



Funding

Mooter Media strikes \$15m US funding deal for photo sharing platform

By Oliver Milman

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Sydney-based business Mooter Media has struck a \$US15 million funding agreement with a California-based investor, in one of the largest ever overseas deals for an Australian tech company.

The deal, with San Francisco firm La Jolla Cove Investors, will allow Mooter to commercialise its ImageSocial product, which it has billed the web's 'first comprehensive social photography platform.'

The technology, which will allow people from around the world to share photos, has been developed with Mooter's joint venture partner Hot Shot Media.

The funding deal with La Jolla will involve five committed convertible notes of \$US3 million each, providing the company with monthly capital injections.

La Jolla has the option to increase its monthly commitment from \$200,000 to \$1 million, in line with Mooter's share price. The ongoing investment could see La Jolla take a maximum of a 19.9% stake in Mooter.

La Jolla will work with Mooter to develop and promote the new technology from its US base.

Despite being founded in Sydney 2001, Peter Jermyn, Mooter's chairman, tells StartupSmart that the company retains an extremely nimble and entrepreneurial attitude.

"The joint venture was introduced about 18 months ago and we've been very entrepreneurial since then," he says.

"I don't see that changing. We've unashamedly looked at the best bits of Facebook and the best bits of Zynga and applied them to photos. I think those businesses are still entrepreneurs and I think we will be, too.

"The good thing about photography is that is completely agnostic, it transcends any national border. It lends itself to a lot of opportunities."

Jermyn says that the escalating funding model with La Jolla suited the requirements of developing ImageSocial.

"You're not going to get \$15 million equity funding in this market – a progress and escalation conversion makes a lot of sense," he says.

"We are looking to give us a stronger presence in the US in many areas, not just in funding. The Australian market is tiny in global terms, there isn't really a VC market here. The States is the key."

In the year to June 2011, Mooter's revenue was \$3.35 million, compared to \$511,000 the year previously. The company went through an \$8 million IPO in 2005, with Fairfax Media taking a 20% stake in the business.