Irvine, Calif., has more than 300 blue-chip customers. For more information, visit: [www.logicalapps.com](http://www.logicalapps.com).

## **LogicalApps Acquires Integra from Applimation**

### **Frequently Asked Questions**

#### **Key Benefits:**

Why is this acquisition good for customers?

Through the integration of the Integra application management tools and the ACTIVE Governance solution for real-time preventive and detective controls, Oracle customers will benefit from the industry's most robust and flexible solution for automating policy enforcement to meet governance requirements and maintain sustainable compliance.

Why is this acquisition good for the GRC market?

The GRC market is highly fragmented and confusing to the executives who are seeking solutions to address the high costs of compliance and increase their confidence in the integrity of financial reports. It's also a burden on the audit and consulting firms that need to leverage automation to optimize business processes, as well as improve internal controls for their customers. With this acquisition, LogicalApps is well-equipped to deliver on its vision of embedded governance across the entire Oracle family of applications, providing greater clarity, simplicity and value to customers and partners alike.

#### **The Transaction**

Q: How did this deal materialize? Who approached who?

A: Both companies have maintained a dialogue over the years. When Applimation decided to change their business strategy to focus on data archiving, LogicalApps was a natural alternative to consider subsuming the Integra product line and customer base.

Q: What is included in the acquisition?

A: The Integra product line and associated maintenance contracts with customers, as well as several key employees in engineering, support and professional services.

Q: How many customers is LogicalApps getting with the acquisition?

A: 150 customers in N. America and Europe.

Q: Why did LogicalApps purchase Integra?

A: LogicalApps gains valuable assets in technology, staff and marquee customers.

Q: Are there any other acquisitions in the works for LogicalApps?

A: There are no definitive plans at this time, but we will continue to be opportunistic about acquisitions that would further our progress toward our vision embedded governance across the enterprise.

### **Financing**

Q: What is the purchase price?

A: The terms of the contract dictate that we keep all specific financial information confidential.

Q: Is there stock involved?

A: No, this is a strictly cash transaction.

### **Effect on Customers**

Q: How will this benefit your respective customer bases?

A: Through the integration of the Integra application management tools and the ACTIVE Governance solution for real-time preventive and detective controls, Oracle customers will benefit from the industry's most robust and flexible solution for automating policy enforcement to meet governance requirements and maintain sustainable compliance.

Q: What affect will this have on your product pricing?

A: The current ACTIVE Governance pricing model remains in effect, which is generally based on concurrent users and number of application instances being supported.

### **Product Direction**

Q: Will Integra and ACTIVE Governance remain two separate product lines?

A: Over the next several quarters, the Integra product line will continue to mature and then be integrated into LogicalApps ACTIVE Governance. This integration will provide our customers with the industry's most robust and flexible solution for automating policy enforcement within enterprise applications to meet governance requirements and maintain sustainable compliance.

Q: There is a lot of overlap between the two offerings -- how are you going to deal with that?

A: The two solutions are architected quite differently and geared toward different stakeholders in the GRC continuum. So, although there is some overlap in product functional areas, we will take the best of both solutions to build future versions of ACTIVE Governance.

Q: Will you be discontinuing any of the products as a result of this acquisition?

A: Not in the near term. As we continue to enhance our solution to support the three pillars of embedded governance -- access, configuration and transaction management -- we will leverage the strengths of both product lines and gradually eliminate redundancies through well-planned migration paths.

Q: Will this dilute engineering efforts on planned upgrades to ACTIVE Governance?

A: Absolutely not. One of the most attractive aspects of this deal is that the Integra product line and associated employees will bring valuable new technology and strong domain expertise to LogicalApps that will allow us to accelerate our upgrade plans for ACTIVE Governance.

Q: What will the impact be on your current solutions and roadmap?

A: We acquired the Integra assets because we believe they will strengthen our portfolio and bring valuable benefits to our customers. We are on pace with our current development plans, and you will be seeing a roll-out of ACTIVE Governance 7.2 in the

coming weeks. We will also increase our cross-application support in version 8.0, which we plan to release in Q4 of this year.

### **Business Effects**

Q: Acquisitions and product line integration always seems to take longer and be more painful than anticipated. How are you planning to manage it?

A: You'd be amazed at how quickly the two organizations (in NYC and Irvine, Calif.) have been able to integrate operations. The employees that have previously supported the Integra product line are excited to join us and help us deliver the industry's most complete solution for automated policy enforcement and process optimization.

Q: Are you worried about this causing a loss of focus on your current customers or existing product?

A: Not at all ... we view the acquisition as accretive on all fronts, for LogicalApps as well as our current customers and newly acquired customers.

Q: Are there headcount redundancies you will need to eliminate?

A: No. We're not buying a company, we're buying a product line, and with that the very important domain expertise of certain technical and customer-facing individuals. We won't be bringing on any administrative staff or adding any excess overhead.

Q: Does the acquisition include core engineers from Applimation?

A: Yes, we are very lucky to be gaining key Applimation employees who have domain expertise and customer experience that will assist us in achieving our vision.

Q: What is the Integra market share?

A: Integra solutions are used by 142 Oracle customers.

Q: How will this affect your sales/go-to-market strategy?

A: Although our technology platform is completely open, we continue to focus on the Oracle family of applications and partnerships with the leading advisory firms, such as PWC, KPMG and Deloitte, to make ACTIVE Governance the de facto standard for automated internal controls in the Oracle market.

## Contacts

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