

NZ Young Company Finance

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

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feature or publicise a private
deal, please contact

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WELCOME

To the fifth issue of Young Company Finance. The New Zealand Venture Investment Fund, EDANZ, NZVCA, and the Angel Association support YCF with the express purpose of providing our local private equity market with a regular source of deal information, industry news, and features on specific deals or people.

Obviously it is a quiet time for the entire investment community, and the number of new deals being reported in Young Company Finance reflects the drop-off in economic activity.

The third quarter of 2008, for example, saw just four deals done, as opposed to 11 in the corresponding period last

year. A clear trend is appearing which shows angels are backing existing businesses rather than investing into new companies.

In this issue, we profile Auckland start-up company Blackhawk, with a focus on its experience in seeking angel investment. Andrew Sharp, Blackhawk's GM, describes angel involvement in his firm as 'the best thing that best thing that could have happened to us'.

We also take a look at some interesting Australian research into the IPO process for firms backed by venture capital, and we take a look at the new SCIF partnership with Nelson angel group Venture Accelerator Limited.

FINDING FUNDING FOR BUDDING ENTREPRENEURS

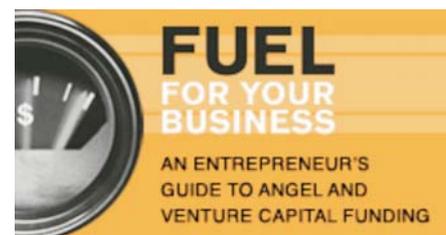
The NZVCA has published a new book which explains to budding entrepreneurs the process of raising funds from angel investors and venture capitalists.

Fuel For Your Business is aimed at young, early stage companies looking for funding to help them grow, with a focus on what is termed 'rocket fuel' for business growth – angel and venture capital investment.

NZVCA executive director Colin McKinnon says the publication will educate entrepreneurs on the options and opportunities currently available for young start-up companies.

The guide explains how young companies can go about getting funding – how to find investors, how to do the deal, the sort of documentation which is required, errors and pitfalls to avoid, and what to do if they can't get funding.

'Fuel For Your Business' is available for directly from the NZVCA's website. It retails for \$35.



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HALO FUND TARGETS START-UPS

A new fund is being established to target investments in the start-up company sector alongside investments made through the Seed Co-Investment Fund.

A number of angel and seed investment groups are partnering with the New Zealand Venture Investment Fund to establish the Halo Fund. A management company is being formed, governed by a board, and managed by NZVIF, and which will invest in combination with the Seed Co-Investment Fund

The Halo Fund is aiming to raise around \$5 million from angel groups. As investments are made by NZVIF and partnering investors through the Seed Fund, the Halo Fund will also make investments, increasing the amount of private capital being invested into young, high-growth New Zealand companies.

NZVIF Investment Director Richard Palmer says that the Halo Fund offers investors a unique opportunity.

“This will give investors qualified access in a cost effective manner to a portfolio of early stage, high growth New Zealand investments. The Halo Fund accommodates angel investors who wish to develop a fully diversified portfolio of early stage companies.”

ANNUAL CONFERENCE SEASON

NZVCA and the Angel Association held their annual conferences in early November.

The NZVCA'08 was on 6 November in Auckland at Sky City Convention Centre. Colin James, political commentator and analyst, addressed the significant changes the financial crisis will impact on future business and political environments.

At the forefront of the discussions was the impact the international financial situation is having on private equity and VC investment, particularly in raising new capital. A clear sentiment expressed, however, was the potential for great deals involving firms needing new capital.

A number of Australian industry figures attended. The conference heard from Professor Gordon Murray, a UK expert on the performance of new technology companies and the international development of the formal and informal venture capital industry, and Joe Platnick, a director of Pasadena Angels, a large Southern California angel investment group

The inaugural AGM of the newly formed Angel Association New Zealand – Angel Summit '08 - was held the previous day at Cable Bay Vineyard on Waiheke Island. The focus for the summit was on 'building relationships'.

The Angel Association is also developing an angel education programme. Seminars are being developed on the 'Power of Angel investing' and 'Demystifying Angel Investment'. These seminars will be delivered as part of a national education and recruitment road show in partnership with angel investor networks.

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STOLEN CAR = START-UP COMPANY

Having your car stolen is not the usual incentive to start a company.

In November 2005, two flat mates, Andrew Sharp and Andrew Radcliffe, were pondering what to do after the latter's car was stolen from their flat. Radcliffe wanted it back. Sharp wanted to catch the thief. They never did catch the thief, nor did they get the car back, but they started thinking about preventing it happening again.

The two Andrews had a combined background in research, the transport industry, and in tracking systems. Sharp's training was as a food technologist and he had a two year stint in Toyota New Zealand's graduate scheme. An electrical engineer, Radcliffe had been working with GPS and telemetry for the Royal New Zealand Navy's anti-mine systems.

Faced with the stolen car problem, they searched for a security device that used GPS, but found the available products bulky and

expensive. Having identified a gap in the market, they set about developing something to fill that niche.

The result is the Blackhawk Vehicle Tracking System, which enables an owner to find a vehicle's exact location on a website map, or have the vehicle's current address texted to a mobile phone.

Having developed the product, they needed to develop a business. They joined Auckland's business incubator, the ICEHOUSE, and with help from NZTE's Enterprise Training Program, they tapped into resources to ready themselves for facing the market.

Blackhawk's growth has been swift. Last year, the company consisted of Andrew Sharp working full-time but unpaid - "ten months without a cent coming in" - and Andrew Radcliffe part-time. Now, the company has six full-time staff and three part-time. Their product range has expanded to not only cover security and protection, but also fleet management, finance control, and fully customizable business solutions for companies dealing in areas such as hire equipment or refrigerated trucks. And they were one of the fastest

graduating companies from the ICEHOUSE.

Like many start-up founders, the initial capital was their own, and they tapped into friends, family and 'fools'. Then in May last year, they decided to approach Ice Angels to fund their next stage, rather than approaching banks or venture capitalists.

Young Company Finance talked to Blackhawk general manager Andrew Sharp about the angel investment process.

Q: When did the angel investing process begin?

A: We pitched in June or July 2007. After a long due diligence process (which we were not prepared for) we closed the deal in September, so it took around three months.

Q: Any problems or lessons which you have learned from the angel process?

A: It is important to validate your opportunity to the full extent possible, then validate it some more. You need to fully understand everything about your market, the competition, your customers etc. In particular, understand your USP - unique selling

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proposition - and be able to get this across in one sentence and do so many times over – really drive home WHY you are different, better, best.

Secondly, you need to be ready for the pitch process, including the due diligence. You are the experts in your field. The Angels have expertise in a number of different areas and can greatly increase the value of your company, but they may not understand exactly what you do. Therefore, prepare all documentation prior to the meeting and lead the due diligence. Being unprepared takes up extra time and reduces your value, and it also may erode the angels' faith in the management.

A third lesson is that it is very important to get a good mix on your board. I am not saying that, for example, three chartered accountants is bad, but the mix needs to be right for you. We have an amazing board with an array of different skill sets that complement each other.

Lastly, money is easier to get when you don't need it, and shares become cheaper for investors if you do need it. Be aware of how long the process may take and know

that you need to be able to fund the business while this process is going on. For example, if you are the sales person, while you are doing due diligence, you will not be selling – have enough funds to cover this.

Q: What role have your angels taken on?

A: Ray Thompson was chairman of the board and is now a director. Ivan Moss is a director. The remaining angels are shareholders.

Q: Can you suggest any ways in which angels/angel groups can operate better to make it easier for the start-up?

A: There should be more preparation of companies before pitching – and companies should understand what will be expected of them for the due diligence process.

Q: How was the relationship with your angels post-investment? What value did they add to the company – aside from the money invested?

A: Great. They are the best thing that could have happened to us. The guidance and support given by them has transformed our company and shown us our real and tangible USP. We

have developed some very good strategies and are implementing these.

Q: What stage is the company now at?

A: We are through the launch and are now selling units. We expect to be breaking even shortly. We have been customer led to Australia, and have a six month plan that should see us with trial units in four countries (including New Zealand) and have proved our target market verticals.

Q: Do you and your angels have return expectations and targets?

A: We have not discussed this as yet. We are all focused on building a strong NZ company and brand – at this point, we would like to be rolled up into an international company.

Q: How big do you want to get?

A: Like all companies we want to dominate the market we belong to. So, along with becoming the biggest player in the telematics market in New Zealand, we also aim to go international and be a key player in those markets as well. At the moment, we are looking on expanding into Australia and South Africa.

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IMPACT OF VC BACKING ON AUSTRALIAN IPOs

An AVCAL-ARC Linkage study has found that Australian VC-backed IPOs have better corporate governance than non-VC backed IPOs.

The study reports that VC-backed IPO boards have more independent directors, and a higher percentage of independent directors with industry experience, than non-VC backed IPOs.

The University of New South Wales study – based on a survey of 552 IPOs between December 1994 and February 2006 - shows that venture capitalists own on average 33.79% of the VC backed firm before it lists on the stock exchange. Most venture capitalists retain all or some of their stake in the firm (28.75% of VCs divest their holdings at the time of the IPO) and the average ownership post listing is 12.94% of the firm. Venture capitalists hold 0.63 seats or 11.4% of the board on average, at the time of listing.

The results suggest that VC backing does not influence

the size of the board (boards of VC backed firms are slightly larger, 5.3 members

Most venture capitalists retain all or some of their stake in the firm

versus 5). However, VC backed IPOs have better corporate governance in terms of the impact on overall board composition. VC backed IPO boards are more independent with a higher percentage (number) of independent directors, 55.3% (2.89) versus 49.7% (2.46).

Further, VC backed IPOs have a higher percentage of independent (outside) directors with industry experience, 29.6% versus 21.1%. This suggests that Australian VC managers improve governance by using their networks to recruit specialist independent directors. Further, firms backed by venture capital are 5 percent less likely to be liquidated or delisted within five years of listing than non-VC backed firms. Similar results are found for the U.S, where firms backed by venture capital are about 10 percent less likely to be

liquidated or delisted. However, when CEO, firm characteristics and ownership are controlled for, VC backing does not impact the probability of failure of an Australian IPO.

The study is 'Impact of Venture Capital Backing on the Corporate Governance of Australian Initial Public Offerings' by Jo-Ann Suchard, University of New South Wales.

ANGEL ASSOCIATION LINKS WITH INTERNATIONAL PARTNERS

The Angel Association has linked up with international partners in Australia, the United States, and Europe. Memoranda of Understanding have been signed with the Australian Association of Angel Investors, the European Business Angel Network, the Angel Association in the US. The agreements aim to promote and enable an international exchange of information, experience and best practice among angel investors, angel groups and angel association representatives of the various countries and regions.

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'TOP OF THE SOUTH' ANGEL GROUP

A new Nelson-based angel investing group – Venture Accelerator Limited – has signed a Seed Co-Investment Fund partnership with NZVIF.

Up to \$8 million is to be invested into start-up businesses under the partnership.

Venture Accelerator Limited is an angel investment group

bringing together a number of highly successful business people now residing in the top of the South Island centred around the Nelson and Blenheim areas.

The group has close links with angel investor groups in other centres and has already been involved in co-investment projects throughout New Zealand. These groups connect start-up ventures with willing investors to facilitate the funding and success of emerging companies.

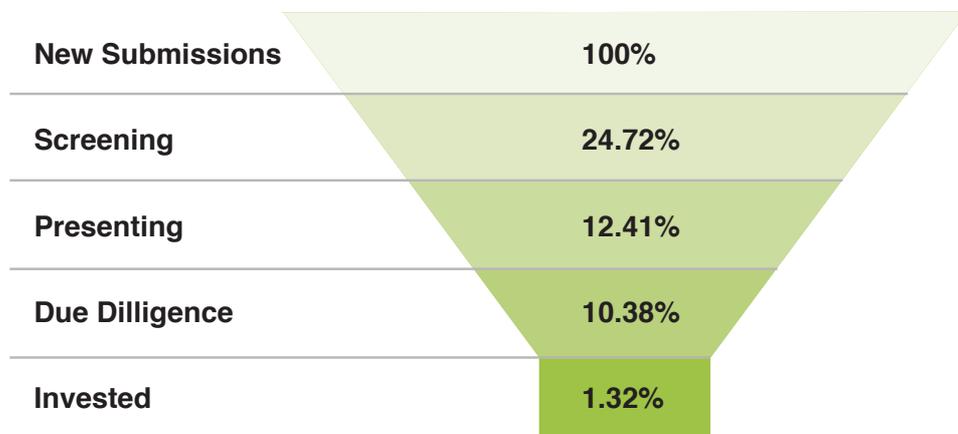
Venture Accelerator's partnership with NZVIF is through NZVIF's Seed Co-Investment Fund. Through the fund, NZVIF partners with angel groups and seed investment companies to invest in early stage businesses with strong potential for high growth. This is the ninth partnership NZVIF have entered into through the Seed Co-Investment Fund. To date, around \$16 million has been co-invested into 18 companies.

THE DEAL FUNNEL

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Just over one percent of the applications from companies seeking funding through the Angelsoft system are ultimately invested in. Angelsoft is a web application which manages deal flow for over 400 angel groups and venture capital funds from around the world.

Data from Angelsoft shows that it is processing around 2000 applications a month from entrepreneurs. Of these, just over 10 percent proceed to due diligence, and, overall, just 1.3 percent are invested into by angel and venture capital groups.



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DISPATCH FROM AMERICA: HOW ANGELS ARE PLAYING A FALLEN ECONOMY

They may have less to invest, but America's startup backers are pooling their capital to do as many deals as ever

The grim economy has led not only to a drop in consumer spending and the foreclosure of more than a million homes, but to changes in the way angel capital is deployed. Angels, by definition, invest their own money, so downturns in the stock market and real estate values can mean they have less to invest and are more gun-shy about investing it.

While data for the first half of 2008 aren't in yet, angel investors say that rather than run from the lousy market, they're adapting to it by doing more follow-on investments, syndicating deals among multiple angels, and in some cases, investing greater amounts of money into a

startup to cover the bills during the dry spell for early-stage capital that they foresee.

"Two trends we've seen are: We're investing in deals we're already in and keeping them alive longer because conditions are not ripe for an exit," said John May, founder of Washington-based Active Angel Investors. "We're also

investing with angel groups and in companies outside its own Washington area. Angels typically avoid investing in companies located far from them because helping an early-stage venture requires a lot of hands-on assistance.

There are some 258,200 angel investors in the U.S., and in 2007 they invested \$26 billion in 57,120 deals,

The grim economy has led not only to a drop in consumer spending and the foreclosure of more than a million homes, but to changes in the way angel capital is deployed. Angels, by definition, invest their own money, so downturns in the stock market and real estate values can mean they have less to invest and are more gun-shy about investing it.

giving more runway to portfolio companies. When times are tight, we want to overfund."

To get more investors involved in the deals they're doing—and further spread the risk—May says his group is

according to data from the Center for Venture Research at the University of New Hampshire. Jeffrey Sohl, head of the CVR, said he expects the amount invested in the first half of this year to be flat compared with the same period in 2007, but

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thinks the number of angels should continue to rise (it increased by 10% from 2006 to 2007). “Since their net worth may be down, angels have less to invest, so we’re seeing that instead of one angel putting \$100,000 into a deal, four or five angels might put in \$25,000 to \$20,000 apiece,” he explained.

In times like these, some angels look to other forms of

investment altogether, but the heads of organised angel groups say that’s not common. Knox Massey, who runs Atlanta Technology Angels, said that just one or two of the more than 50 angels there have started looking at, for example, distressed property.

One reason might be that many angels in organised groups are former entrepreneurs who don’t merely invest for a return, but also to stay involved with growing companies. That said, angels who belong to

investment organisations represent only about 20% of the total out there, according to Sohl. Some angels might be pulling back during the

“Angels aren’t quite as profligate with their cash as they might have been when their home was worth \$10 million, but for many angels who view investing in startups as a serious exercise, this is a good time to put their money to work,”

downturn, but an overall rise in formal angel groups with more disciplined-than-usual investment strategies could serve to maintain investment levels. None of the groups I spoke with said they’d seen above-average churn in membership over the past 6 to 12 months; many indicated that they have angel-applicant waiting lists.

Three trends are working in angel investors’ favor: The cost of starting many types of companies has dropped; venture firms have taken on less seed- and early-stage

investments as their funds have grown; and the tough economic climate is pushing valuations down, so angels can get more of a company

for fewer dollars. According to data provided by Angelsoft, a company that manages angel deal flow, average valuations have dropped to \$2.3 million from \$3 million in 2006.

“Angels aren’t quite as profligate with their cash as they might have been when their home was worth \$10 million, but for many angels who view investing in startups as a serious exercise, this is a good time to put their money to work,” says David Rose, the head of New York City Angels and CEO of Angelsoft. Let’s hope it stays that way.

YCF reproduced this article by Stacey Higginbotham, a business journalist for Giga Omni Media, a US-based online news site focusing on technology sector

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Private Financing deals - year to date

2006

Date	Name of Company	Location	Sector	Round	Stage	Range	Syndicate / Adviser
Feb-06	Go Virtual Medical Ltd	Auckland	Software and Services	1	Seed	\$0-\$250k	ICE Accelerator and Private Investors
Feb-06	Chopper Productions Ltd	Auckland	Consumer Durables & Apparel	1	Early Expansion	\$0-\$250k	Private Investors Deloitte Auckland NZTE Escalator
Mar-06	Virtual Katy	Auckland	Software and Services	2	Early Expansion	\$1.5m-\$2.5m	VC, Deloitte Auckland NZTE Escalator Service
Mar-06	My Kids Biz	Auckland	Software and Services	1	Seed	\$0-\$250k	ICE Accelerator and Private Investors
Mar-06	Flight Technology Limited	Wellington	Capital Goods	3	Seed	\$250-\$500k	Renouf Corporation, Stephen Underwood
Mar-06	Ecologics	Christchurch	Capital Goods	1	Start Up	\$250-\$500k	K1W1
Mar-06	CabCo	Auckland	Capital Goods	2	Expansion	\$500-\$750k	K1W1
Apr-06	Rural Livestock Finance	Dunedin	Diversified Financials	1	Start Up	\$1.5m-\$2.5m	Private Investors Parker O'Connor
May-06	Anselmi Consulting Ltd	Waikato	Software and Services	1	Start Up	\$0-\$250k	Private Investors Ignition NZTE Escalator
Jun-06	Eurekster	Christchurch	Software and Services	2	Expansion	\$250-\$500k	K1W1
Jun-06	Biomatters Ltd	Auckland	Software and Services	3	Start Up	\$250-\$500k	ICE Angels
Jul-06	Tomizone	Auckland	Telecommunication Services	2	Start Up	\$250-\$500k	K1W1
Jul-06	Auximedic	Auckland	Healthcare Equipment & Services	1	Seed	\$0-\$250k	Ice House
Aug-06	Androgenix Ltd	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	1	Start Up	\$1m-\$1.5m	Private Investors Pacific Channel
Oct-06	Rural Livestock Finance	Dunedin	Diversified Financials	2	Expansion	\$1m-\$1.5m	Private Investors Parker O'Connor, SBS
Oct-06	Mobile Mentor NZ Ltd	Auckland	Software and Services	1	Seed	\$250-\$500k	Private Investors Deloitte Auckland NZTE Escalator, ICE House
Nov-06	SMX Ltd	Auckland	Software and Services	1	Early Expansion	\$750k-\$1m	Private Investors NZTE Escalator Howard & Co
Nov-06	Plan HQ	Wellington	Software and Services	1	Seed	\$250-\$500k	Rod Drury
Nov-06	Non-identified	Christchurch	Capital Goods	1	Start Up	\$1.5m-\$2.5m	Private Investors Deloitte Christchurch NZTE Escalator
Nov-06	BeLike No 1	Dunedin	Software and Services	1	Start Up	\$250-\$500k	Private Investors, Upstart Angels
Dec-06	Go Virtual Medical Ltd	Auckland	Software and Services	2	Start Up	\$1m-\$1.5m	ICE Angels, Sparkbox, SCIF
Dec-06	Triplejump Ltd	Auckland	Financial Services	1	Start Up	\$750k-\$1m	Private Investors
Dec-06	Phitek	Auckland	Technology Hardware & Equipment	3	Expansion	\$500-\$750k	K1W1
Dec-06	IQ Ideas	Auckland	Consumer Durables & Apparel	1	Start Up	\$0-\$250k	Private Investors Deloitte Auckland NZTE Escalator
Dec-06	Anzode	Manawatu	Materials	3	Start Up	\$250-\$500k	Private Investors, K1W1
Unknown	Telemetry Research	Auckland	Healthcare Equipment & Services	1	Start Up	\$500-\$750k	Ice House
Unknown	eBus	Auckland	Software and Services	1	Seed	\$0-\$250k	Ice House
Unknown	Arena	Auckland	Software and Services	1	Start Up	\$500-\$750k	Ice House

2007

Jan-07	Ponoko	Wellington	Software and Services	1	Seed	\$250-\$500k	Private investors
Jan-07	Calcium	Auckland	Software and Services	2	Start Up	\$0-\$250k	ICE Angels
Feb-07	Resonance Systems Ltd	Auckland	Software and Services	1	Seed	\$500-\$750k	Sparkbox, SCIF
Feb-07	Biomatters Ltd	Auckland	Software and Services	4	Start Up	\$250-\$500k	ICE Angels, SCIF
Feb-07	Databrake International 2006 Ltd	Auckland	Technology Hardware & Equipment	1	Seed	\$250-\$500k	ICE Angels, SCIF
Feb-07	Whats in Play	Auckland	Software and Services	1	Seed	\$0-\$250k	Rod Drury
Mar-07	Unimarket	Auckland	Software and Services	1	Seed	\$250-\$500k	ICE Accelerator and Private Investors
Mar-07	Photonz	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	3	Start Up	\$250-\$500k	K1W1
Mar-07	Mobile Mentor NZ Ltd	Auckland	Consumer Services	2	Start Up	\$500-\$750k	Private Investors
Mar-07	LanzaTech	Auckland	Energy	2	Start Up	\$500-\$750k	K1W1
Mar-07	CG Surgical Limited	Dunedin	Healthcare Equipment & Services	1	Start Up	\$750k-\$1m	Private Investors Pacific Channel
Apr-07	eBus	Auckland	Software and Services	2	Seed	\$0-\$250k	ICE Accelerator and Private Investors
Apr-07	Digi-Click	Auckland	Technology Hardware & Equipment	1	Seed	\$0-\$250k	ICE Accelerator and Private Investors

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Private Financing deals - year to date (cont.)

Date	Name of Company	Location	Sector	Round	Stage	Range	Syndicate / Adviser
May-07	Visual Footprints	Manawatu	Technology Hardware & Equipment	1	Early Expansion	\$0-\$250k	Private Investors Ignition NZTE Escalator
May-07	The Street	Dunedin	Software and Services	1	Start Up	\$750k-\$1m	Private Investors, Upstart Angels
May-07	Sentry Bay Corporation	Auckland	Software and Services	4	Start Up	\$0-\$250k	Private Investors
May-07	Ponoko	Wellington	Software and Services	2	Seed	\$0-\$250k	Private investors
May-07	Hectors World	Auckland	Software and Services	2	Start Up	\$0-\$250k	ICE Accelerator and Private Investors
May-07	Doppelganger	Auckland	Software and Services	1	Seed	\$250-\$500k	ICE Accelerator and Private Investors
Jul-07	The Great Sleep Company Ltd	Auckland	Consumer Durables & Apparel	1	Start Up	\$500-\$750k	Sparkbox, SCIF
Jul-07	Daestra New Zealand Ltd	Dunedin	Software and Services	1	Start Up	\$500-\$750k	Upstart Angels, SCIF
Jul-07	Zander Corporation	Auckland	Food & Staples Retailing	1	Start Up	\$0-\$250k	Private Investors Ignition NZTE Escalator
Jul-07	Vouchermate	Dunedin	Software and Services	1	Start Up	\$500-\$750k	Upstart Angels
Jul-07	Sleep Limited	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	1	Start Up	\$0-\$250k	Private Investors Pacific Channel
Jul-07	IQ Ideas	Auckland	Consumer Durables & Apparel	2	Start Up	\$0-\$250k	Private Investors
Aug-07	Fundit	Queenstown	Diversified Financials	1	Start Up	Unknown	Private - Eion Edgar
Aug-07	Clocktower Games	Dunedin	Software and Services	1	Start Up	\$1.5m-\$2.5m	Private Investors Parker O'Connor
Aug-07	Forest Genetics	Rotorua	Pharmaceuticals, Biotechnology & Life Sciences	2	Seed	\$250-\$500k	Western Bay of Plenty Investors Forum
Sep-07	Xenos	Manawatu	Capital Goods	1	Start Up	\$250-\$500k	Manawatu Investment Group, SCIF
Sep-07	Ponoko	Wellington	Software and Services	3	Seed	\$250-\$500k	Private investors
Oct-07	PostaMovie	Auckland	Media	1	Seed	\$500-\$750k	ICE Angels, SCIF
Oct-07	Nexus6	Auckland	Healthcare Equipment & Services	3	Start Up	\$750k-\$1m	ICE Angels, SCIF, Private Investors
Oct-07	Inro Technologies	Auckland	Technology Hardware & Equipment	1	Start Up	\$1.5m-\$2.5m	ICE Angels, SCIF
Oct-07	BlackHawk Tracking Systems	Auckland	Software and Services	1	Start Up	\$0-\$250k	ICE Angels, SCIF
Oct-07	Mesoma	Wellington	Healthcare Equipment & Services	1	Seed	\$0-\$250k	Sparkbox, SCIF
Oct-07	Indigo Systems	Christchurch	Technology Hardware & Equipment	1	Seed	\$0-\$250k	Powerhouse Ventures, SCIF
Oct-07	Migco Pharmaceuticals	Christchurch	Pharmaceuticals, Biotechnology & Life Sciences	1	Start Up	\$1m-\$1.5m	Private Investors NZTE Escalator Pacific Channel
Oct-07	Ecodiesel	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	1	Start Up	\$2.5m+	Private Investors NZTE Escalator Pacific Channel
Oct-07	Biomatters Ltd	Auckland	Software and Services	5	Start Up	\$0-\$250k	ICE Angels, SCIF
Nov-07	Unimarket	Auckland	Software and Services	2	Start Up	\$500-\$750k	ICE Accelerator and Private Investors
Nov-07	Triplejump Ltd	Auckland	Financial Services	2	Start Up	\$250-\$500k	Private Investors
Nov-07	RPM Retail	Christchurch	Software and Services	2	Start Up	\$0-\$250k	Private Investors
Dec-07	Innovative Learning	Dunedin	Software and Services	2	Start Up	\$1m-\$1.5m	Private Investors Parker O'Connor, Upstart Angels, SCIF
Dec-07	Anzode	Manawatu	Materials	4	Start Up	\$1.5m-\$2.5m	Manawatu Investment Group, SCIF, K1W1
Dec-07	Valuecruncher	Wellington	Software and Services	1	Seed	\$0-\$250k	Private Investors

2008

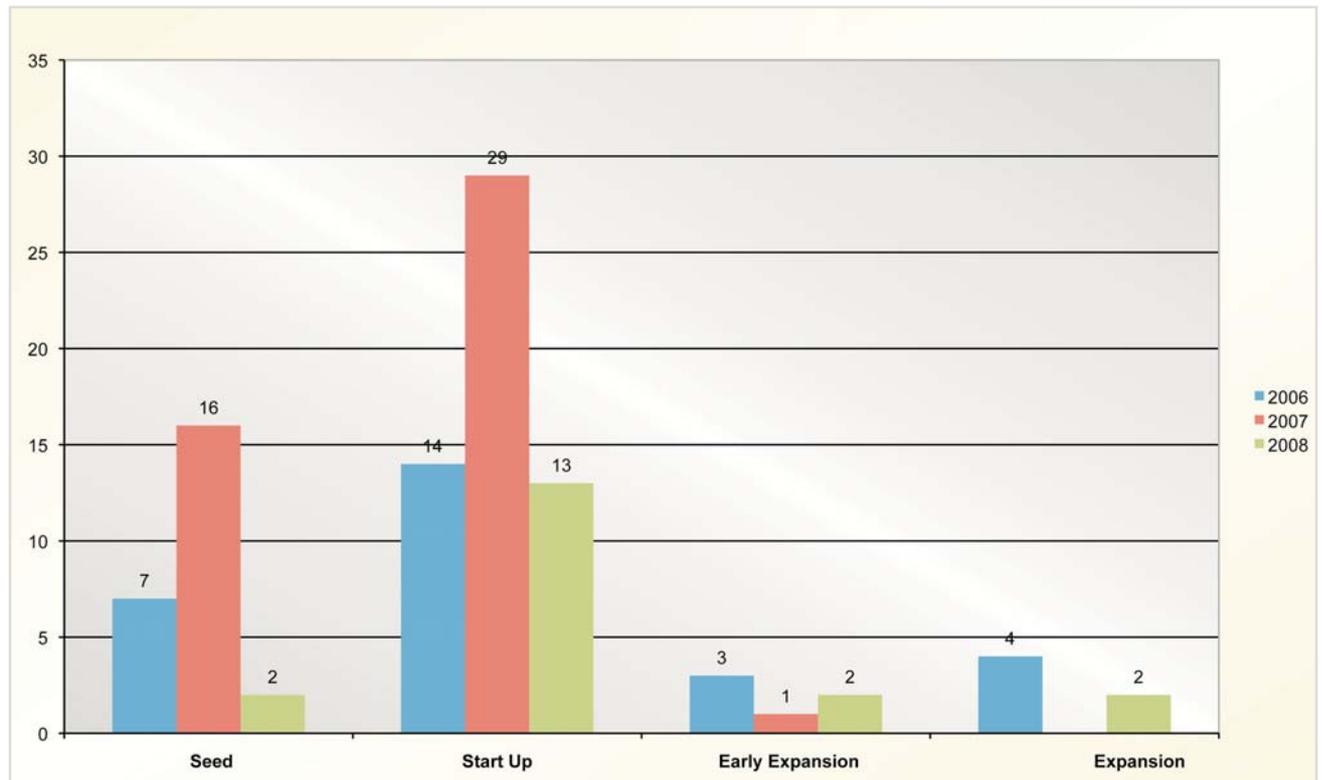
Jan-08	Mesoma	Wellington	Healthcare Equipment & Services	2	Start Up	\$0-\$250k	Sparkbox, SCIF
Jan-08	Smartfoods Limited	Auckland	Food, Beverage & Tobacco	2	Expansion	\$2.5m+	Escalator / Deloitte / Bancorp
Jan-08	Ponoko	Wellington	Software and Services	4	Start Up	\$250-\$500k	Private investors
Feb-08	Blackhawk Tracking Systems	Auckland	Software and Services	2	Start Up	\$250-\$500k	ICE Angels and SCIF
Feb-08	Mobile Mentor NZ Ltd	Auckland	Consumer Services	3	Early Expansion	\$500-\$750k	ICE Angels, Private Investors
Mar-08	Databrake International Ltd	Auckland	Technology Hardware & Equipment	2	Seed	\$250-\$500k	ICE Angels, SCIF
Apr-08	Trac Plus Limited	Dunedin	Software and Services	2	Early Expansion	\$1.5m-\$2.5m	Upstart Angels, SCIF
Apr-08	Resonance Systems Ltd	Auckland	Software and Services	2	Start Up	\$750k-\$1m	Sparkbox, K1W1, SCIF, Private Investors
Apr-08	Photonz	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	4	Start Up	\$1m-\$1.5m	Cure Kids, K1W1, SCIF

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Private Financing deals - year to date (cont.)

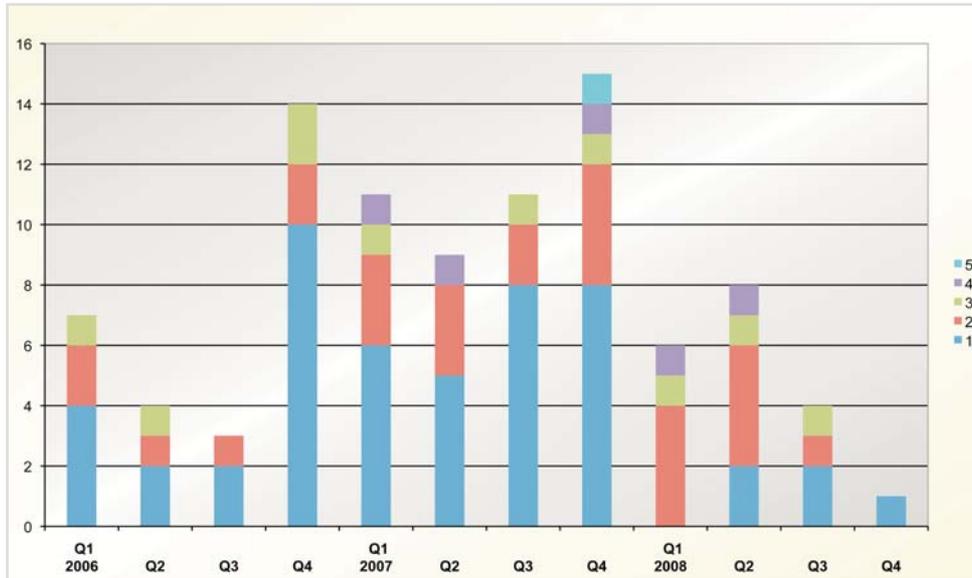
Date	Name of Company	Location	Sector	Round	Stage	Range	Syndicate / Adviser
Apr-08	Clean Planet Limited	Auckland	Consumer Services	1	Start Up	\$500-\$750k	Sparkbox, SCIF
Apr-08	Clean Planet Limited	Auckland	Consumer Services	1	Start Up	\$250-\$500k	Manawatu Investment Group, SCIF
May-08	Xenos	Manawatu	Capital Goods	2	Start Up	\$250-\$500k	ICE Angels, Sparkbox, SCIF
May-08	Go Virtual Medical Ltd	Auckland	Software and Services	3	Start Up	\$250-\$500k	ICE Angels, Sparkbox, SCIF
Jun-08	Androgenix	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	2	Start up	\$2.5m+	Private Investors, Pacific Channel.
Jul-08	Flow Software	Auckland	Software and Services	1	Expansion	\$500-\$750k	Australian Consortium/Howard & Company NZTE Escalator Service
Jul-08	Clocktower Games	Dunedin	Software and Services	2	Start up	\$250-\$500k	Private Investors, Parker O'Conner
Aug-08	Sports Ground	Hawkes Bay	Software and Services	1	Start Up	\$250-\$500k	K1W1, Private Investors
Sep-08	BlackHawk Tracking Systems	Auckland	Software and Services	3	Start up	\$250-\$500k	Ice Angels/SCIF
Sep-08	Nexx NZ Limited	Auckland	Software and Services	1	Start up	\$500-\$750k	ICE Angels

Investments by Range (All Years)

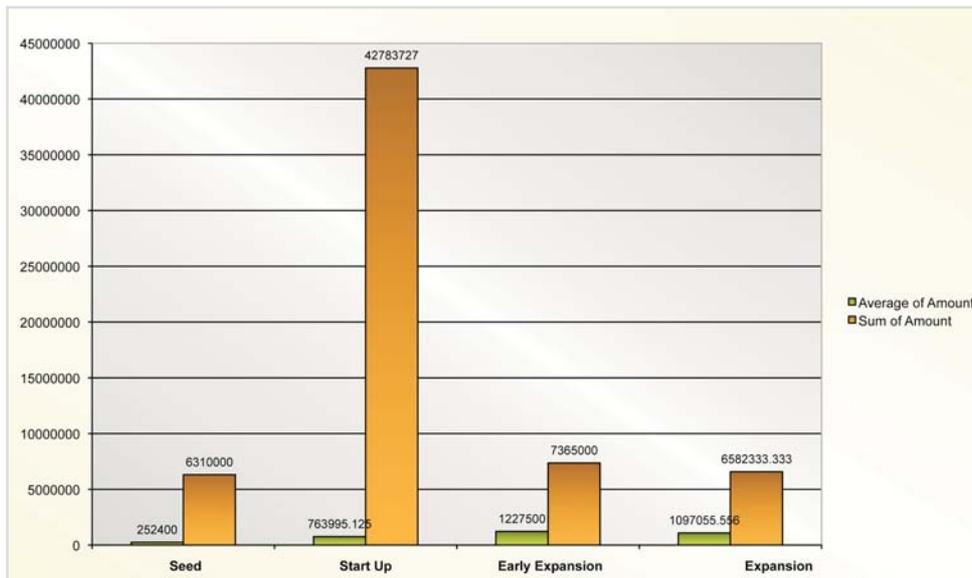


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Round of Investments by Quarter

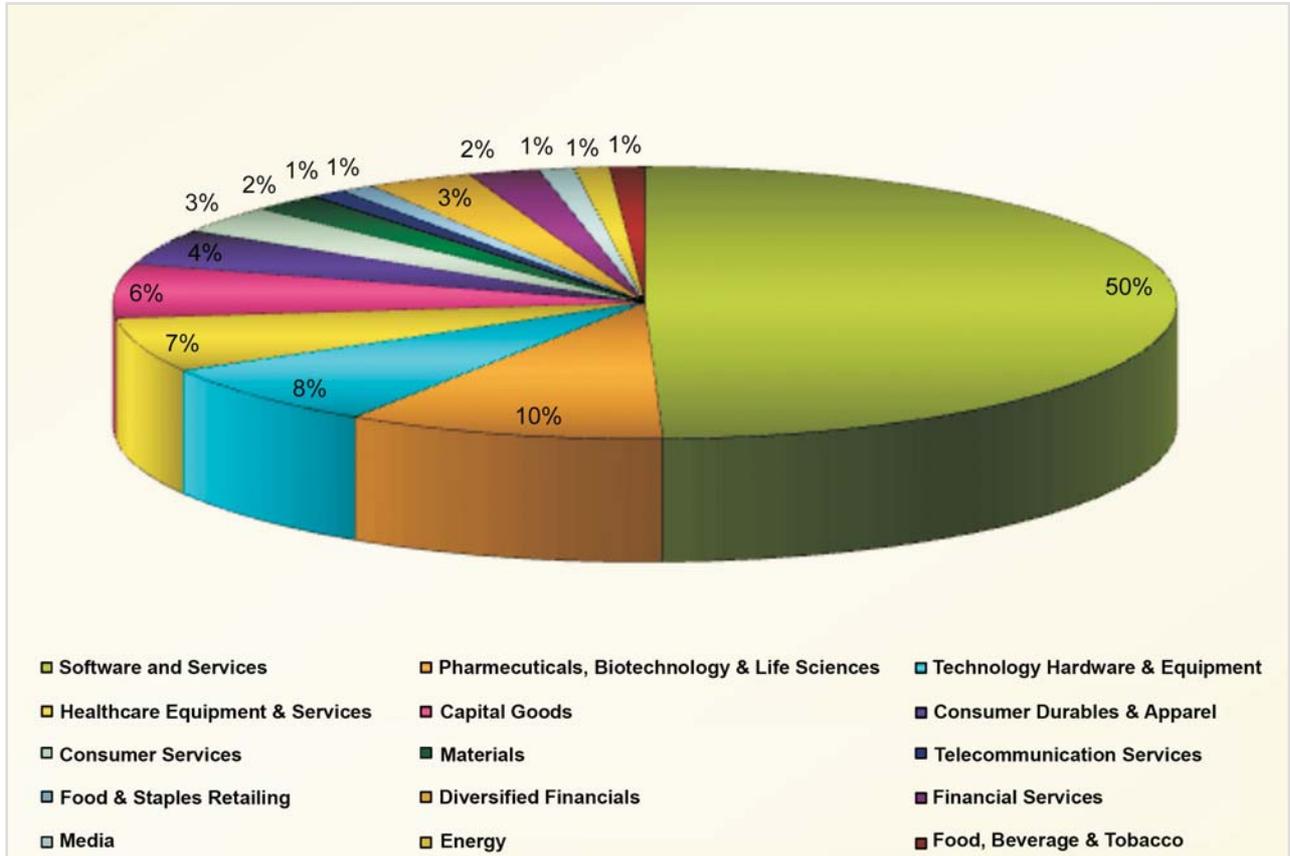


Investments by Stage (Total and Average Amounts)

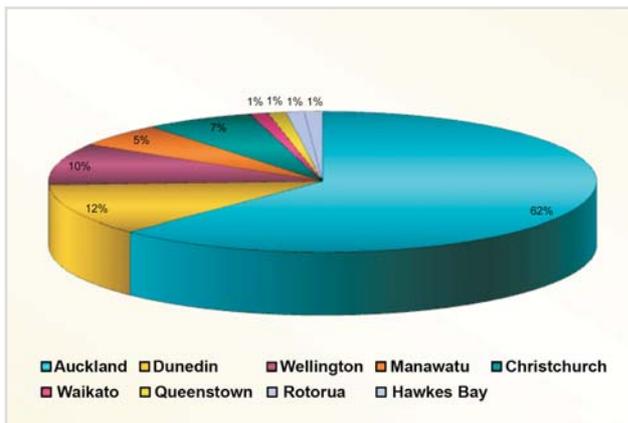


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Investment by Sector (% of \$ Invested)



Investment by Location (All Years)



Investment by Round (All Years)

