

Press Release

Mtivity Ltd raises £445,000 in an investment led by The Capital Fund

Mtivity, a South London based marketing management software services company, has secured £250,000 of venture capital investment from The Capital Fund, the Regional Venture Capital Fund for London, in addition to a £195,000 investment by private investors. Barclays Media Banking Centre in Soho Square has provided a loan facility.

Corporate financiers GP Capital advised Mtivity on the fund-raising. GP Capital also introduced Patrick Kremer as a non-executive Director to Mtivity.

GP Capital Associate, Justin Chilton, comments: *"Apart from capital, the incoming investors bring valuable industry expertise and knowledge and will enable the company to realise their growth plans."*

Mtivity builds and delivers marketing management software as scalable browser-based applications for marketing professionals. The software enables marketing professionals to streamline processes and automate time-consuming tasks such as the creation of new campaigns and the delivery of one-to-one marketing communication.

The Mtivity product suite gives marketing teams and agencies of all sizes a complete view of marketing workflow, digital assets and financial status. Mtivity sells to marketing professionals in all sectors and enables its clients to manage the complexity of marketing today. With Mtivity, marketers deliver exceptional results on time, to budget and to the highest creative and production standards.

The Capital Fund Investment Manager, Stuart Nicol, comments:

"Mtivity has created easy to use, reliable software that enables marketing professionals to better manage their workflow. Mtivity's online job bags give all users working on the job all the information they need on a project in the one place and in real time. This creates the ability for users to cut costs, achieve deadlines, reduce errors and increase the time available for being creative. Our investment will assist Mat Atkinson and his team in increasing the sales and marketing efforts of Mtivity. Mtivity's clients include leading corporates such as Xerox, Egg and British Energy, and leading agencies that benefit from Mtivity's technology and deep industry knowledge. We were impressed by Mat and the team's dedication to Mtivity and by the positive feedback we received from current users of the software. We were particularly pleased to be investing alongside a group of private individuals who will use their knowledge to assist the Company in its quest for rapid, profitable growth"

The private investors were led by Clive Mishon. Clive has spent the last 20 years working exclusively in the marketing services sector and has developed his career as both a marketing practitioner and business manager. In July 2001 Clive founded the consultancy and investment company Mentor Marketing & Investment that is focussed on providing the capital and experience to support the growth of businesses exclusively in the marketing services sector.

Clive comments: *"We believe that the Mtivity solution represents a major step forward to increasing both the efficiency and the effectiveness of how marketing agencies and their clients work together. The LFM approach to invest alongside industry specialists provides a very powerful opportunity both in the case of Mtivity and other companies looking to raise up to £1m."*

Mtivity CEO, Mat Atkinson comments: *"This funding from both The Capital Fund and from private investors provides us with the necessary platform to dramatically increase our sales and boost our marketing effort - both in the UK and overseas markets. It's also a massive endorsement of our software. The advice we received from GP Capital was invaluable during the funding process."*

He continued *"Everyone at Mtivity is very excited about the future for the company, as we have outstanding, world-leading software expertise in marketing relationship management and a team wholly focused on bringing significant value to our clients in the Marketing sector."*

LFM was advised by Simon Dinning of DLA and Stuart Cumberland of Morley and Scott.

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The Capital Fund

The Capital Fund can invest in companies based in the 32 boroughs of London and the City. Initial investments can be up to £250,000 and the fund has the ability to invest a further £250,000 after at least 6 months. Under certain circumstances, the fund can invest up to £5m.

The Capital Fund is a £50m Regional Venture Capital Fund managed by London Fund Managers (LFM). The fund has a mixture of public and private sector investors and is sponsored by the London Development Agency. LFM is investing the fund in high potential London-based SMEs in order to achieve a commercial return for the fund's shareholders. The fund was launched in 2002 and will be invested over a period of six years.

When assessing a company for investment, LFM looks for:

- **strong, balanced management teams**
- **clear customer needs for the product/service offered**
- **convincing sales, marketing and fulfilment strategies**
- **potential for high growth in sales, profits and shareholder value**



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