

NZ Young Company Finance

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

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Angels focus on existing companies

Angel investors remain very active but are investing smaller amounts in each deal as they focus on supporting their existing companies rather than investing in new companies, according to the latest Young Company Finance Index.

In 2011, angels made 97 investments into young high-growth companies – slightly behind the previous year's record activity level – but the amount invested was \$30.7 million – a decline of nearly half the amount invested in 2010.

The fall in the level of investment was more pronounced in the second half of last year, when angels invested \$13.1 million – the lowest total since the Young Company Finance Index began collecting data in 2006. The 44 deals undertaken, however, was the second highest.

The trend of angels investing smaller amounts (in both new and follow-on investment) is indicative of a maturing of NZ's angel market and is consistent with similar trends overseas, including the US.

Angels are learning more about how much and when to invest. Angels' portfolios of new investments grew steadily between 2008 and 2010, in particular. A significant number of the most active angel investors are shifting their main focus to supporting their existing companies.

This is a rational response to the recognition by angels that companies require follow-on funding, and there is a lack of material follow-on

money from other sources in New Zealand. As angels protect their current portfolios, they are more conservative about engaging in new investments, particularly those which have requirements for large amounts of capital.

Angel investors have cumulatively invested \$220 million into high-growth companies since 2006, in an average deal size of \$540,000. The average deal size in 2011 was \$323,549.

Another factor is the challenging general business and investment environment which has persisted over the last two years. This has had a negative impact - both on the appetite of current angels to invest in new companies, but also on the numbers of new angels coming on stream and being prepared to actively invest.

There is a noticeable upwards trend over the last six quarters in the number of deals being done in the \$0 – \$250k range (with smaller amounts being invested and milestone payments are common) and a complete absence of larger deals (over \$1.5m) in the last three quarters. This contributed significantly to the drop off in overall dollars invested in 2011.

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Of the \$30.7 million invested last year, \$11.7 million was into first round investments and \$19.0 million comprised follow-on investments into existing portfolio companies. In terms of the stage of investment, \$6.6 million was seed investment, \$23.8 million was at the start-up stage, \$360,000 at the early expansion level, and nil at the expansion stage.

47 percent of angel deals have been in Auckland-based companies, 19 percent in Wellington.

The 2011 year saw 47 percent of deals being syndicated and 53 percent were not. Thirty-three percent of investments were structured as convertible loans, 34 percent as ordinary shares, and 28 percent as preference shares. Deal flow for the year was high, with 97 deals completed in 2011 - lower than the 110 the previous year but much higher than earlier years. The last half was less active with 18 deals in the third quarter and 26 deals in the fourth. Since 2006, by region, 47 percent of angel deals have been in Auckland-based companies, 19 percent in Wellington, 13 percent in Christchurch, 6

percent in Dunedin and 4 percent in Hamilton, and 3 percent Palmerston North. Software and services have received 26 percent of the amount invested, followed by pharmaceuticals (24%), technology, hardware and equipment (15%), and food and beverage (9%).

Angels prefer web companies

Around half of angel investors invest more than \$30,000 on each deal, with 20 percent having between \$50-100k to spend, and web companies are the most preferred sector, according to a survey undertaken by the Angel Association of New Zealand.

The Angel Association surveyed its members on their professional development and deal preferences. The survey polled those running funds and those individuals who are members of formal networks. New Zealand has half a dozen managed funds investing in early stage ventures and approximately 200 angels belonging to networks based in Otago, Christchurch, Nelson, Wellington, the Manawatu, Tauranga and Auckland. A quarter responded.

Sector preferences

Angels have a preference for web based software and services with an average rating of 4.5 out

of five, followed closely by technology hardware and equipment (4.0), biotech and life-sciences (3.6), FMCG (3.3), clean tech (3.2) and agriculture (2.6).

Deal size

Thirty percent of angels preferred deals involving \$250-500k in the first round of funding being sought by a company. About a quarter of respondents preferred deal sizes on either side of this with 25 percent preferring deal sizes up to \$250k and 25 percent preferring deals between \$500k-\$1m. Fifteen percent said they like to invest less than \$15k, and 15 percent have no preference.

Deal stage

Respondents were evenly split between pre-revenue and post revenue deals in terms of which stage they prefer to invest. Investing in deals still not much more than a concept, with the product and market still needing validation, was the least popular. Investment in later stage ventures was also unpopular.

Pre-revenue – detailed business plan and sales pipeline identified (3.0)

Post-revenue – solid first year of sales (3.2)

Early stage venture – company < 3 years old with proven business model (2.3)

Concept – product and market still need validating (1.7)

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Deal source

High growth ventures come from all sorts of places. In terms of their preferred source of deals, 88 percent of respondents had no preference – “a good deal is a good deal”. Where angels did have a preference, incubators rated 3.4 out of 5, “garage or front room” 2.8, research institutions 2.5, and economic development agencies 1.7. One respondent noted that it was not the source of deals which was relevant but the calibre of the people running the company.

Helping

Fifty-two percent were happy to help get ventures ready for investment but only as ‘light touch advisors’. Over a third (37%) were prepared to roll up their sleeves and get deeply involved in preparing a venture for investment. Only 10 percent said they would not engage until the venture was ‘investment-ready’. Interestingly, this question elicited the most comments with the consistent theme that they would love to do more but are ‘time poor’.

What makes a deal appealing?

A range of factors make a deal appealing but by far the most important is a great team (3.4). A compelling business model (2.4), a well-defined and understood market (2.3) and unique product (1.9) followed.

Finding deals

75 percent said they preferred finding out about deals at investment evenings. Regular emails are also popular. Targeted emails based on angels’ particular areas of interest and using Gust (a deal-flow management application) were popular for around a third of respondents, and only 12 percent indicated that browsing a database or website appealed to them.

52 percent were happy to help get ventures ready for investment but only as ‘light touch advisors’. 37% were prepared to roll up their sleeves.

Professional development

90 percent of respondents are interested in professional development. They would like the Angel Association sessions to run for half a day (90%) and would prefer the sessions be exclusively for angels (84%). In descending order of preference, the preferred subjects were valuation, “going global”, due diligence, term sheets, portfolio management and an introduction to angel investment. Other suggestions for courses

include the role of the lead investor, market assessment, governance, and how to use Angelsoft/Gust.

SCIF’s angel partners grow to 14

NZVIF’s Seed Co-Investment Fund renewed two existing partnerships and entered into two new partnerships in recent months, taking the number of co-investing angel groups to 14.

Tauranga’s Enterprise Angels and Wellington’s Angel HQ joined the Fund. Meanwhile Ice Angels and Sparkbox – both Auckland based – renewed their partnerships having nearly fully committed the original \$4 million which NZVIF allocates to invest alongside each partnership.

To date, NZVIF and its angel partners have co-invested over \$50 million into 70 young companies since the Seed Fund was established in 2006. NZVIF estimates that these and other angel investors in NZ will have at least invested into that number again over that period, meaning there are around 140 to 150 companies in the pipeline of young high-growth companies.

China opportunity in the cloud

Wellington angel investor and GreenButton chair Marcel van den Assum spoke at a cloud computing conference in Shanghai in November which saw investors, entrepreneurs and IT specialists discussing the commercial potential of cloud applications.

GreenButton (formerly Intergrid) is a Wellington-based company which provides its clients with cloud-based access to supercomputer capacity, and is backed by NZVIF's Seed Fund, Angel HQ and MOVAC.

Marcel van den Assum said the objective of the Shanghai conference was to educate and encourage entrepreneurs to look at the potential cloud computing presents, both in terms of enabling new business models as well spawning a wide range of information technology solutions.

"The conference showed that China has massive resources applied to opening up the innovation flood gates, although it is apparent there was a strong orientation towards taking ideas and executing them more efficiently and effectively.

"That said, those who were establishing new business

talked about the challenge of gaining traction in the

to look at policies to support angel investing, and cites

The size of the Chinese market is so significant.... For a New Zealand company, it highlights the necessity of partnering with a local entity.

Chinese market. Even Hong Kong based businesses considered breaking into mainland China a major hurdle.

"The size of the Chinese market is so significant that the vast majority of initiatives will remain domestic. For a New Zealand company looking to break into the market, it highlights the opportunity (and necessity) of partnering with a local entity.

"Following the conference, there has been quite a bit of interest in our technology from Chinese entrepreneurs and some investors. The key for us - and other New Zealand companies in this space - is to think about a strategic response. We dream, they deliver!"

OECD encourages governments to foster angels

An OECD report into angel investing - Financing High-Growth Firms: the Role of Angel Investors- is encouraging governments

the New Zealand angel framework as an example to consider.

The report, published in December last year, says angel investment markets are much larger than most people realise. While venture capital tends to attract the bulk of the attention from policy makers, the primary source of external seed and early-stage equity financing in many countries is angel financing, not venture capital. In addition, angel investors tend to be less sensitive to market cycles than venture capitalists, although a "wealth effect" could impact how much they are willing to invest when markets fluctuate. In the current market environment, a lack of exits (whether through an IPO or M&A) has put a strain on both angel and venture investment. Angel investors support a much wider range of innovation than VC firms as they traditionally invest locally and in a wider range of sectors than venture capitalists. This means there is broader

investment coverage, both in terms of industry sectors and geography (angels live everywhere, not only in areas where VCs have offices, which tend to be concentrated in a few technology or science hubs). It also means that angel investors can also be involved in companies which are not necessarily technology intensive or high growth, as well as companies in later stages of development. Like VCs, angel investors tend to invest in a portfolio of companies, not just in one or two.

Universities are often highlighted as an important potential source of start-ups, however, often these companies are more research rather than commercially focused and, therefore, do not succeed as often in securing angel or venture capital as often as assumed, according to the OECD. This example points to a potential disconnect between innovation policies, which tend to focus on R&D rather than commercialisation, and entrepreneurship policies which focus on the translation of innovation into firms.

The report notes that the two prime policy tools to support the development of angel investing have been tax incentives and co-investment funds (such as NZVIF's Seed Co-Investment Fund). While

OECD report cites growing interest in establishing co-investment funds to stimulate angel investing.

it notes that tax incentives can be difficult to structure and target, there is growing interest in the co-investment fund approach. The report also suggests there is a role for governments in helping to establish national angel associations, and in training to increase the professionalism of angel investors.

The full OECD report can be found at http://www.oecd.org/document/30/0,3746,en_2649_33703_49309726_1_1_1_1,00.html

Crowd-Funding Bill before the US Senate

A bill which introduces oversight of crowd-funding faces a harder task towards becoming law before the US Senate, having been passed by the House of Representatives in November.

The bill, which is supported by the Obama administration, would amend the US Securities Act to allow entrepreneurs to crowd source (online) up to \$2

million per year in investment capital directly from individuals without having to register the investors with the Securities and Exchange Commission. However, the commencement and completion of the raise would need to be filed with the SEC.

Whether the bill survives the Senate is uncertain. It has met some backlash from critics claiming that crowdfunding measures would lead to speculative, risky offerings that could translate into heavy losses for small investors.

US angels return to seed and start-up

Angel investing in the US reached its nadir in 2009 and has since demonstrated a slow recovery, according

A total of 26,300 entrepreneurial ventures received angel funding during the first half of 2011, a 4.4 percent increase from the same period in 2010.

to data from the Center for Venture Research at the University of New Hampshire.

The angel investor market in the first two quarters of 2011 showed signs of stabilisation since the 30 percent market correction in the second half of 2008 and the first half of 2009, with total investments totalling \$8.9 billion, an increase of 4.7 percent over the same period in 2010. A total of 26,300 entrepreneurial ventures received angel funding during the first half of 2011, a 4.4 percent increase from the same period in 2010, and the number of active investors in Q1 and Q2 2011 was 124,900 individuals, virtually unchanged from Q1 and Q2 2010. The increase in total dollars and the matching increase in total investments resulted in an average deal size of \$338,400 in the first half of 2011, comparable to the deal size in the same period in 2010 of \$337,300.

Angels have significantly increased their penchant for seed and start-up stage investing, with 39 percent of Q1 and Q2 2011 angel investments in the seed and start-up stage, marking a 13 percent increase in the seed and start-up stage from the same period in 2010.

This increase was reflected in a decrease in post-seed/start-up investing, with 60 percent of investments in early and expansion stage, compared to 70 percent in the first half of 2010. New, first-sequence investments represent 49 percent of Q1

and Q2 2011 angel activity, an increase of 3 percent from the same period in 2010.

Healthcare services/medical devices and equipment accounted for the largest

new early stage companies with 5 or fewer employees and assets of up to £200,000 which are carrying on or preparing to carry on a new business. For investors, the maximum annual investment limit will be £100,000 and the

The government also launched a new £50m Business Angel Co Investment Fund, to be named the Angel CoFund and will be investing alongside Business Angel syndicates from across England. The fund is able to make initial equity investments of between £100k and £1m in to SMEs alongside syndicates of business angels.

share of investments, with 25 percent of total angel investments in Q1 and Q2 2011, followed by industrial/energy (17 percent), biotech (14 percent), software (11 percent), media (8 percent) and retail (8 percent).

UK looking to boost angel activity

Angel investing in the UK received a boost from their government introducing a new 50 percent tax relief for seed stage investing and the launch of a new £50m angel co-investment fund.

Under the tax initiative, investors wishing to back very early stage seed stage businesses can gain up to 50 percent tax relief. The scheme's focus is to support

maximum that any one early stage business can receive cumulatively under this scheme will be £150,000.

The government also launched a new £50m Business Angel Co Investment Fund, to be named the Angel CoFund and will be investing alongside Business Angel syndicates from across England. The fund is able to make initial equity investments of between £100k and £1m in to SMEs alongside syndicates of business angels

Super angels picking up the pace

A recent US study by the Angel Resource Institute found some differences

between angel investors and 'super-angels' - angel investors who have the capacity to invest large sums of their own money (in excess of several hundred thousand dollars per year, year after year).

Key differences include: the speed with which they invest, the personal networks they leverage, and the amount of money they can invest. Some super angels had invested more than \$10 million into one company. This capacity allows them to be very patient and work with uniquely capital inefficient companies all the way to an exit. In addition, when investing, they regularly brought others into the investment with them, and could do so quite quickly. Subsequent to investing, their network and access to companies and talented entrepreneurs was occasionally an advantage, depending on their specific strategy.

With their capacity to support a company further along their growth, super angels are able to attract great deal flow in the areas in which they operate. Often other angel investors follow their lead, participating in rather large angel investment rounds; opportunities that in the past some early stage VCs would normally have done alone. In many ways super angels are like VCs in that they have rich personal networks providing relatively

easy access to VCs, key management talent, strategic partners, and potential acquirers.

Angel syndication network established

A number of US angel investment groups have banded together to establish the Angel Syndication Network to provide entrepreneurs with more and larger financing rounds before leaving the angel system.

The founding partners of the Angel Syndication Network include Tech Coast Angels in southern California, Golden Seeds of New York City and Band of Angels of northern California. Other groups are

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currently coming onboard or in the partnering process.

Previously, startup companies might go to a single angel group to receive their initial financing, but when they required additional funds, they had to go through the same due diligence at other angel networks. Or they had to try to make the leap to venture capital, sometimes before they were ready. Now, these companies can start up with any of partners and have access to the funds and support of the other groups when they need it.

NZ VC & PE performance to be measured

NZVCA and global research agency Cambridge Associates have entered a strategic partnership to provide data on the performance of venture capital and private equity in New Zealand.

Initially the data will be available to industry fund manager participants and NZVCA. The partnership aims to publish aggregate VC and PE benchmark quarterly performance data which will include New Zealand private equity and venture capital industry returns compared to other market indices, as well as vintage year returns and aggregate portfolio company returns by industry.

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Private Financing Deals – 2011

Month	Name of Company	Location	Sector	Round	Stage	Range	Lead Investor	Syndication Partners	
2011 Q1	Jan-11	Big Little Bang	Auckland	Software and Services	2	Seed	\$0-\$250k	Sparkbox	K1W1, SCIF
	Jan-11	eBonz	Auckland	Health Care Equipment & Services	2	Start Up	\$250-\$500k	NZDx	SCIF
	Jan-11	Ecopoint	Auckland	Technology Hardware & Equipment	1	Start Up	\$750-\$1m	NZTE Escalator Service	Private Investor
	Jan-11	Indigo Limited	Christchurch	Technology Hardware & Equipment	3	Start Up	\$0-\$250k	Powerhouse Ventures	SCIF, Angel HQ
	Jan-11	Intergrid	Wellington	Software and Services	4	Start Up	\$0-\$250k	Movac	Private Investors
	Jan-11	Reelclever	Hamilton	Software and Services	3	Start Up	\$0-\$250k	Movac	
	Jan-11	Spamdunk Solutions Ltd	Wellington	Software and Services	1	Seed	\$0-\$250k	Sparkbox	SCIF
	Feb-11	Anonymous	Waikato	Consumer Services	1	Start Up	\$250-\$500k	NZTE Escalator Service	Private Investor
	Feb-11	Anzode	USA	Materials	6	Start Up	\$0-\$250k	Manawatu Investment Group	SCIF
	Feb-11	Halo IPT	Auckland	Capital Goods	1	Start Up	\$500-\$750k	TTCF	SCIF, Private Investors
2011 Q2	Feb-11	Halo IPT	Auckland	Capital Goods	1	Start Up	\$250-\$500k	TTCF	SCIF, Private Investors
	Feb-11	Minimonos	Christchurch	Software and Services	3	Start Up	\$500-\$750k	Venture Accelerator Group	SCIF, Angel HQ, Private Investors
	Feb-11	Quantec	Hamilton	Pharmaceuticals, Biotechnology & Life Sciences	1	Seed	\$250-\$500k	Angellink	SCIF
	Feb-11	Trac Plus Limited	Dunedin	Technology Hardware & Equipment	3	Early Expansion	\$250-\$500k	Otago Angels	SCIF
	Mar-11	Anonymous	Auckland	Technology Hardware & Equipment	4	Start Up	\$0-\$250k	I Grow New Zealand	Angel Investor UK
	Mar-11	Anonymous	Auckland	Food, Beverage & Tobacco	2	Start Up	\$0-\$250k	I Grow New Zealand	Private Investor, Asian Private Equity Fund
	Mar-11	Booktrack Holdings Limited	Auckland	Software and Services	1	Start Up	\$0-\$250k	Sparkbox	SCIF
	Mar-11	Clean Planet Limited	Auckland	Consumer Services	3	Start Up	\$0-\$250k	Sparkbox	SCIF, Venture Accelerator
	Mar-11	CropLogic	Christchurch	Software and Services	1	Seed	\$0-\$250k	Powerhouse Ventures	Private Investors, SCIF
	Mar-11	Innate Therapeutics Limited	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	Multiple	Start Up	\$250-\$500k	Pacific Channel	Private Investors
2011 Q3	Mar-11	Kiwi Semiconductor	Auckland	Semiconductors & Semiconductors Equipment	1	Start Up	\$500-\$750k	Movac	SCIF, Private Investors
	Mar-11	Tasman Combined/ Sharesight	Wellington	Software and Services	1	Start Up	\$0-\$250k	Sparkbox	SCIF
	Apr-11	Barrington Arch	Christchurch	Software and Services	1	Start Up	\$0-\$250k	Powerhouse Ventures	
	Apr-11	Booktrack Holdings Limited	Auckland	Software and Services	1	Start Up	\$0-\$250k	Sparkbox	
	Apr-11	Caldera Health	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	2	Start Up	\$750-\$1m	Pacific Channel	SCIF, K1W1, Pacific Channel
	Apr-11	Halo IPT	Auckland	Capital Goods	1	Start Up	\$500-\$750k	TTCF	SCIF, Private Investors
	Apr-11	Hydroworks Ltd	Christchurch	Capital Goods	1	Start Up	\$0-\$250k	Powerhouse Ventures	SCIF
	Apr-11	Intergrid	Wellington	Software and Services	5	Start Up	\$500-\$750k	ICE Angels	SCIF, Private investors
	Apr-11	Invert Robotics Ltd	Christchurch	Technology Hardware & Equipment	1	Seed	\$0-\$250k	Powerhouse Ventures	SCIF

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Q2 cont

Apr-11	Kiwi Semiconductor	Auckland	Semiconductors & Semiconductors Equipment	1	Start Up	\$0-\$250k	Movac	
Apr-11	Manawatu Diagnostics	Palmerston North	Pharmaceuticals, Biotechnology & Life Sciences	3	Start Up	\$250-\$500k	NZDx	SCIF
Apr-11	Mesynthes (Mesoma)	Wellington	Health Care Equipment & Services	4	Seed	\$500-\$750k	Sparkbox	SCIF, Movac, Cure Kids, K1W1
Apr-11	New Ground Media	Hawkes Bay	Software and Services	1	Start Up	\$1m-\$1.5m	Movac	SCIF, Private investors
Apr-11	Polybatics	Palmerston North	Pharmaceuticals, Biotechnology & Life Sciences	2	Seed	\$1m-\$1.5m	Manawatu Investment Group	SCIF, Private Investors
Apr-11	Scitox	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	3	Seed	\$250-\$500k	Pacific Channel	SCIF
Apr-11	Spam Dunk Solutions Ltd	Wellington	Software and Services	2	Seed	\$0-\$250k	Sparkbox	SCIF, Private Investors
May-11	Arcactive Ltd	Christchurch	Materials	4	Seed	\$1m-\$1.5m	Powerhouse Ventures	Private Investors
May-11	Big Little Bang	Auckland	Software and Services	2	Seed	\$0-\$250k	Sparkbox	K1W1, SCIF
May-11	Booktrack Holdings Limited	Auckland	Software and Services	1	Start Up	\$0-\$250k	Sparkbox	Private Investors, SCIF
May-11	Global Leading Design	Dunedin	Materials	1	Seed	\$0-\$250k	Otago Angels	SCIF
May-11	Quantec	Hamilton	Pharmaceuticals, Biotechnology & Life Sciences	1	Seed	\$0-\$250k	Angellink	SCIF
May-11	Spam Dunk Solutions Ltd	Wellington	Software and Services	2	Seed	\$0-\$250k	Sparkbox	SCIF, Private Investors
Jun-11	Anonymous	USA	Technology Hardware & Equipment	2	Start Up	\$500-\$750k	I Grow New Zealand	
Jun-11	Anonymous	Auckland	Technology Hardware & Equipment	4	Start Up	\$0-\$250k	I Grow New Zealand	Angel Investor NZ
Jun-11	Anonymous	Auckland	Food, Beverage & Tobacco	2	Start Up	\$0-\$250k	I Grow New Zealand	Private Investor, Asian Private Equity Fund
Jun-11	Anonymous	Auckland	Software and Services	1	Start Up	\$1m-\$1.5m	NZTE Escalator Service	Corporate
Jun-11	Barrington Arch	Christchurch	Software and Services	1	Start Up	\$0-\$250k	Powerhouse Ventures	SCIF
Jun-11	Hydroworks Ltd	Christchurch	Capital Goods	1	Start Up	\$0-\$250k	Powerhouse Ventures	SCIF
Jun-11	Lifetime Health Diary	Dunedin	Health Care Equipment & Services	1	Start Up	\$250-\$500k	Otago Angels	SCIF
Jun-11	MEA Mobile	Hamilton	Consumer Durables & Apparel	1	Expansion	\$0-250k	K1W1	
Jun-11	Reelclever	Hamilton	Software and Services	4	Start Up	\$0-\$250k	Movac	
Jun-11	Zeosoft	Auckland	Commercial Services & Supplies	2	Start Up	\$0-\$250k	Movac	
Jun-11	Zephyr Technologies Limited	Auckland	Software and Services	5	Early Expansion	\$0-\$250k	iGlobe Treasury Fund	Private Investors
Jul-11	Booktrack Holdings Limited	Auckland	Software and Services	2	Start Up	\$1m-\$1.5m	Sparkbox	Private Investors, SCIF
Jul-11	Breathe Easy	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	2	Seed	\$0-\$250k	Pacific Channel	SCIF
Jul-11	CropLogic	Christchurch	Software and Services	1	Seed	\$0-\$250k	Powerhouse Ventures	SCIF, Private Investors
Jul-11	Minimonos	Christchurch	Software and Services	4	Start up	\$250-\$500k	Movac	SCIF, Venture Accelerator
Jul-11	Photonz	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	6	Start Up	\$1m-\$1.5m	Cure Kids Ventures	SCIF, K1W1
Jul-11	Regen Limited	Wellington	Pharmaceuticals, Biotechnology & Life Sciences	1	Start Up	\$0-\$250k	Pacific Channel	SCIF
Jul-11	Simtics (Go Virtual Medical Ltd)	Auckland	Software and Services	4	Start Up	\$0-\$250k	Sparkbox	Private Investors, SCIF
Jul-11	Trac Plus Limited	Dunedin	Technology Hardware & Equipment	3	Start Up	\$250-\$500k	Otago Angels	SCIF
Aug-11	Anzode	USA	Materials	7	Start Up	\$0-\$250k	Manawatu Investment Group	SCIF

Q3

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Q 3 cont

Aug-11	Big Little Bang	Auckland	Software and Services	2	Seed	\$0-\$250k	Sparkbox	SCIF, K1W1, ICE Angels
Aug-11	Down to Earth	Auckland	Commercial Services & Supplies	1	Seed	\$0-\$250k	ICE Angels	SCIF
Aug-11	Halo IPT	Auckland	Capital Goods	1	Start Up	\$250-\$500k	TTCF	SCIF, Private Investors
Aug-11	Im-Able Ltd	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	1	Start Up	\$1m-\$1.5m	Cure Kids Ventures	
Aug-11	LookAfterMe Limited	Wellington	Software and Services	1	Seed	\$0-\$250k	Webfund	
Aug-11	Spamdunk Solutions Ltd	Wellington	Software and Services	2	Seed	\$0-\$250k	Sparkbox	SCIF
Sep-11	Indigo Limited	Christchurch	Technology Hardware & Equipment	3	Start Up	\$0-\$250k	Powerhouse Ventures	SCIF
Sep-11	Invert Robotics Ltd	Christchurch	Technology Hardware & Equipment	1	Seed	\$0-\$250k	Powerhouse Ventures	SCIF
Sep-11	SmartShow Limited	Wellington	Software and Services	1	Start Up	\$0-\$250k	Angel HQ	ICE Angels
Sep-11	Spamdunk Solutions Ltd	Wellington	Software and Services	2	Seed	\$0-\$250k	Sparkbox	SCIF

Q 4

Nov-11	Anzode	USA	Materials	8	Start Up	\$0-\$250k	Manawatu Investment Group	SCIF, Private Investors
Nov-11	Barrington Arch	Christchurch	Software and Services	2	Start Up	\$0-\$250k	Powerhouse Ventures	SCIF, Private Investors
Nov-11	Big Little Bang	Auckland	Software and Services	2	Seed	\$0-\$250k	Sparkbox	SCIF, K1W1, ICE Angels
Nov-11	Engender Technologies Limited	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	1	Seed	\$0-\$250k	Pacific Channel	
Nov-11	Googly Inc Limited	Auckland	Consumer Durables & Apparel	1	Seed	\$0-\$250k	Sparkbox	SCIF, K1W1
Nov-11	Green Button Ltd	Wellington	Software and Services	6	Start Up	\$0-\$250k	ICE Angels	SCIF, Private investors
Nov-11	Havelock North Fruit Company	Hawkes Bay	Food, Beverage & Tobacco	1	Seed	\$0-\$250k	Enterprise Angels	SCIF
Nov-11	Heilala Vanilla Limited	Tauranga	Food, Beverage & Tobacco	1	Seed	\$250-\$500k	Enterprise Angels	SCIF
Nov-11	Mesynthes (Mesoma)	Wellington	Health Care Equipment & Services	5	Seed	\$250-\$500k	Movac	Sparkbox, Cure Kids, K1W1, MIG
Nov-11	Photonz	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	6	Start Up	\$1m-\$1.5m	Cure Kids Ventures	SCIF, K1W1
Nov-11	ProjectGarlic	Christchurch	Consumer Durables & Apparel	3	Start Up	\$0-\$250k	Pioneer Capital	SCIF, Sparkbox
Nov-11	Snakk	Auckland	Software and Services	1	Start Up	\$250-\$500k	ICE Angels	K1W1
Nov-11	Solar City	Nelson	Technology Hardware & Equipment	2	Expansion	0	K1W1	
Nov-11	Spamdunk Solutions Ltd	Wellington	Software and Services	3	Seed	\$0-\$250k	Sparkbox	SCIF
Dec-11	Booktrack Holdings Limited	Auckland	Software and Services	3	Start Up	\$750-\$1m	Sparkbox	SCIF, Private Investors
Dec-11	CropLogic	Christchurch	Software and Services	1	Seed	\$0-\$250k	Powerhouse Ventures	SCIF, Private Investors
Dec-11	Invert Robotics Ltd	Christchurch	Technology Hardware & Equipment	1	Seed	\$0-\$250k	Powerhouse Ventures	SCIF
Dec-11	Kaynemaile	Wellington	Materials	5	Start Up	\$750-\$1m	Movac	SCIF, Private Investors
Dec-11	Lifetime Health Diary	Dunedin	Health Care Equipment & Services	2	Start Up	\$0-\$250k	Otago Angels	SCIF, Private Investors
Dec-11	Minimonos	Christchurch	Software and Services	5	Start Up	\$0-\$250k	Movac	
Dec-11	Nextspace	Auckland	Software and Services	4	Start Up	\$1m-\$1.5m	ICE Angels	
Dec-11	Peeld NZ Limited	Auckland	Food, Beverage & Tobacco	1	Start Up	\$0-\$250k	ICE Angels	
Dec-11	Spamdunk Solutions Ltd	Wellington	Software and Services	3	Seed	\$0-\$250k	Sparkbox	SCIF
Dec-11	Vesper Marine	Auckland	Consumer Durables & Apparel	2	Start Up	\$0-\$250k	ICE Angels	SCIF
Dec-11	Yonix Limited	Wellington	Software and Services	1	Start Up	\$0-\$250k	Angel HQ	SCIF

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Capital Invested 2nd half year

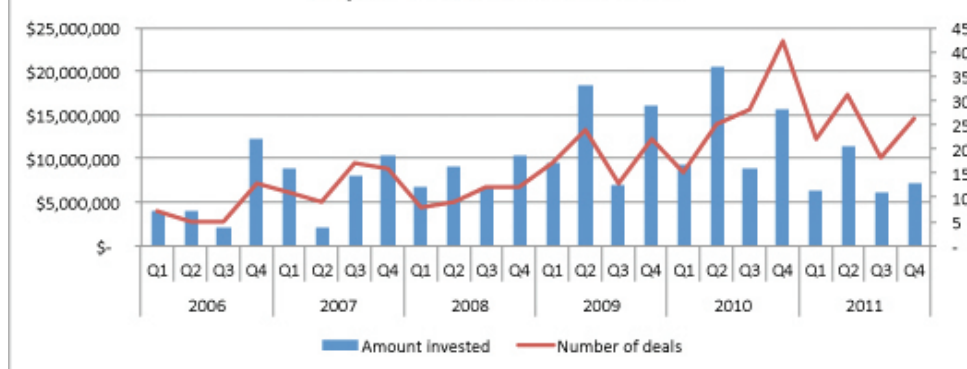
Year	Amount invested	Number of deals
2H2006	\$14,379,096	18
2h2007	\$18,406,958	33
2H2008	\$16,971,568	24
2H2009	\$23,116,741	35
2H2010	\$24,442,316	70
2H2011	\$13,122,854	44

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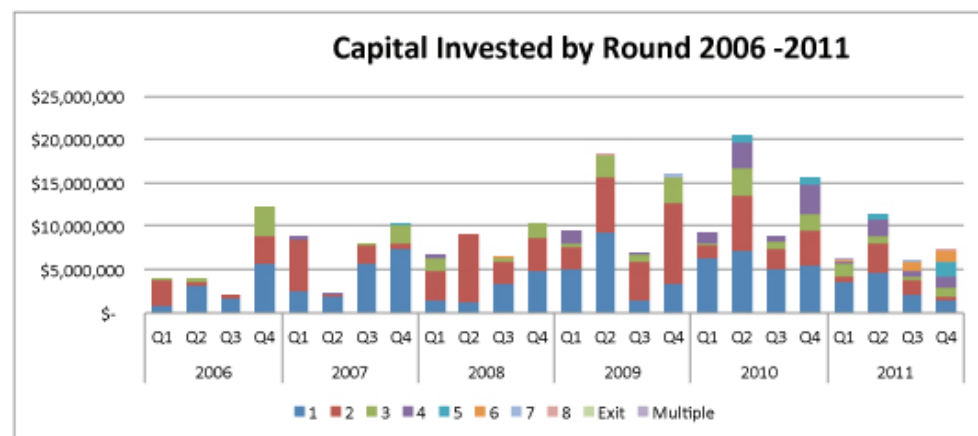
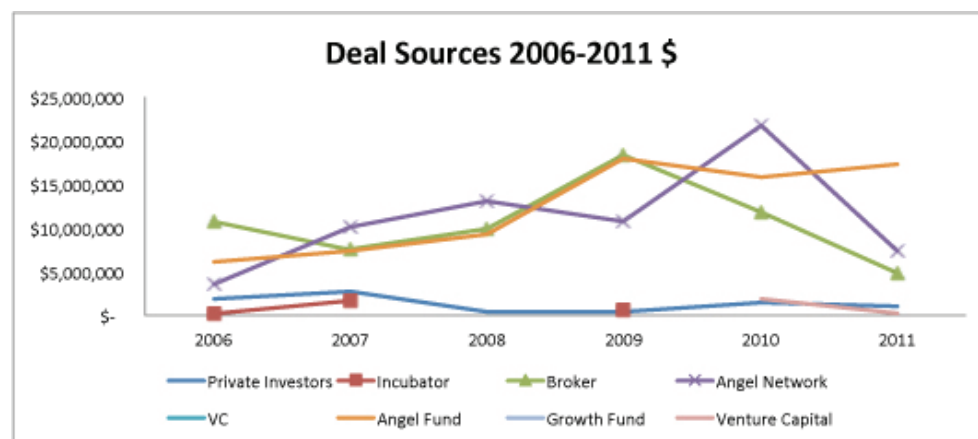
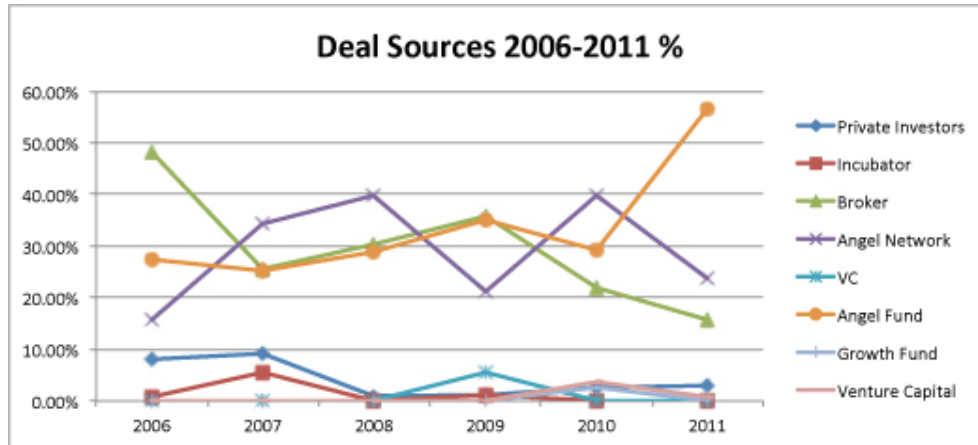
Capital Invested to 30 December

Year	Amount invested	Number of deals
2006	\$22,360,762	30
2007	\$29,300,848	53
2008	\$32,656,902	41
2009	\$50,905,088	76
2010	\$54,162,343	110
2011	\$30,737,180	97
Total	\$220,123,123	407

Capital Invested 2006-2011

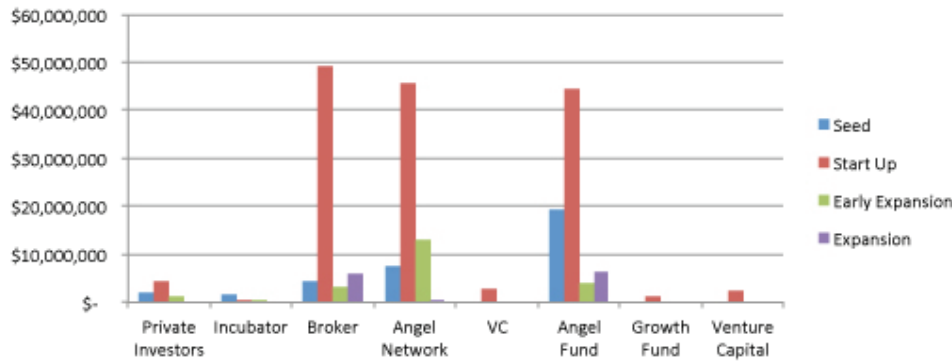


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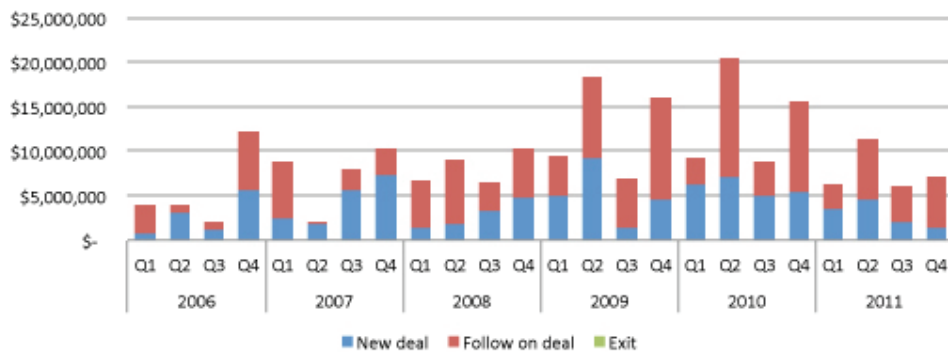


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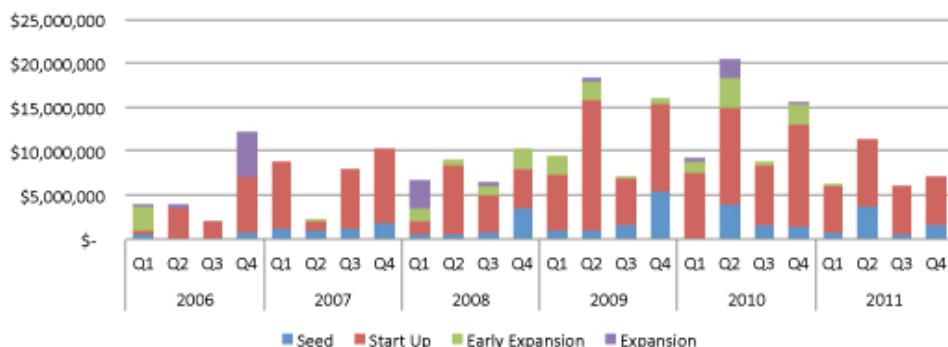
Deal Sources by Stage 2006-2011



Capital Invested by Type 2006-2011

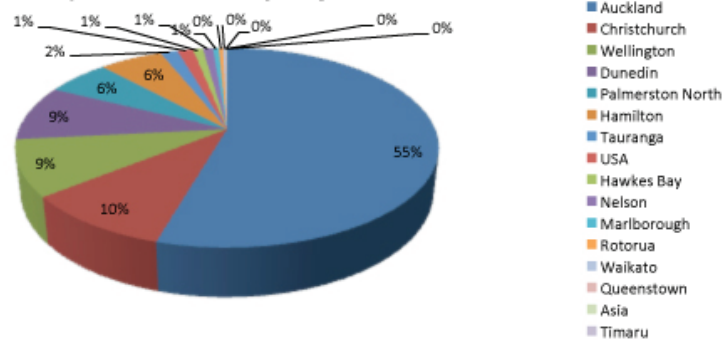


Capital Invested by Stage

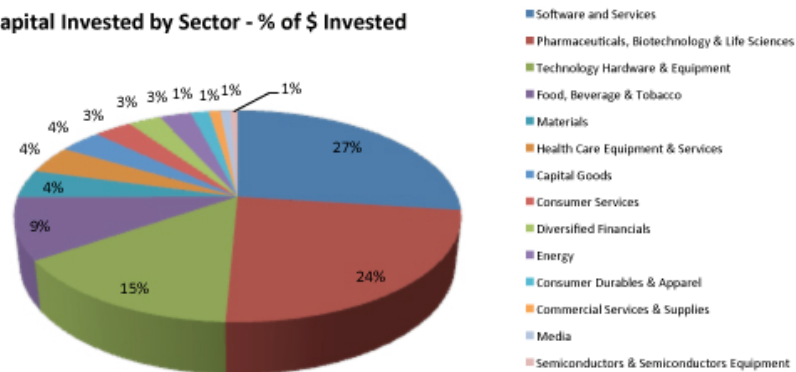


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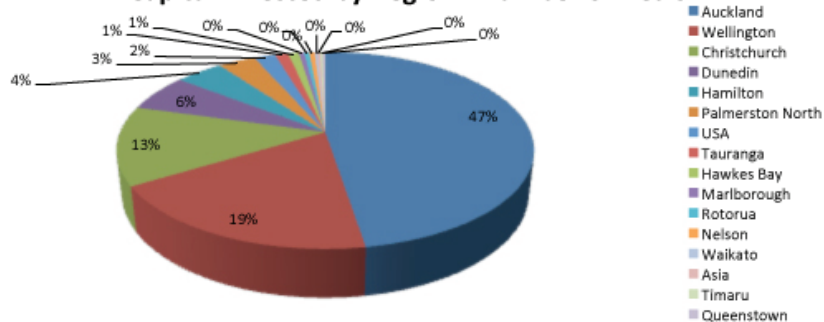
Capital Invested by Region - % of \$ Invested



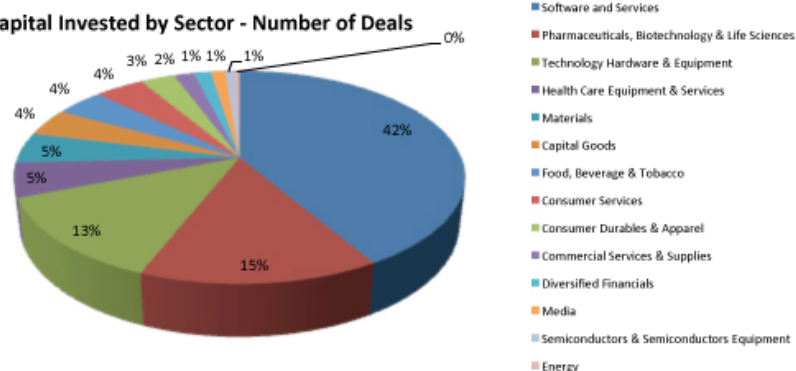
Capital Invested by Sector - % of \$ Invested



Capital Invested by Region - Number of Deals



Capital Invested by Sector - Number of Deals



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