

# APPLICATION SECURITY, INC.

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## Application Security Inc. Accelerates Momentum with Oversubscribed Round of Funding

*Investor Thomas Weisel Venture Partners Joins Kodiak Venture Partners and Early Stage Enterprises to Complete Round*

**New York, NY – July 13, 2004** – Application Security Inc. ([www.appsecinc.com](http://www.appsecinc.com)), the leading provider of proactive database security solutions, announced today the company has secured just over \$7 million in new funding. Led by Thomas Weisel Venture Partners, with participation from existing investors Kodiak Venture Partners and Early Stage Enterprises, the oversubscribed round closed with a significant increase in company valuation. The additional funds will expand sales and market penetration, advance product development, and open new markets for Application Security Inc. (AppSecInc) security products.

"AppSecInc represents the next critical wave in enterprise security," said Andy Sessions, General Partner at Thomas Weisel Venture Partners. "Increasingly focused attacks, mounting regulatory requirements, and heightened concerns about insider abuse are driving enterprises to realize that a layered defense must include direct protection of the database. At a time when business requirements demand direct database access, an enterprise security strategy that lacks database security is akin to a bank with locks on the doors and a guard at the entrance – but no vault. AppSecInc delivers vital security solutions to protect the database."

### *Delivering Proactive Discovery, Assessment, and Protection for the Enterprise*

AppSecInc has been advancing the technology required to protect critical information stored in databases and application servers for a rapidly changing information technology environment. Utilizing security best practices and ongoing investigation of database security breaches, AppSecInc has developed an unprecedented level of application security solutions.

Key achievements for AppSecInc over the past several months include:

- Q2 2004 another record quarter, customer count up to over 200
- Management team expanded to include proven marketing, engineering, and sales executives (see separate release)
- *Secure Enterprise* Magazine awards AppSecInc's DbEncrypt "Testers Choice" honors, noting it "easily snagged our Tester's Choice... it was a breeze to install, configure and use."
- AppSecInc named a Top 100 Private Company by AlwaysOn (see separate release)
- Introduction of AppRadar brings intrusion prevention to the database -- AppSecInc leads the industry with a single product line that provides vulnerability assessment, intrusion protection, and encryption specifically for databases.

- New AppDetective modules extend application vulnerability assessment capabilities to include Oracle Application Server and Lotus Domino 6.5 servers
- New AppSecInc Console provides unified Web front-end, enabling role-based access control and easing enterprise-wide deployments

AppSecInc products now secure databases at more than 200 firms around the world spanning financial services, healthcare, retail, telecommunications, and transportation industries, as well as the US government. The company also works with select global partners including leading security service providers and IT solution resellers to deliver robust products and services to customers worldwide.

"This round of financing further validates the strength of our value proposition to customers and the business model we've built on top of it," said AppSecInc President and CEO Jack Hembrough. "With these funds, and our seasoned team in place, we've got all the elements necessary to accelerate our market penetration and drive a high growth business."

Goodwin Procter LLP, AppSecInc's outside counsel, advised AppSecInc on this transaction.

#### **About Application Security, Inc.**

AppSecInc is the leading provider of database security solutions for the enterprise. AppSecInc products proactively secure enterprise applications at more than 200 organizations around the world by discovering, assessing, and protecting the database against rapidly changing security threats. By securing data at its source, we enable organizations to more confidently extend their business with customers, partners and suppliers. Our security experts, combined with our strong support team, deliver up-to-date application safeguards that minimize risk and eliminate its impact on business. Please contact us at 1-866-927-7732 to learn more, or visit us on the web at [www.appsecinc.com](http://www.appsecinc.com).

#### **About Thomas Weisel Venture Partners**

Thomas Weisel Venture Partners (TWVP) is an early stage venture capital firm that invests in emerging information technology companies. Based in Menlo Park, California, TWVP's specific industries of focus include infrastructure and application software (including open source), security, semiconductors, communications, storage, wireless technologies and Internet services. In working with portfolio companies and analyzing new investment opportunities in these related industries, TWVP often develops opinions about new technologies and markets that could represent attractive investment opportunities for the Fund. For more information, visit [www.twvp.com](http://www.twvp.com).

#### **About Kodiak Venture Partners**

Kodiak Venture Partners is a Waltham, Massachusetts-based venture capital firm focused on seed and early stage investments in emerging communications/IT, semiconductor and software companies. With a focus in the eastern regions of the U.S. and Canada, Kodiak Venture Partners builds relationships with entrepreneurs seeking accelerated market success. Kodiak's investment partners are successful high-technology business entrepreneurs who take a high-impact, hands-on approach to forming, operating, building and funding market leaders. For more information, visit [www.kodiakvp.com](http://www.kodiakvp.com).

#### **About Early Stage Enterprises, LP**

Early Stage Enterprises, based in Princeton, N.J., is a private venture capital fund that provides capital and guidance to early stage, high growth technology companies in the Mid-Atlantic region. Partners of Early Stage Enterprises collectively have over fifty years

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of early stage investment experience and have worked with over 100 early stage companies. Early Stage Enterprises is a licensed Small Business Investment Company. For more information, visit [www.esevc.com](http://www.esevc.com).

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