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## GOOGLE TO ACQUIRE ON2 TECHNOLOGIES

*On2's high-quality video compression technology to be a key part of the web platform*

Helsinki, Stockholm, and Silicon Valley -- August 25, 2009 -- On2 Technologies, Inc. (NYSE Amex: [ONT](#)) and Google Inc. (NASDAQ: [GOOG](#)) have jointly announced that they have entered into a definitive agreement under which Google will acquire On2, a leading developer of video compression technology. Under the terms of the agreement, each outstanding share of On2 common stock will be converted into \$0.60 worth of Google class A common stock in a stock-for-stock transaction. The transaction is valued at approximately \$106.5 million.

"Video is an essential part of the web experience, and we believe high-quality video compression technology should be a part of the web platform," said Sundar Pichai, Vice President, Product Management, Google. "We are committed to innovation in video quality on the web, and we believe that On2's team and technology will help us further that goal."

On2 acquired a Nexit portfolio company -- Hantro Oy -- in 2007 in a stock-for-stock deal, and consequently Nexit funds have a sizable holding in On2. Google's offer of \$0.60 per share represents a premium of approximately 57% over the closing price of On2's common stock on the last trading day immediately prior to the announcement of the transaction, and a premium of approximately 62% over the average closing price of On2's common stock for the six month period immediately prior to the announcement of the transaction.

Pekka Salonoja, a General Partner of Nexit Ventures, comments: "We are very excited about the video technology from the Oulu, Finland based Hantro Oy – one of our early investments – being used by Google for improving its web platform. This validates our initial belief in Hantro and is also a strong nod to Finnish mobile technology expertise."

The transaction, which is subject to On2 stockholder approval, regulatory clearances and other closing conditions, is expected to close in the fourth quarter of 2009.

**For further information, please contact:**

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**About Nexit Ventures**

Nexit Ventures is a mobile venture capital firm focused on wireless technologies and services. Leveraging its extensive network in the global mobile marketplace, Nexit invests primarily in Nordic and US-based early stage companies with products and services for a global market. For Nordic mobile companies, Nexit provides a bridge to Silicon Valley markets and exit opportunities. For US-based mobile companies, Nexit brings Nordic and European market insight, customer access, and technology resources. Nexit has helped several companies in either direction of its bridge, and has subsequently realized several successful exits of its portfolio companies in United States, the world's leading M&A market for technology ventures. Nexit has offices in Helsinki, Stockholm and Silicon Valley. For further information, please visit [www.nexitventures.com](http://www.nexitventures.com).

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