

Open-Xchange eyes growth with €21 million funding round

NUREMBERG, Germany, October 11, 2017 - [Open-Xchange](#), market leading provider of open source email, productivity and security software for the service provider industry has announced that it has secured €21 million funding from Iris Capital and core shareholders including eCAPITAL entrepreneurial Partners AG to support further growth of the company. Over 100 of the world's largest hosting and telecommunications companies including 1&1 Internet, GoDaddy, KPN, Liberty Global, Proximus, Rackspace and Vodafone deliver Open-Xchange software to more than 200 million consumer and SMB users.

The investment will be used to grow Open-Xchange's unique talent base of over 250 experienced specialists, 70 percent of whom work in development, engineering and technical support. This growth will support new business opportunities based on OX's network-side services for DNS and email. These services provide efficient ways to filter malicious traffic, enable effective parental controls and introduce OX's patent-secured email advertising solution powered by Dovecot's IMAP software. In addition this funding will enable Open-Xchange to broaden its relationships with existing partners and gain new customers, especially in the North-America, LATAM and APAC regions.

Rafael Laguna, CEO and co-founder, Open-Xchange, commented: "Open-Xchange is one of the fastest-growing providers of strategic tools for the global service provider community. Globally, we are unique in our ability to support service providers' success. With carrier-grade email solutions and communication services we provide the tools that hosters, telcos and cable companies need to fight off growing competition from OTT providers such as Google and Microsoft. These services add real value for our clients, helping them reinforce their brand and retain customers with an excellent, secure user experience. OX is a proven and safe alternative for the many ISPs who have suffered from unreliable, insecure third-party providers like Yahoo."

Curt Gunsenheimer, Senior partner at Iris Capital added, "Open-Xchange is a key player in the open source ecosystem and a true European business pride. In fighting for openness, they make the digital landscape secure and transparent for all. We are happy to support such a pioneering company, one that is actively helping the service provider market build efficient and innovative business models. This new funding will fuel Open-Xchange's continuous proven track record of sustainable long-term growth over the past decade."

Established in 2005 in Germany, Open-Xchange acquired the innovators of Dovecot in Finland and PowerDNS in The Netherlands in 2015 to become the European open-source champion. This move added the world's best IMAP server (72% market share of all IMAP Mail servers on the internet which serve more than 2 bn email accounts) and the smoothest running DNSSEC server available, to the OX product portfolio.

In 2016, accelerated growth delivered the company's a second fully profitable year in a row. Over the past decade, revenues grew more than 45% each year, with the sale of over 200 million commercial licenses for OX App Suite.

In 2017 and beyond, Open-Xchange plans to continue its elevation from software vendor to comprehensive service and solution provider for ISPs and telcos. The company's "OX as a Service offering" is gaining heightened traction, especially among telco and cable companies that appreciate the value of outsourcing their email platform to a trustworthy vendor.

Dr. Paul-Josef Patt, CEO of eCAPITAL entrepreneurial Partners AG, who led this round on behalf of the existing investors, said that, “with this new financing, Open-Xchange is able to prepare crucial investments to fund the initial cost of large future customer mandates. Open-Xchange is a pioneering company with proven expertise in successfully developing its business model. We should expect further impressive achievements from the experienced management team”. eCAPITAL acted as co-investor in this round with its new fund eCAPITAL IV.

Headquartered in Nuremberg, Germany, Open-Xchange AG is a privately owned company. Major shareholders include United Internet Investments Holding GmbH, eCAPITAL entrepreneurial Partners AG and BayBG Bayerische Beteiligungsgesellschaft mbH.

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About Open-Xchange

Open-Xchange leads the fight to keep the digital landscape open, secure and transparent for all. Ruthlessly committed to an open internet and software ecosystem, OX opens opportunities for over 100 of the world’s leading service providers and telecommunications without compromising the privacy or safety of users.

OX has been giving service providers the tools they need to prosper for more than a decade. With foundations deep within the open source movement, it has expanded rapidly to become a trusted partner for some of the world’s largest telcos and ISPs; supplying everything from robust, industrial-scale email for businesses and consumers to high-performance productivity software that matches the capabilities of much longer-established office application software.

Offering a full stack of open source technology OX helps global IT businesses deliver innovative and high quality customer experiences. Learn more about the benefits of working with OX: <http://www.open-xchange.com>

About Iris Capital

Iris Capital is a European venture capital funds’ manager specialized in the digital economy. It fuels entrepreneurs at various stages of maturity, from early-stage to growth equity. With its deep sector specialization and extensive experience acquired over 30+ years, as well as the backing of its corporate sponsors, Iris Capital provides active support to its portfolio companies, through its presence in Paris, Berlin, San Francisco, Tel Aviv, Dubai and Tokyo.

Iris Capital investments include, among others, companies such as Adjust, Careem, Kyriba, Marco Vasco, Mister Auto, Mopub, Netatmo, ReBuy, Searchmetrics, Scalify, Shift Technology, and Talend.

For more information: <http://www.iriscapital.com>

About eCAPITAL

eCAPITAL entrepreneurial Partners AG is a Münster-based alternative investment fund manager (AIFM) in accordance with EU-directive EuVECA. As a leading German venture capital firm, eCAPITAL has supported innovative entrepreneurs in future-oriented industries since 1999. The firm focuses on rapidly growing companies in the areas of Software / IT, Cleantech, Industry 4.0 and New Materials. Currently, eCAPITAL manages six funds with a total of 200 million euros under management.

Find more information under <http://ecapital.de/de/>