

## Requisite Technology Acquired by Click Commerce

### *Eighth Consecutive Positive Realization in the Millennium Technology Ventures Value Strategy*

**New York, NY, December 5, 2005.** Millennium Technology Ventures, L.P. is pleased to announce the sale of its portfolio company, Requisite Technology, Inc., to Click Commerce, Inc. (NASDAQ: CKCM), a leading provider of collaborative commerce solutions and a pioneer in the “Software as a Service” market. The sale of Requisite implies a significant return to Millennium over an 18 month period and represents Millennium’s eighth consecutive positive realization without a loss, since launching its value-centric investment strategy in late 2001. Millennium became Requisite’s largest shareholder through a secondary acquisition strategy.



The Requisite transaction follows on the heels of another successful liquidity event for Millennium Technology Ventures, the sale of portfolio company Agility Communications, Inc. to JDS Uniphase Corp (NASDAQ: JDSU) in September. Millennium’s interest in Agility, like that in Requisite, was acquired initially through a secondary market transaction. The fund purchased shares from an existing investor in need of liquidity in 2004, and supported the company through a subsequent investment in Agility’s final venture capital financing in early 2005. The sale of Agility to JDS Uniphase generated a return to Millennium in excess of 4 times invested capital in less than 12 months.

Since late 2001, Millennium has pursued a new and innovative value-centric investment approach to the venture capital market, blending the best of traditional high-growth venture capital strategies, with the fundamental risk mitigation of value investing strategies. Millennium Technology Ventures (since late 2001) and Millennium Technology Value Partners (raised in 2005 to focus on this strategy) have now completed more than 20 value-oriented investments.

Millennium’s value-centric strategy targets investments in best-of-breed technology companies, like Requisite, capable of offering high returns on capital, yet employs creative structures to substantially mitigate traditional venture capital risk. As a leading provider of liquidity on private equity and other non-core assets to corporations, financial institutions and individuals, transaction partners have included Dell, Scientific-Atlanta, OppenheimerFunds, Alliance Capital Management, Bowman Capital, Exodus Communications, and individual founders and shareholders of many companies. At its core, Millennium leverages not only a disciplined approach to investing below fundamental value, but also an exhaustive assessment of the quality of a company and its technology, and a hands-on approach to helping companies realize the true potential of technology assets. Investments span a broad value continuum from

bankruptcy and restructure investments to corporate spinouts, secondary market transactions, founder liquidity programs, and deep value PIPE transactions.

Requisite is a good case study of this approach. Millennium first identified the Requisite opportunity through the fund's own proprietary technology research and sector analysis. Through this effort, Millennium developed a thesis that the technology sectors inhabited by Requisite - Master Data Management and Spend Data Visibility - were attractive, growing segments, ripe for consolidation by larger software companies. As an industry leader, Requisite had a strong intellectual property platform, attractive product offering and a powerful customer base, yet the company was experiencing declining revenues, high cash burn, and management turnover. The resulting uncertainty allowed Millennium to acquire \$21 million of original value preferred stock in an industry leader at a valuation that implied a 90% discount to cash-on-hand. At the same time, Millennium constructed a series of transactions designed to achieve seller objectives, including accelerated liquidity (after five years of holding Requisite), reduced administrative burden, and the elimination of reporting requirements.

As the largest shareholder in Requisite, Millennium served as a catalyst for significant management and operational improvements. Millennium was actively involved in the selection of a new world-class CEO and in creating the right incentives for management to reverse the revenue decline, improve operations, eliminate debt, achieve profitability, generate significant cash flow, and prepare the company for a potential sale. Working closely with management and other investors (a world-class group of venture investors that included Mohr Davidow, Trinity, Sequel, Oracle, and SAP), Millennium was able to contribute significantly to organizing and navigating an extensive M&A process. This process generated multiple acquisition offers, each of which involved complex transaction dynamics, and eventually culminated in a successful sale of the company to Click Commerce.

"We are extremely pleased with the outcome of our investment in Requisite," observed Samuel L. Schwerin, Managing Partner of Millennium. "We are keenly aware that not all of our investments will yield similar results. However, the Requisite example shows that the value strategy we have put in place makes it possible to have the best of both worlds—risk mitigation and downside protection, on the one hand, while still achieving extremely high venture-capital upside on the other hand."

Millennium's new fund, Millennium Technology Value Partners, L.P., is continuing to focus on the value-centric investment strategy. Earlier this year, Millennium extended a Debtor-In-Possession loan to First Virtual Communications, a public company in the web collaboration and IP videoconferencing space. Through the bankruptcy process and subsequent sale of the company, Millennium achieved a full realization at approximately 2x invested capital in a period of only 47 days. In recent weeks, Millennium has made new value-oriented investments in a number of other promising private companies, including Tellme Networks, Vendare Media, Qestia Media, and Multiplex, among others.

## About Millennium Technology Ventures

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Millennium Technology Ventures is a family of private equity funds based in New York City, focused on the creation of a new and innovative value-centric approach to venture capital and technology investing. Transactions range from the provision of liquidity on high quality private equity investments to corporate spin-offs of non-core assets, management liquidity programs and value-based primary investments in leading technology companies.

Millennium is led by a team of investment professionals with backgrounds at leading private equity firms, financial institutions and technology companies including The Blackstone Group, Goldman Sachs, Investcorp, Salomon Brothers, Mellon Ventures, and Google, who bring together deep operational experience and a strong investment track record. The team has completed in excess of 100 transactions involving more than \$50 billion in capital. As entrepreneurs themselves, the team has founded, grown, and exited nearly a dozen successful technology companies.

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