

# NZ Young Company Finance

News, comment, and analysis on the young company market in NZ

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## YCF INDEX SETS NEW RECORD

More than \$53 million was invested by angel investors into young companies in 2010 – a 5.3 percent increase on the previous calendar year record of \$51 million invested in 2009, according to the Young Company Finance Index.

Cumulatively, \$189 million has now been invested into young companies by angels since the Young Company Finance Index began in 2006. In 2008, \$32.7 million was invested, \$29.3 million was invested 2007, and \$22.4 million million in 2006.

Of the \$53.8 million invested last year, \$23.9 million was into first round investments and \$29.9 million comprised follow-on investments into existing portfolio companies. In terms of the stage of investment, \$5.3 million was seed investment, \$39.2 million was at the start-up stage, \$6.6 million at the early expansion level, and \$2.8 million at the expansion stage.

The 2010 year also saw continuing co-operation between angel groups with high levels of syndicated deals involving different groups of investors. In 2010, 47 percent of deals were syndicated and 53 percent were not. In 2006, just 27 percent of deals were syndicated and 73 percent were not.

Thirty-eight percent of 2010 investments were structured as

convertible loans, 43 percent as ordinary shares, and 19 percent as preference shares.

Deal flow for the year was high, with 103 deals completed in 2010 compared with 76 the previous year. The last half was particularly active with 25 deals in the third quarter and 41 deals in the fourth. Average investment amount declined - \$522,000 in 2010 compared with \$672,000 in 2009.

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Since 2006, by region, 51 percent of angel investment has been in Auckland-based companies, 17 percent in Wellington, 11 percent in Christchurch, 7 percent in Dunedin and 4 percent in Palmerston North. Software and services have received 26 percent of the amount invested, followed by pharmaceuticals (23%), technology, hardware and equipment (16%), and food and beverage (10%).

## BILL PAYNE HONOURED

Prominent United States angel investor Bill Payne, who last year spent five months in New Zealand as the BNZ University of Auckland Business School Entrepreneur In Residence advising investors, entrepreneurs and students, is the second Arch Angel appointed by the Angel Association of New Zealand. Bill Payne's angel investing history stretches back almost 30 years including being involved in setting up four prominent angel organisations in the USA. Last year, Sir Stephen Tindall was the first recipient of the honour, made annually at the Angel Summit.

## US VCS STOP THE ROT

USA's venture capitalists invested US\$21.8 billion in 3,277 deals in 2010, an increase of 19 percent in dollars and a 12 percent rise in deals over the prior year, according to the MoneyTree Report by PricewaterhouseCoopers and the National Venture Capital Association. The rise in venture investments in 2010 represents the first time the annual investment level has increased since 2007. Double-digit increases in

investments in 2010 were spread across almost every industry. Investment dollars also increased across every stage of development category, with the exception of seed stage investments.

## \$300 MILLION INVESTED INTO 100 COMPANIES

NZVIF has invested into 100 seed and start-up companies since its establishment in 2002. Combining private investment, those 100 companies have received \$308 million of venture and angel investment capital.

### Of the 100 companies:

- 79 are exporting.
- 29 have received investment from offshore investors.
- 23 emerged from either universities or Crown Research Institutes, and 19 have been part of business incubators.
- Auckland is home to 53 of the companies, with Christchurch hosting 16.
- 9 have been sold and 7 have been written off or liquidated.
- 28 of the investments were into seed stage enterprises, 56 were into start-up companies, 15 into early expansion companies, and 1 company at the expansion stage.

NZVIF chief executive Franceska Banga said that it is pleasing to have partnered with the private sector in providing over \$300 million of investment capital to promising young technology companies, but considerable work is required to establish a vibrant and sustainable venture capital industry.

"Good progress has been made. Orion Health is showing what is possible; and there are many others with huge potential, such as Zephyr, Biovittoria, and Open Cloud. The angel investment sector is growing quickly and we expect that to continue. We do need to see new venture capital funds emerging if young technology companies are going to consistently have access to New Zealand investment capital.

"Typically the companies have developed new technologies, backed by patents, which give them a distinctive niche into high value international markets. They are usually in sectors such as software and internet, agricultural technologies, medical devices, niche manufacturing and biotechnology. Key traits exhibited by these companies are an export-focus, high growth, and high productivity."

## TURNING WOMEN SCIENTISTS INTO ENTREPRENEURS

A prize has been launched aimed at encouraging more women scientists to commercialise their research and become entrepreneurs.

The Association for Women in the Sciences (AWIS), together with local investment group Pacific Channel, has launched the Women in Science Entrepreneurship Award. The winner of the Award will receive \$50,000 of incubation time at Pacific Channel, including access to an advisory board with experience in science commercialisation.

Women scientists are being invited to submit a business idea for starting a company to commercialise a piece of research. The judges will choose the winning entry which demonstrates the greatest social and financial impact. Ideas must be presented by individual women or groups with a female majority.

Entry to the competition closes on 30 June, and the winner will be announced at the AWIS conference on 28-29 July. More information on

the competition, as well as the official entry form, can be found at [www.pacificchannel.com](http://www.pacificchannel.com) or [www.awis.org.nz](http://www.awis.org.nz).

## 'SUPER ANGELS' GROWING WINGS

Early stage investing in the USA is being shaken up by the arrival of so-called "super-angel" investors who are pooling resources from multiple investors in a way which enables them to raise considerably more money than angels have in the past.

The Wall Street Journal recently noted that the super-angels are ratcheting up competition with established venture capitalists in the process. Although, as the AAAI's recent newsletter noted, it's less a war and more another evolutionary step in the provision of risk capital.

Who are super-angels? The WSJ listed names like Aydin Senkut, a former Google Inc. executive, with a US\$40 million super-angel fund from institutional investors and wealthy individuals including hedge-fund manager Peter Thiel (who has invested in Xero and Pacific Fibre Network). Ron Conway, one of the Bay Area's best-known angel investors, raised a

US\$20 million super-angel fund in May last year. Meanwhile, former PayPal executive Dave McClure is raising a US\$30 million super-angel fund, according to a regulatory filing. Dwarfing them all, a super-angel investor Mike Maples is raising a new US\$73.5 million fund, according to a regulatory filing.

Many super-angels started out just as mere angels, wealthy current and former Silicon Valley entrepreneurs and executives who invest their own money in technology start-ups. What elevates them to super-angels is the effect their participation in a deal has on other investors—a main reason entrepreneurs like to do business with them.

And for super-angels, investing has evolved into something more than a hobby. These players are now raising funds with outside money, investing full time and competing with VCs. According to the WSJ, as many traditional venture capitalists retreated after the tech bust last decade, super-angels filled the gap, investing small amounts of US\$25,000 to US\$1 million in dozens of new start-ups such as Facebook, Mint.com

and Zynga Game Network Inc. Super-angels also work with established venture capitalists to bring them new deals.

As these micro-cap venture capitalists now raise their own funds—giving them more ammunition to participate in later financing rounds of a start-up—they are siphoning off more investment deals and fund-raising dollars from larger venture firms. The super-angel activity contrasts with the rest of the venture industry. The number of active venture firms is nearly one-third less than the 1,326 in 2000, according to research firm VentureSource.

## ANGEL SUMMIT III – REFLECTIONS

*By Phil McCaw, Angel Association Chair*

The 3rd Angel Investor Summit was held in Nelson in November 2010. The key themes for the annual summit were:

- Building global businesses from NZ.
  - Exit – getting out of the business of being stuckholders.
- There was an excellent range of domestic and international speakers with

representatives from China, India, Australia and the United States. Locals, Rod Drury and Derek Handley, provided excellent insights into globalisation and exit experiences; and Scott Gilmour and Sam Morgan shared their experiences in philanthropy.

Key takeaways from the conference were:

- The upbeat feeling and camaraderie developing between angel investors, not just up and down the county but also with our international colleagues. We need to leverage these deepening networks to help take NZ businesses to the next level on the global stage.
- The tight collaboration occurring between angel groups up and down NZ. This is partly in response to the lack of venture funding in NZ, but it enables us to more effectively leverage NZ's small pockets of experience.
- Our unique global position - we're a village but on a global stage we're highly respected. We have extraordinary access to global influencers. When we work closely with the

NZ government on the international stage, things happen. In NZ we're all only 2 or 3 degrees separated from the Prime Minister or our ambassadors in the US or China.

- The gradual shift in the risk/return profile angels are seeking. With the contraction occurring in venture capital world-wide, angels/private investors are investing deeper and longer. We're seeing a shift to the centre – a focus on smaller returns but lower risk.

Our unique global position - we're a village but on a global stage we're highly respected. We have extraordinary access to global influencers.

- The international networking achieved at the NZ conference is just as powerful as what I managed to achieve in the US and Singapore angel conferences earlier in the year.
- At least two deals were struck between investors at the conference and the seeds sown for a new angel group.



## INTERNATIONAL FUNDING OPTIONS

*By Ralph Shales*

With many young companies facing a shortage of venture capital funding, we need to be considering other options, particularly international funding.

As Movac's Phil McCaw recently commented, the lack of venture capital could be detrimental to our growing angel sector. The absence of significant follow-on funding impacts on angels if their companies fail due to lack of capital, in turn discouraging future angel investment.

The shortage of venture capital over the past 3 or 4 years is a result of a number of factors (VC performance, GFC, etc), but ironically the growth in the angel investment market is creating greater demand for follow-on capital, exacerbating the issue.

While there is some light at the end of the tunnel with NZVIF working on establishing new venture funds, these will only be part

of the solution. International funding is an option that a number of NZ businesses should consider as part of any capital raising strategy, although it brings new challenges (and international VCs also face a contraction in funds).

Firstly, the decision to look offshore for investment

Investors prefer to invest locally so NZ companies require a strong point of difference, often through unique IP (patents, know-how, relationships).

has to make strategic and business sense. Simply going offshore because that is where the money is unlikely to work. Investors prefer to invest locally so NZ companies require a strong point of difference, often through unique IP (patents, know-how, relationships). Also competition is intense. One offshore VC firm we have worked with reviews over 3000 opportunities a year and invests in 10.

A second factor to consider is that it usually takes

longer to secure offshore investment, and the costs are higher with additional legal and travel costs. In one deal we are looking to close this year, we have been building a relationship with the co-investor on this particular opportunity for over two years.

Thirdly, depending on the business rationale, the ultimate issue may be one of the willingness of the founders/business to relocate. For some companies and investors, this is not negotiable.

While there are clearly challenges, there are some very real advantages in attracting offshore investment.

- International investors can add real value through industry expertise, market networks, and business and political relationships. A client increased revenues by close to 50% through introductions made by an investor within 6 months of investment.
- Often more favourable investment terms (higher valuations or better investment conditions) are available offshore. A NZ company secured funding offshore only after the

investor was able to test the concept with potential customers – via personal relationships. This wasn't an option for NZ investors who would have had to price in significant market risk. The impact was a better pre-money valuation and, importantly, the investment was ring-fenced to cover only this one technology. A NZ investor would have wanted to invest in the "parent" company.

- International investors can open avenues to access government (not NZ) funding. A pre-revenue client secured close to \$10m of technology development funding in Europe.

International funding, alongside new venture capital funds and ongoing angel activity, is part of the answer to the capital shortage in NZ.

Some other moves that could help include allowing NZVIF to co-invest in one-off deals with third party investors (other than VC funds and SCIF angel networks), such as a corporate investor who is willing to invest in an industry specific deal but has no interest in other investments. NZVIF could also look to lift the level of co-investment

with angel groups, with perhaps a willingness to match any funds invested by angel groups.

Finally, NZTE and FRST could review their apparent strategy of moving key grants away from early

total US angel investments in the first half of 2010 were \$8.5 billion, a decrease of 6.5 percent over the first half of 2009.

A total of 25,200 entrepreneurial ventures received angel funding

New Zealand's record levels of angel investment over the past few years was in contrast to the United States, where angel investors fled seed and start-up stage in the first half of 2010.

stage businesses to later stage companies, thus reducing the level of capital companies require, and in some cases also demonstrate to international investors that NZ is willing to back these companies.

*Ralph Shales is Managing Director of I Grow New Zealand Limited*

## WHERE ANGELS FEAR TO TREAD

New Zealand's record levels of angel investment over the past few years was in contrast to the United States, where angel investors fled seed and start-up stage in the first half of 2010. According to University of New Hampshire research,

in the first half of 2010, a 3 percent increase from the same period in 2009, and the number of active investors in the period was 125,100 individuals, a drop of 11 percent from the same period in 2009. The decline in total dollars, coupled with the small increase in investments, resulted in a 9 percent decline in deal size for the first and second quarters of 2010 compared with 2009.

The data indicates that while angels remain committed to this investment class they do so with a cautious approach to investing. Angels are committing fewer dollars in more deals, a result of the lower valuations.

## SECURING A SUCCESSFUL EXIT

by Sandy Finlayson, MBM Commercial LLP

*This article was written for the British Business Angels Association members by Sandy Finlayson, a partner at MBM Commercial LLP, a specialist Edinburgh law partnership. While the specific advice applies to the British angel environment, the general points will be of interest to NZ angels.*

In order to attract investment, many Business Plans say that “we plan to exit by trade sale or IPO within five years”. With the advent of the credit crunch, this has become a completely unrealistic aspiration for the vast majority of start-up and early stage companies with the average time from start-up to exit now being more than eight years. As a result, investors are having to support portfolio companies for longer resulting in larger shareholder bases and more complex share structures.

However, as confidence gradually returns to the market, it is important for companies and their investors to think about the issues required to

get them exit-ready. The Board of every company contemplating an exit should therefore have the following on its agenda:-

### Corporate Finance Advisor

Many exits are opportunistic, arising as a result of an approach from a potential acquirer. However, if the business is to be offered for sale, it is important to appoint a Corporate Finance Advisor with a good knowledge of the market in which the business operates in order to conduct the sale process in an appropriate way.

### Vendor Due Diligence

It is essential to ensure that all of the company's key agreements and records are all in good order and that any problems are identified and dealt with at the outset. Typically this process is now all managed with an electronic data room so that all relevant documentation can be made available to prospective acquirers in a controlled and secure manner.

### Managing Shareholders

Where there is a substantial

shareholder base, managing shareholder communication can be a sensitive issue. Typically the Board will negotiate Heads of Terms, subject to shareholder approval. The Chairman will then write to shareholders advising them of the principal terms which have been agreed and asking them to grant a Power of Attorney in favour of the directors so that they can finalise the negotiations and sign all

However, as confidence gradually returns to the market, it is important for companies and their investors to think about the issues required to get them exit-ready.

documentation on behalf of the shareholders.

### Drag Along and Tag Along

It is essential that the Board is able to “deliver” 100% of the issued share capital to the purchaser. The Board should therefore ensure at the outset that the Company's Articles of Association contain appropriate drag along and tag along provisions to

ensure that any dissenting minority shareholders can be forced to sell and that minority shareholders have the right to sell. However, such provisions should be used with caution as they may not be used to force a dissenting shareholder to accept a warranty liability without his or her prior approval.

Difficult tax considerations can arise if the transaction results in different tax consequences for different groups of shareholders. A detailed tax analysis will be required so that individual share and options holders are all aware of their own position.

## Heads of Terms

It is essential that all of the key commercial points should be covered in the Heads of Terms including any provisions relating to price adjustment, completion accounts, deferred consideration or earn-out and the allocation of the warranty liability. Investors

may be unwilling to grant any warranties except in relation to title and capacity to sell their shares and this issue therefore needs detailed consideration to ensure that a formula can be found which will be acceptable to all parties. It is essential to ensure that the sellers interests are fully aligned at the outset so that they are focused on negotiating with the acquirer and not with each other.

## Mission Creep

Delay by the purchaser can represent a major transaction risk for the seller, particularly if the purchaser is relying on external finance. Delay seldom operates to the seller's advantage and is more likely to be a tactic by the purchaser to secure a "price

chip". One way of mitigating this problem is to ask the purchaser to provide a weekly letter confirming that it has not identified any due diligence problems, that the price remains as stated, that the finance is in place and that it will be able to complete on the agreed date. If the purchaser is unable to

provide such a letter it may lose its exclusivity and this simple device provides some incentive to the purchaser to keep the process on track.

## Share Options

If companies have awarded share options to employees, the purchaser is likely to require all outstanding share options to be exercised at or immediately prior to completion. The option holders may be relying on the sale proceeds to exercise their options and, if there are a lot of option holders, this can result in complex calculations to ensure that the right result is achieved.

## Tax Considerations

Difficult tax considerations can arise if the transaction results in different tax consequences for different groups of shareholders. A detailed tax analysis will be required so that individual share and options holders are all aware of their own position.

## Accounting to Shareholders

Where there is a substantial shareholder base, accounting to shareholders can be quite complex. If there are different classes of shares and loan stock, there



will be a distribution waterfall showing the amount due to the holders of each class in order of priority. The transaction costs are generally for the account of shareholders and should be met by shareholders in proportion to their respective shareholdings. Where the transaction involves the exercise of share options, they will have to be fully accounted for, together with any tax liability on unauthorised options. Securing a successful exit requires careful planning well in advance of the event. For those embarking on the journey for the first time, it is important to seek guidance from someone who has “been there before” in order to avoid the pitfalls. A “done deal” is better than a negotiation which falls apart because of some unforeseen problem.

## SOMNACEUTICS SOLD TO NEW IMAGE GROUP

Auckland-based biotechnology company Somnaceutics, an investee

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company of Pacific Channel, NZVIF and private individuals, has been sold to New Image Group for an undisclosed sum.

New Image Group acquired the business assets of Somnaceutics which include the patents and intellectual property connected with the natural sleep-enhancing milk product that was invented by scientist Professor Bob Elliott working with other leading scientists and organisations.

Pacific Channel organised two investment rounds in Somnaceutics, co-investing with the New Zealand Venture Investment Fund and private individuals.

The sleep-enhancing milk will continue to be produced in New Zealand through New Image Group, which also has the marketing resources to sell the product globally.

## AND ARISE RAY THOMPSON

Prominent angel investor Ray Thomson has been recognised for his contribution to early-stage technology companies. He received the inaugural William H. Payne Active Angel Award - an award given to members of Ice Angels. Ray Thomson has been involved with Ice Angels since 2007, investing around \$400,000 to date in seven early-stage firms.

## PACIFIC CHANNEL PARTNERS ICE ANGELS

Ice Angels and Pacific Channel have established a co-investment partnership targeting early-stage life-science and clean-technology companies.

The partnership will consolidate the trend for early-stage companies in New Zealand to attract investment from syndications rather than single investors.

# NZ Young Company Finance

## Private Financing deals - year to date

2010

Month	Name of Company	Location	Sector	Round	Stage	Range	Lead Investor	Syndication Partners
	Casey Heynes	Hamilton	Software and Services	1	Start Up	\$1m-\$1.5m	AngelLink	SCIF
Jul-10	3 R Group	Hastings	Recycling services and technologies	1	Expansion	-	Private investors	Other Private Investors
Jul-10	Anonomous	Rotorua	Food, Beverage & Tobacco	2	Early Expansion	\$250-\$500k	I Grow New Zealand	Private Investor
Jul-10	Clean Planet Limited	Auckland	Consumer Services	2	Start Up	\$250-\$500k	Sparkbox	Private Investors, SCIF
Jul-10	Clean Planet Limited	Auckland	Consumer Services	2	Start Up	\$0-\$250k	Sparkbox	Private Investors, SCIF
Jul-10	Lasadex	Christchurch	Pharmaceuticals, Biotechnology & Life Sciences	1	Seed	\$0-\$250k	Powerhouse Ventures	SCIF
Jul-10	Photonz	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	4	Start Up	\$500-\$750k	Cure Kids Ventures	SCIF, Private Investors
Jul-10	Scitox	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	2	Seed	\$0-\$250k	Pacific Channel	SCIF
Aug-10	Booktrack Holdings Limited	Auckland	Software and Services	1	Start Up	\$0-\$250k	Sparkbox	SCIF
Aug-10	Intergrid	Wellington	Software and Services	3	Start Up	\$250-\$500k	Angel HQ	Private Investors
Aug-10	Pathway Therapeutics	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	3	Seed	\$250-\$500k	TTCF	SCIF
Aug-10	Pictor Limited	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	1	Start Up	\$250-\$500k	Cure Kids Ventures	SCIF
Aug-10	Somnaceutics Limited	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	3	Start Up	\$0-\$250k	Pacific Channel	SCIF, Private Investors
Aug-10	Tasman Combined/ Sharesight	Wellington	Software and Services	1	Start Up	\$0-\$250k	Sparkbox	SCIF
Sep-10	Anonomous	Asia	Food, Beverage & Tobacco	1	Seed	\$0-\$250k	I Grow New Zealand	Private Investor, Asian Private Equity Fund
Sep-10	Anonomous	Auckland	Commercial Services & Supplies	1	Early Expansion	\$0-\$250k	I Grow New Zealand	Private Investor
Sep-10	Anonomous	USA	Technology Hardware & Equipment	1	Seed	\$500-\$750k	I Grow New Zealand	Corporate
Sep-10	AreoGraph	Dunedin	3D technologies	2	Expansion	-	K1W1	Other Private Investors
Sep-10	Booktrack Holdings Limited	Auckland	Software and Services	1	Start Up	\$0-\$250k	Sparkbox	SCIF
Sep-10	Inro Technologies	Auckland	Technology Hardware & Equipment	2	Start Up	\$1m-\$1.5m	ICE Angels	Endeavour Capital, VAN, SCIF, Private Investors
Sep-10	Kiwi Semiconductor	Auckland	Semiconductors & Semiconductors Equipment	1	Start Up	\$500-\$750k	Movac	SCIF, Private Investors, Angel HQ
Sep-10	New Zealand Extracts Limited	Malborough	Pharmaceuticals, Biotechnology & Life Sciences	1	Start Up	\$750-\$1m	NZTE Escalator Service	Private Investors
Sep-10	Podscape Holdings Limited	Auckland	Software and Services	2	Seed	\$0-\$250k	Sparkbox	K1W1, SCIF
Sep-10	Rush Digital Interactive	Auckland	Software and Services	1	Seed	\$0-\$250k	ICE Angels	SCIF
Sep-10	Zeosoft	Auckland	Commercial Services & Supplies	1	Start Up	\$250-\$500k	Movac	SCIF
Oct-10	Anonomous	Auckland	Software and Services	4	Early Expansion	\$250-\$500k	I Grow New Zealand	Private Investor
Oct-10	Anonymous	Waikato	Software and Services	1	Start Up	\$1m-\$1.5m	NZTE Escalator Service	Private Investors
Oct-10	Anonymous	Auckland	Health Care Equipment & Services	1	Start Up	\$750-\$1m	NZTE Escalator Service	Private Investors
Oct-10	Anonymous	Wellington	Media	1	Start Up	\$0-\$250k	NZTE Escalator Service	Private Investors

# NZ Young Company Finance

Oct-10	Booktrack Holdings Limited	Auckland	Software and Services	1	Start Up	\$0-\$250k	Sparkbox	SCIF
Oct-10	Clean Planet Limited	Auckland	Consumer Services	2	Start Up	\$0-\$250k	Venture Accelerator Group	SCIF
Oct-10	CricHQ Limited	Wellington	Software and Services	1	Seed	\$0-\$250k	NZTE Escalator Service	
Oct-10	Halo IPT	Auckland	Capital Goods	1	Start Up	\$250-\$500k	TTCF	SCIF, Private Investors
Oct-10	Low Impact	Auckland	Commercial Services & Supplies	1	Start Up	\$500-\$750k	NZTE Escalator Service	Private Investors
Oct-10	Pacific Fibre	Auckland	Technology Hardware & Equipment	2	Start Up	\$250-\$500k	Movac	Private Investors
Oct-10	PowerbyProxy	Auckland	Technology Hardware & Equipment	3	Start Up	\$750-\$1m	Movac	Private Investors
Oct-10	Spamdunk Solutions Ltd	Wellington	Software and Services	1	Seed	\$0-\$250k	Sparkbox	SCIF
Oct-10	Tasman Combined/ Sharesight	Wellington	Software and Services	1	Start Up	\$0-\$250k	Sparkbox	SCIF
Oct-10	Trac Plus Limited	Dunedin	Technology Hardware & Equipment	4	Start Up	\$750-\$1m	Upstart Angels	SCIF
Nov-10	Anonomous	Auckland	Technology Hardware & Equipment	4	Start up	\$0-\$250k	I Grow New Zealand	Angels (UK, NZ and Asia)
Nov-10	CropLogic	Christchurch	Software and Services	1	Seed	\$0-\$250k	Powerhouse Ventures	SCIF, Private Investors
Nov-10	Kaynemaile	Wellington	Materials	4	Start Up	\$250-\$500k	Movac	SCIF
Nov-10	Nikos	Auckland	Software and Services	1	Seed	\$0-\$250k	Sparkbox	SCIF, Private Investors
Nov-10	Optima Corp	Auckland	Optimization of emergency services	2	Expansion	\$0-\$250k	Angels	Other Angel Investors
Nov-10	ProjectGarlic	Auckland	Consumer Durables & Apparel	2	Start Up	\$250-\$500k	Sparkbox	SCIF, Movac, Private Investors
Nov-10	Somnaceutics Limited	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	Exit	Start up	Seed	Pacific Channel	
Nov-10	Spamdunk Solutions Ltd	Wellington	Software and Services	1	Seed	\$0-\$250k	Sparkbox	SCIF
Nov-10	Spamdunk Solutions Ltd	Wellington	Software and Services	1	Seed	\$0-\$250k	Sparkbox	SCIF
Nov-10	Spamdunk Solutions Ltd	Wellington	Software and Services	1	Seed	\$0-\$250k	Sparkbox	SCIF
Nov-10	Speirs Nutritional Partners	Palmerston North	Pharmaceuticals, Biotechnology & Life Sciences	2	Start Up	\$250-\$500k	Manawatu Investment Group	SCIF, K1W1, Private Investors
Dec-10	Booktrack Holdings Limited	Auckland	Software and Services	1	Start Up	\$0-\$250k	Sparkbox	SCIF
Dec-10	Hydroworks Ltd	Christchurch	Capital Goods	1	Start Up	\$0-\$250k	Powerhouse Ventures	SCIF, Private Investors
Dec-10	Hydroworks Ltd	Christchurch	Capital Goods	1	Start Up	\$0-\$250k	Powerhouse Ventures	SCIF, Private Investors
Dec-10	Inro Technologies	Auckland	Technology Hardware & Equipment	4	Start Up	\$1.5m-\$2.5m	ICE Angels	Endeavour Capital, VAN, Private Investors
Dec-10	International Trading Cartel Limited (Stolen Rum)	Auckland	Food, Beverage & Tobacco	2	Start Up	\$750-\$1m	NZTE Escalator Service	Private Investors
Dec-10	Minimonos	Wellington	Software and Services	2	Start Up	\$0-\$250k	Movac	SCIF, Private Investors
Dec-10	Photonz	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	5	Start Up	\$250-\$500k	Cure Kids Ventures	
Dec-10	Pictor Limited	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	2	Start Up	\$0-\$250k	Cure Kids Ventures	
Dec-10	Reelclever	Hamilton	Software and Services	3	Start Up	\$0-\$250k	Movac	
Dec-10	Spamdunk Solutions Ltd	Wellington	Software and Services	1	Seed	\$0-\$250k	Sparkbox	SCIF
Dec-10	Summa Business Intelligence	Auckland	Software and Services	1	Start Up	\$500-\$750k	ICE Angels	SCIF

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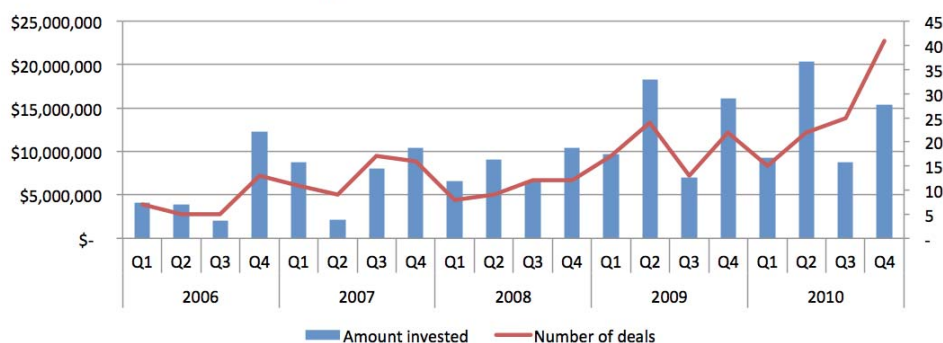
Dec-10	Summa Business Intelligence Limited	Auckland	Software and Services	2	Start Up	\$500-\$750k	NZTE Escalator Service	Current Investors
Dec-10	Tasman Combined/ Sharesight	Wellington	Software and Services	1	Start Up	\$0-\$250k	Sparkbox	SCIF
Dec-10	The Optima Corporation Ltd	Auckland	Software and Services	3	Early Expansion	\$750-\$1m	ICE Angels	
Dec-10	Twisted Citrus	Timaru	Software and Services	1	Start Up	\$0-\$250k	Upstart Angels	SCIF
Dec-10	Unimarket	Auckland	Software and Services	5	Start Up	\$0-\$250k	ICE Angels	SCIF
Dec-10	ZyGEM Corp	Hamilton	Pharmaceuticals, Biotechnology & Life Sciences	5	Start Up	\$250-\$500k	Cure Kids Ventures	SCIF, Private Investors

Note: Prior data in previous issues.

## Capital Invested 2006-2010

Year	Amount invested	Number of deals
2006	\$22,360,762	30
2007	\$29,300,848	53
2008	\$32,656,902	41
2009	\$51,105,088	76
2010	\$53,791,868	103
Total	\$189,215,468	303

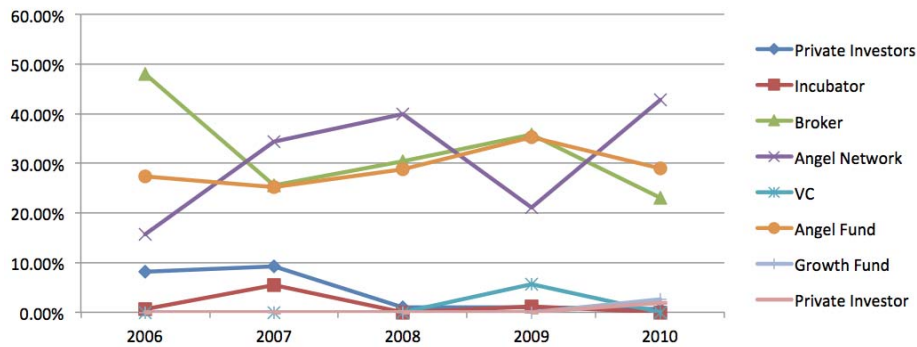
## Capital Invested 2006-2010



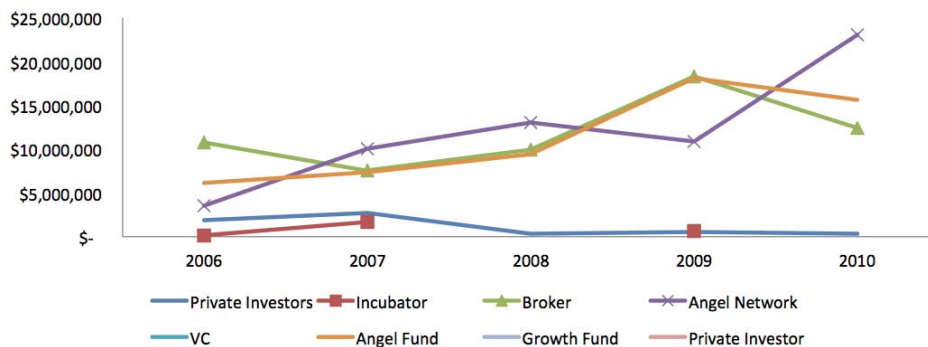


# NZ Young Company Finance

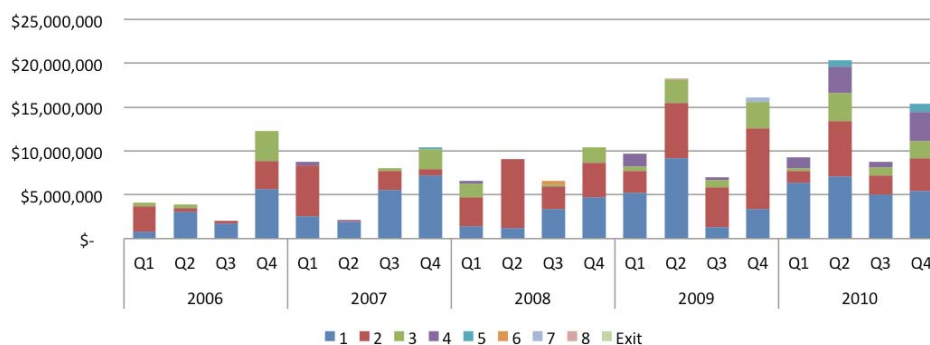
Deal Sources 2006-2010 %



Deal Sources 2006-2010 \$

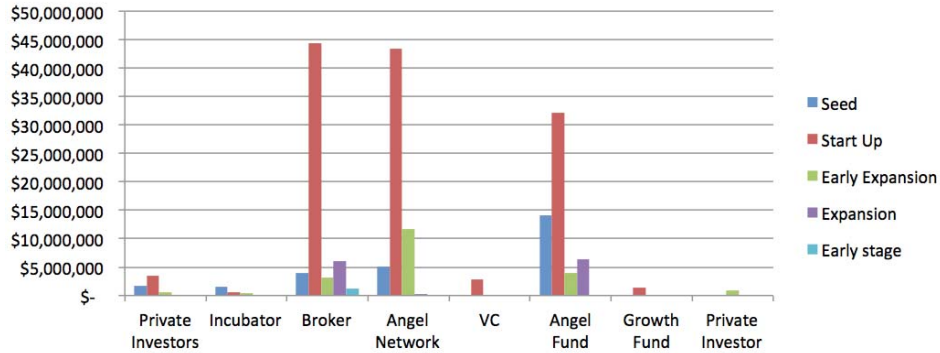


Capital Invested by Round 2006 -2010

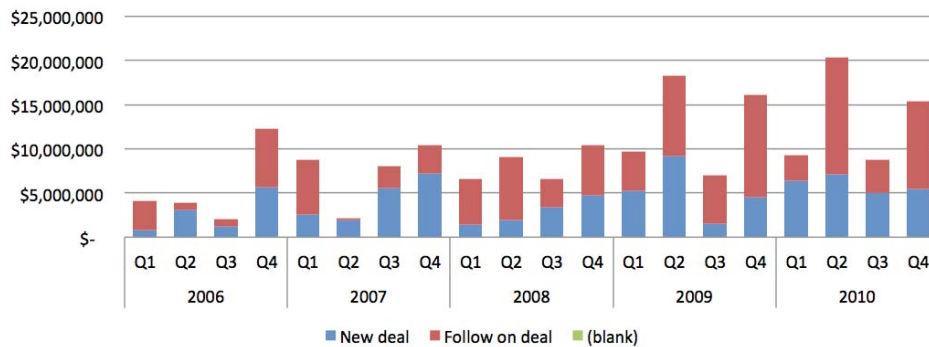


# NZ Young Company Finance

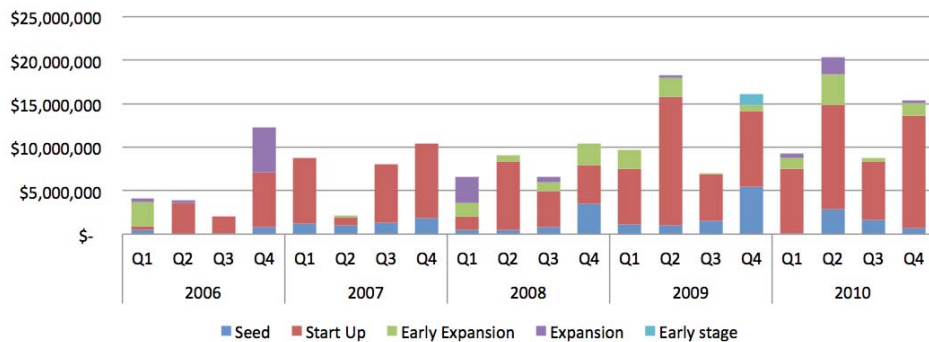
**Deal Sources by Stage 2006-2010**



**Capital Invested by Type 2006-2010**

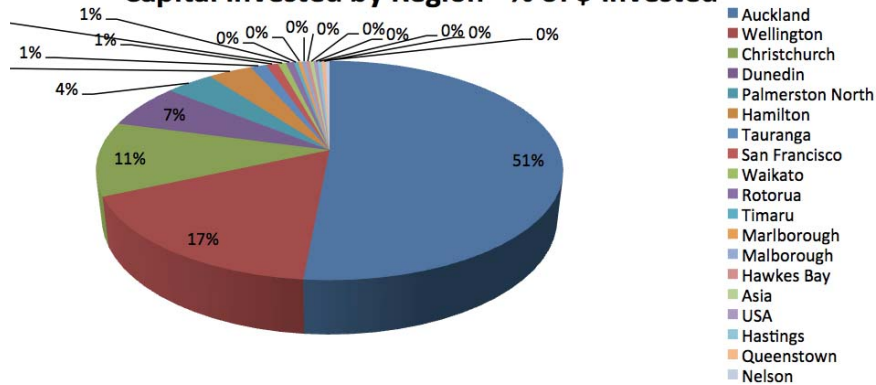


**Capital Invested by Stage**

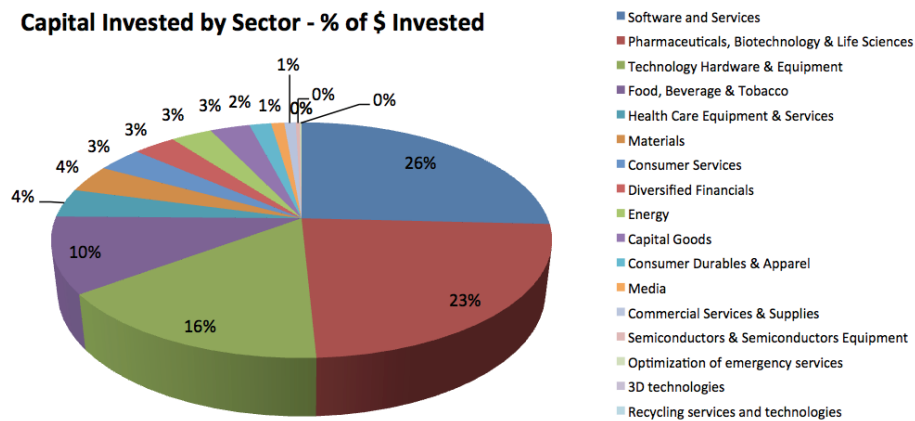


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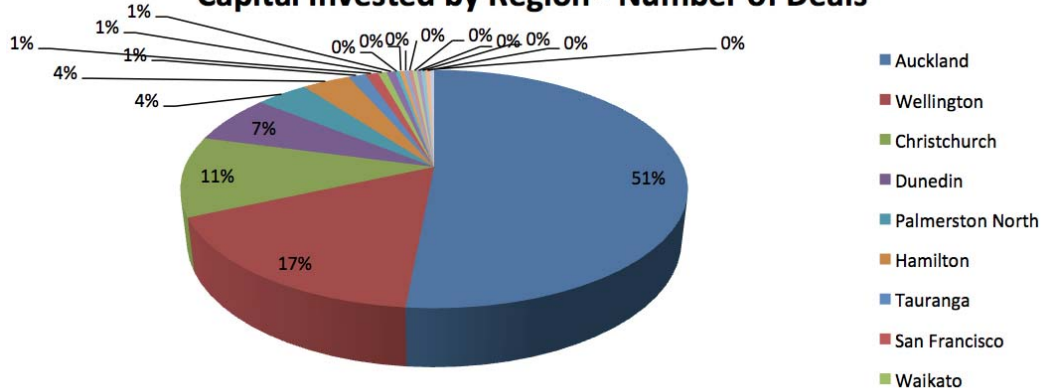
**Capital Invested by Region - % of \$ Invested**



**Capital Invested by Sector - % of \$ Invested**

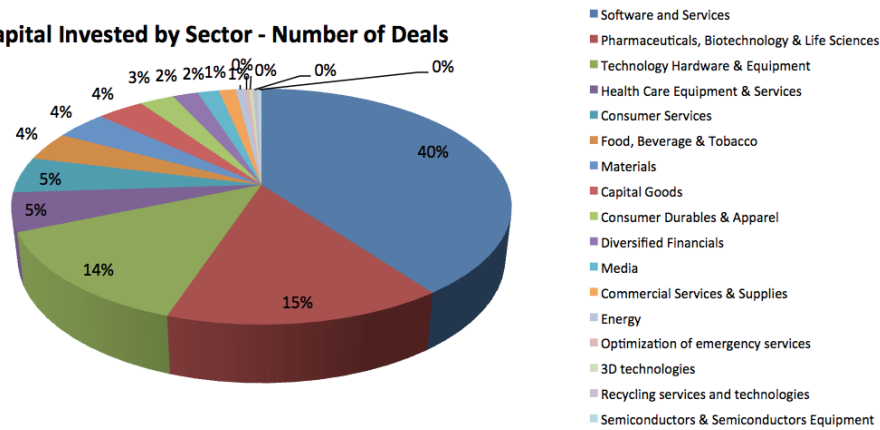


**Capital Invested by Region - Number of Deals**

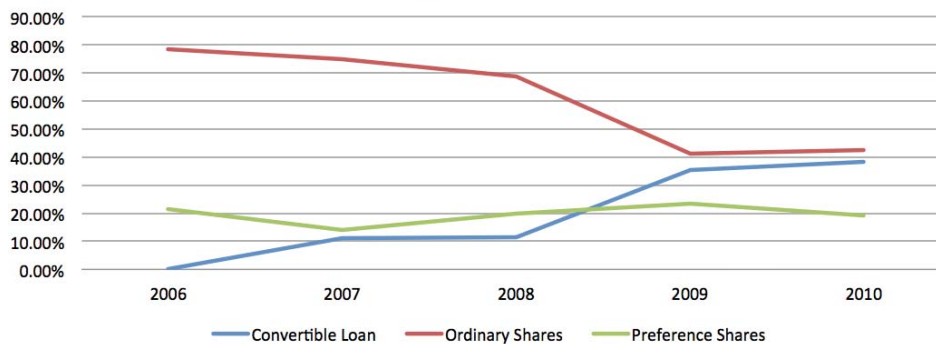


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Capital Invested by Sector - Number of Deals



Deal Types 2006 - 2010



Syndication 2006 - 2010

