

## SALE PROCESS & DEADLINES

This Sale Memo (the “Memo”) has been prepared by Armanino LLP (“Armanino”) in its role as Advisor to Nyriad, Inc. (“Nyriad” or “the Company”) for the purpose of investigating strategic options for the Company or its patents, intellectual property (IP), and assets.

Interested Parties will be asked to execute a Mutual Non Disclosure Agreement ([MNDA](#)) to begin diligence. Please click [here](#) to sign the [MNDA](#) electronically. Upon receipt, a link to Nyriad’s virtual data room hosted by SmartRoom will be sent to you. Company management is available to discuss the current status of the business and answer any questions to facilitate more comprehensive diligence. Parties in interest may submit Letters of Intent (LOIs) at any time, however, all LOIs must be received on or before the close of business on **Wednesday, February 21, 2024**. This is the offer deadline. LOIs must include the purchasing entity name, proposed consideration, terms of sale, and any contingencies to closing a transaction on or before close of business on **Wednesday, March 8, 2024**.

### KEY INFORMATION

- World’s first GPU-accelerated storage system optimized for M&E, HPC, backup, and active archive workloads.
- Market-tested product with active customers.
- Robust patent portfolio.
- Opportunity for a company or investor to advance their own data storage solution.

## COMPANY OVERVIEW

Nyriad® invented and delivered the world’s first GPU-accelerated storage system. The company’s flagship product, UltraIO™, is based on a novel storage architecture that leverages the power of GPUs and CPUs to deliver exceptional performance, resilience, and efficiency. UltraIO utilizes advanced capabilities including erasure coding data protection, and excels at managing massive amounts of diverse data, making it ideal for use in the following markets and workloads:

- **Media & Entertainment (M&E):** Streamline high-resolution video editing, rendering, and delivery with blazing fast speeds.
- **High-Performance Computing (HPC):** Store large repositories of rich imagery and enable data analysis with outstanding performance.
- **Backup & Recovery:** Ensure rapid, reliable data protection and restore operations with robust resiliency.
- **Active Archive:** Access and manage long-term data efficiently and cost effectively.

Nyriad is a U.S.-based company with headquarters in Austin, Texas and a development team located in Hamilton, New Zealand.

## CURRENT SITUATION

The UltraIO storage system achieved General Availability status in October 2022. Subsequently, Nyriad secured Series B funding from existing investors to support the pursuit of UltraIO storage system customer traction. Throughout 2023, Nyriad experienced strong customer interest for the UltraIO storage system in the M&E and HPC market segments. Despite early customer wins and successful proof-of-concept (PoC) testing at various customer sites, including leading research universities, broadcasters, and partners, the Company encountered prolonged sales cycles which were exacerbated by the prevailing macroeconomic environment. The sales cycle in the M&E market was also impacted by the extended writers and actors strikes. Securing incremental funding proved difficult given limited customer traction. Consequently, the Board elected to minimize cash burn and explore the sale of all or part of the company.

## PRODUCT OVERVIEW

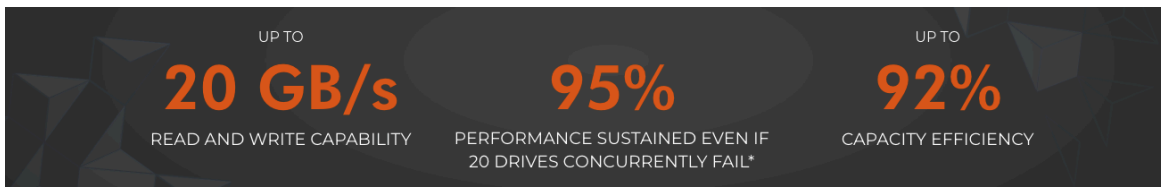
Organizations seeking high-performance storage solutions have traditionally faced tradeoffs between performance, resilience, and efficiency. IDC addressed this dynamic in Analyst Brief #US50656823 titled, "[Balance Storage Performance, Resilience, and Efficiency to Drive Digital Business Outcomes](#)." The author describes how storage performance is consistently a top criterion for buyers, how digital resilience has only increased in importance in recent years, and how storage efficiency has become a "key consideration" as IT infrastructures evolve. Nyriad's UltraIO storage system was designed to uniquely balance all three critical attributes – performance, resilience, and efficiency. The report specifically looks at how GPU-accelerated architectures and erasure coding (both of which are built into Nyriad's storage architecture) can benefit storage systems.

### Customer Case Study

[Digital Image](#), a strategic marketing services firm, described their business challenge as, "Because we are a company that creates highly innovative marketing services, our time to deliver is either our biggest asset or our most demanding challenge. To accelerate our throughput, we must always look for better strategies." After extensively testing and then deploying the UltraIO system, David Hellie, Digital Image CEO stated, "We are now running significantly faster...the resulting workflow improvements are far more dependable than we could have ever expected. Our entire team has been highly satisfied with the solid performance of UltraIO." Digital Image reported a 2.5x gain in write throughput and claimed to save days of work per project, transforming their business and strengthening their competitive edge.

### By the Numbers

At a more technical level, the dual-enclosure-based UltraIO system can achieve a throughput of 20GB/s and is capable of withstanding concurrent failure of up to 20 drives while maintaining 95% of its performance.



Unlike many legacy storage architectures that utilize a redundant array of independent disks (RAIDs) for data protection, UltraIO leverages erasure coding technology. This permits the system to efficiently utilize large hard disk drives and ensures low rebuild times in the event of failures, a significant pain point of RAID-based systems. Each block written to the system undergoes hashing on write, verification on read, and dynamic rebuilding in case of errors, providing robust data integrity. The UltraIO system offers a capacity range from 1.2PB raw up to 3.6PB raw. Additionally, partner solutions enable UltraIO to support file and object data types in a single system, allowing for storage consolidation. With simplified management, organizations can deploy and manage the UltraIO data storage system without disruption. For more information about UltraIO, view the video [here](#).

## SOLUTION & CHANNEL ECOSYSTEM

Nyriad has established a network of 30+ channel partners through which it offers UltraIO either as a capital purchase or in a Storage-as-a-Service (STaaS) consumption model. STaaS is a flexible on-demand storage subscription model that enables organizations to meet their storage needs with the added benefit of financial predictability. Nyriad [announced](#) UltraIO-as-a-Service in October 2023 and received positive reviews from analysts and reseller partners. In addition to building a network of channel partners, Nyriad assembled a network of technology partners which have conducted extensive UltraIO storage system interoperability testing. Technology solutions partners include RackTop, Creative.Space, Atto, BeeGFS, and others. Click [here](#) for a full list of Nyriad partners.

## MARKET OPPORTUNITY

Nyriad has targeted four market segments, each of which features a storage total available market (TAM) in excess of \$1B. These markets include M&E, HPC, backup and recovery, and active archive.

## PATENT PORTFOLIO

In order to create the UltraIO storage system, substantial invention was required. These inventions are protected by a robust set of patents. The table below describes Nyriad's 32 patents and patent applications, and provides the status of each. The Company's patents cover, but are not limited to, system architecture, GPU use in storage applications, performance optimizations, data reconstruction optimizations, and use of mixed media types in the system. Further detail will be furnished upon request.

	Current
New applications in preparation	4
Pending provisional applications	5
Pending non-provisional applications (not yet examined)	9
Pending non-provisional applications (under examination)	8
Allowed/Issued patents	6
<b>TOTAL</b>	<b>32</b>

## NYRIAD LEADERSHIP



[Derek Dicker, CEO](#)

To see the full leadership team, visit Nyriad's About Us page [here](#).

## ARMANINO CONTACTS

**Elizabeth Witko | Senior Manager, Armanino**  
[elizabeth.witko@armanino.com](mailto:elizabeth.witko@armanino.com) | +1 (267) 765-0226 Direct

**David Kaplan | Manager, Armanino**  
[david.kaplan@armanino.com](mailto:david.kaplan@armanino.com) | +1 (925) 667-6322 Direct

**P. Alexander van Dillen | Partner, Armanino**  
[Alex.vanDillen@armanino.com](mailto:Alex.vanDillen@armanino.com) | +1 (972) 590-5662 Direct

## **SAFE HARBOR STATEMENT**

Nothing contained in this Memo is or shall be relied upon as a promise or representation as to the past or future performance of the Company. In furnishing this Memo, neither Nyriad nor Armanino undertake any obligation whatsoever to provide the recipient with access to any additional information. Nyriad and Armanino reserve the right to modify, cancel, delay, accelerate, or otherwise revise the sale process at any time with or without notifying the parties in interest. This is an accelerated sales process and therefore interested parties are strongly encouraged to engage quickly and complete diligence as soon as practicable.

This Memo may contain forward-looking statements. These statements are made under the "Safe Harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by words or phrases such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," and similar statements. Among other things, the business outlook and statements provided herein contain forward-looking statements. Statements that are not historical facts, including statements about the Company's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Nyriad and Armanino do not undertake any obligation to update any forward-looking statement, except as required under applicable law.