



Azul Systems Announces Strategic Growth Equity Investment by Vitruvian Partners

New partnership expected to further accelerate growth and market leadership

March 4, 2020

SUNNYVALE, Calif., – Azul Systems (Azul), the leader in Java runtimes, today announced it has signed a definitive agreement with London-based Vitruvian Partners and New York-based Lead Edge Capital to make a majority investment in the company. Vitruvian is a leading growth equity firm with global presence. Azul will continue to operate independently and be managed by its current executive team led by CEO Scott Sellers and CTO Gil Tene, the co-founders of the company. The partnership will allow Azul to further accelerate growth and continue its track record of rapid business expansion. Azul shareholders are expected to receive a total of approximately \$340 million in consideration.

Azul is the largest independent Java vendor, a significant contributor to the OpenJDK open source project, and a leading provider of commercial support for OpenJDK. It delivers high-performance, fully-supported and standards-compliant Java runtimes and essential Java updates to enterprises, ISVs and OEMs worldwide. Azul's customers include over 25% of the Fortune 500, 50% of Forbes Top 10 World's Most Valuable Brands, and 100% of the world's Top 10 financial trading companies. Azul's Java runtimes power Microsoft Azure, the cloud infrastructure of companies like Netflix, Workday, Bazaarvoice, and Priceline, the software made by Adobe, Software AG, and SAS, and the operations and products of Credit Suisse, Mizuho, BMW, Mastercard, LG, Deutsche Telekom, and Avaya.

"Azul has enjoyed rapid growth and established itself as a clear market leader in Java," said Sophie Bower-Straziota, Partner at Vitruvian. "Azul has an exceptionally high caliber global team, and we believe this growth investment will allow Azul to continue to scale the team, develop innovative products, make strategic acquisitions and ultimately serve a rapidly increasing number of customers worldwide. With revenue growth consistently above 50% per annum, strong cash generation, an asset-light business model benefiting from industry tailwinds and an ambitious leadership team, Azul is exactly the type of company we have a successful track record of supporting."

"The Java market is rapidly evolving as open source offerings based on OpenJDK accelerate to address high-performance, mission-critical cloud, IoT and 5G market opportunities," said Bill Coleman, Vitruvian Special Partner and Azul's new Chairman of the Board. "Azul is uniquely positioned to continue the acceleration of its growth, and I'm thrilled to be a part of this special company and very excited to help it achieve its aggressive growth goals." Ron Gill, former CFO of NetSuite, is also joining the Board of Directors as Lead Edge Capital's representative.

"Since inception, Azul has remained exclusively focused on building the world's best products to serve the Java community," said Scott Sellers, Azul Systems co-founder, President and CEO. "We're extremely proud of the company we've built and the culture of excellence we've created. This partnership with Vitruvian will help fuel our growth initiatives and enable us to catapult Azul to a new level of presence in the community and the market overall."

The transaction is expected to close in the coming weeks subject to regulatory approval. Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP served as the company's legal advisors. Vitruvian was advised by Shea & Company and Trigon as financial advisors and Kirkland & Ellis LLP as legal advisor.

Supporting Quotes from Azul's Customers

"Our relationship with Azul began seven years ago when together we brought open source Java to Microsoft Azure," said Amanda Silver, CVP of Product for Developer Tools at Microsoft. "Azul is well-positioned to assist the Java community with building, migrating and scaling apps in the cloud. We look forward to continued innovation from Azul as they broaden their product portfolio to best serve our Azure customers."

"Our partnership with Azul goes back for several years and has resulted in many shared successes," said Attila Bukta, Senior Director of OMS Service Reliability Engineering at Workday. "I congratulate Azul on its new growth financing which will help fuel its development and support of highly resilient Java technologies and their continued contributions to the Java community."

"Priceline has successfully used Azul Zing for years in our large-scale Java applications where a traditional JVM could not keep up. We've also deployed Zulu Enterprise in order to leverage Azul's commercial support for our entire Java environment. This new investment, and Azul's commitment to long-term Java support, will help to ensure that Priceline has the best possible performance, security, and stability in our critical applications," said Ken Kirchoff, Sr. Director of Enterprise Architecture, priceline.com.

"Azul has been an Avaya Java partner for many years, and the Vitruvian partnership validates the company's capabilities and positioning to address the market need for a strong Java provider and a recognition of the value of Azul's technology and ability to innovate," said Martin Ingram, Avaya VP, Operations.

"We are proud to be partners with a leading Java runtime solutions service that is reliable, well-supported and secure. Today's announcement is a reflection of the quality of service they provide and their continued growth in the market. At Software AG, we have used Azul Zulu as well as other products for over a year, and we can say first hand that our customers have remained wholly satisfied with the quality of the Zulu JDK



and Azul services. We look forward to what the future of our partnership holds as Azul looks to expand further,” said Dr. Gudrun Gelfand, Senior Director R&D at Software AG.

Sam Adams, Head of Software at LMAX Group, the leading independent operator of institutional exchanges for FX and crypto currency trading, said: “We have enjoyed a very successful and mutually beneficial partnership with Azul over the past seven years, and value the innovations it continues to bring as a strong independent Java provider. It is great to see broader recognition of the value of Azul’s technology and innovations from top-tier investment groups, and we are pleased to see that it will remain independent and have the backing to drive further engineering and go-to-market investments.”

“Azul provides a well supported, reliable and secure Java JDK and runtime that we use in many of SAS Institute’s products and solutions. The satisfaction of thousands of SAS customers demonstrates the quality of the Zulu JDK and Azul as a great Java support partner. We congratulate Azul on their new growth investment and look forward to their continued leadership in the Java community,” said Sam Penfield, SAS Product Manager.

About Azul Systems

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Azul Systems, the industry’s only company exclusively focused on Java and the Java Virtual Machine (JVM), builds fully supported, certified standards-compliant Java runtime solutions that bring the power of Java to the enterprise, cloud, and embedded/IoT. Zing is a JVM designed for a wide variety of enterprise Java applications and workloads that may require any combination of low latency, high transaction rates, large working memory, improved query performance and/or consistent response times. Zulu is Azul’s family of certified, freely available open source builds of OpenJDK with a variety of flexible commercial support options, available in configurations for ISVs, enterprises, and on-premise or Cloud deployments, as well as custom and embedded/IoT devices. For additional information, visit www.azul.com.

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About Vitruvian Partners

Vitruvian Partners is an international growth equity firm headquartered in London with offices across London, Stockholm, Munich, Luxembourg, San Francisco and Shanghai. Vitruvian focuses on dynamic situations characterized by rapid growth and change across asset-light industries. Vitruvian has c.\$6bn AUM and has backed a number of global technology leaders including: Just Eat, Farfetch, Skyscanner, TransferWise, Darktrace, CRF Health, WalkMe, Snow Software and Bitdefender. Further information can be found at www.vitruvianpartners.com.

About Lead Edge Capital

Lead Edge Capital is a growth stage investment firm with \$2 billion of capital raised since inception with portfolio companies across the internet, software and consumer spaces – including Alibaba Group, Asana, Bazaarvoice, Duo Security, Spotify, Toast, TransferWise and Uber. Lead Edge Capital offers its entrepreneurs flexible capital and extensive domain expertise via its robust Limited Partner Network, a global advisory group of leading executives, entrepreneurs and dealmakers who have built and run some of the most successful companies. Lead Edge Capital leverages its LPs to connect companies with the customers, partners, talent and advisors needed to accelerate success. Lead Edge Capital was founded in 2009 and has offices in New York City and Southern California.

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