

Celtic House Venture Partners Leads US\$10 Million Follow-On Investment in Morega Systems

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Celtic House Venture Partners has led a US\$10 million Class “B” financing round of Morega Systems. Based in Mississauga, Ontario, Morega is developing advanced media mobility solutions for the digital home. The financing was co-led by GrowthWorks out of its Toronto office. Joining the investment syndicate are a new strategic investor and the Ontario Emerging Technologies Fund (OETF), a C\$250 million fund established by the Province of Ontario to co-invest alongside qualified investors in innovative, high-growth, private Ontario companies.

“Pull for content portability solutions is coming from multiple market segments. Service providers, consumer electronics OEMs, and mobile handset manufacturers all need to satisfy end user demand for high quality video,” said Philip Poulidis, CEO of Morega. “The domain knowledge of the Celtic House team and the business advantages derived from being part of their portfolio has helped reduce our time to market and was instrumental in organizing this round of financing.”

“Information is no longer the driving force behind traffic growth on the internet. Media, and in specific video, is the primary reason we see network congestion today,” said Celtic House Partner Brian Antonen. “The addition of two new investors to the syndicate at a substantial increase in valuation reaffirms both our view on the emerging market opportunity in video networking and Morega’s leadership position in content portability solutions.”

Morega’s core technology and team has deep ties to the Ontario video, networking, and content security ecosystem. The majority of the founding team came from within the existing Celtic House network. Much of the early management and engineering resources were drawn from Cogency Semiconductor, a Toronto-based home networking company. Cogency was a Celtic House Fund II portfolio company that was acquired by Intellon in 2004. The greater Toronto region has a strong core competency in video related software, semiconductors, and networking systems. This provides companies such as Morega with the business networks necessary to thrive and succeed in a highly competitive environment for venture capital funding.

“Toronto and Montréal have very strong competencies in consumer video and video networking technologies,” said Celtic House Partner Pierre-Andre Meuniér. “The focus of the Celtic House team is on Media Communication Technologies (MCT) and the impact that media is having on consumer electronics, the datacenter, and wireless networks. Companies such as Morega are positioned within the portfolio to capitalize on the rapid growth of media on the internet and on consumer demand for content portability solutions.”

About Morega

Morega is a venture-backed company offering advanced media mobility solutions for the digital home. Utilizing advanced transcoding, transcribing, and QoS aware streaming

capabilities, Morega provides a complete solution for premium service operators and hardware vendors with high value added video applications such as side-loading, place-shifting, and targeted ad insertion. For more information, please visit www.morega.com.

About Celtic House Venture Partners

For over 15 years, Celtic House Venture Partners has been Canada's most active investor in private information and communications technology companies. Applying the deep domain expertise of its partners and capitalizing on a unique architectural approach to investing, Celtic House has consistently provided superior financial returns to its investors. With \$315 million under management, Celtic House has collaborated with management teams and repeat entrepreneurs to develop platform technology companies from the inception phase through to exit, generating over 20 initial public offerings and successful acquisitions. For more information, please visit www.celtic-house.com.

About the Ontario Emerging Technologies Fund

The Ontario Emerging Technologies Fund (OETF) is a direct investment fund established in 2009 by the Province of Ontario and administered by the Ontario Capital Growth Corporation (OCGC), an agency of the Ministry of Research and Innovation. The OETF is a C\$250-million fund that co-invests alongside qualified investors in innovative, high-growth, private Ontario companies. The fund focuses on investments in Ontario companies in three sectors: clean technology, life sciences and advanced health technologies, and digital media and information and communications technology. For more information, visit www.ontario.ca/ocgc.