

# NZ Young Company Finance

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

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## RECORD INVESTMENT INTO YOUNG NZ COMPANIES

A record \$30 million has been invested into young New Zealand companies by angel investors over the first six months of 2009, according to the Young Company Finance Private Finance Index, taking the amount invested over the past three-and-a-half years to over \$100 million.

The \$30 million invested in the first half of this year is more than was invested throughout all of 2008. It is 50 percent higher than for the first half of 2008, and over four times as much for the same period in 2007.

The increase in activity was especially marked in Q209, with \$21m invested, compared with \$13m in Q208 and \$2m in Q207.

The amount of capital invested into new deals also increased significantly, up from \$6m in all of 2008 to \$15m in the first six months of this year. Deal volume also increased. In the first half of 2009, 33 deals were completed,

compared with 29 deals in all of 2008. Cumulatively, \$103 million has now been invested since the data began being collected in 2006. By region, 58 percent has been invested in Auckland, 13 percent in Dunedin,

The \$30 million invested in the first half of this year is more than was invested throughout all of 2008. It is 50 percent higher than for the first half of 2008...The increase in activity was especially marked in Q209, with \$21m invested, compared with \$13m in Q208 and \$2m in Q207.

12 percent in Christchurch, 8 percent in Wellington and 5 percent in Palmerston North.

Software and services have received 29 percent of the amount invested, followed by pharmaceuticals (20%), technology hardware and equipment (11%), and food and beverage (10%).

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## ANGEL-BACKED COMPANIES LESS PRONE TO IPO UNDERPRICING

Underpricing of an initial public offering is less likely if a company is backed by angels compared with venture capital-backed firms, according to new research from the University of New Hampshire's Centre for Venture Research.

Angel investors do not have the agency problems inherent in venture capital investments, according to the research authors, Professors William Johnson and Jeffrey Sohl.

"Angels invest their own money where venture capitalists are money managers and invest capital provided by their limited partners. This fundamentally changes the incentives of the venture capitalists.

"Where angels are concerned most about the return of their investment, venture capitalists must also consider the incentives to raise additional funds, take other portfolio firms public, and ultimately, to maximize the management fees they can

obtain from running their venture fund. The literature has shown, for instance, that venture investors will actually sell the shares of IPO firms at lower prices to enhance their ability to raise future funds, so-called grandstanding. In contrast, angel incentives are more closely aligned with pre-IPO shareholders who wish to maximize the proceeds of the firm."

The researchers examined all companies that went public in the US from 2001 through 2007. They found underpricing – as represented by the difference between the offering and closing prices on the day of the IPO – averaged 12.1% and that average amount raised in an offering was \$179.4 million. This means that the average IPO company left \$21.7 million on the table.

Johnson and Sohl determined that of 665 companies for which they had sufficient data, 13.4% had only angel investors, 16.1% had both angel and venture investors, 32.8% had only venture investors and 37.7% had no venture or angel investors. Angels, whose investments tend to be less diversified than venture capitalists, are

more likely to sell some of their shares as part of that IPO, thereby aligning their interests with the company, which seeks to raise as much as it can through the offering.

The study also noted that angel and/or venture capital backed firms go public at a younger age than non-backed firms implying that these investors have unique skills which enable a firm to go public sooner.

See the research at [http://wsbe.unh.edu/files/Initial\\_Public\\_Offerings\\_and\\_Pre-IPO\\_Shareholders-Working\\_Paper.pdf](http://wsbe.unh.edu/files/Initial_Public_Offerings_and_Pre-IPO_Shareholders-Working_Paper.pdf)

## ANNUAL CONFERENCES

The NZVCA's 2009 annual conference will be held on 4 November 2009 at the Sky City Convention Centre in Auckland. Finance Minister Bill English will address the conference. Registration details can be found on the NZVCA website.

The Angel Association New Zealand's Annual Summit is in Queenstown on 5 and 6 November. For more details, contact Anna Hamilton-Manns at [anna@angelassociation.co.nz](mailto:anna@angelassociation.co.nz).

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## HALO FUND RAISING CAPITAL

Investors are being sought for the Halo Fund with the angel groups involved now raising capital with the aim of establishing a fund of at least \$5 million.

The Fund will invest up to \$125,000 into 30 plus companies over a two to three year period at the seed and start-up phase. Follow-on funding of up to \$125,000 will be available. The Fund has nine approved angel groups providing a pipeline of investment opportunities.

As a passive fund, the Fund will only invest in companies in which its approved co-investor angel groups and NZVIF's Seed Co-Investment Fund also invest. The Fund is based on the premise that the best people to guide early stage investments are successful entrepreneurs and business leaders, many of whom have experienced both early stage business success and failure.

Halo Investment Management chairman John McDonald said investors will gain access to a wider number of opportunities than

they could otherwise access if acting as individuals. For a limited capital contribution an investor can build a diversified portfolio while preserving the ability to commit greater amounts to an individual company, if so desired. Investors must meet the 'eligible person's criteria required for joining angel groups, as set down in the Securities Act.

*For more information, visit [www.haloinvestment.co.nz](http://www.haloinvestment.co.nz) or email [info@haloinvestment.co.nz](mailto:info@haloinvestment.co.nz).*

## TWO NEW VC FUNDS RAISING CAPITAL

A new private equity fund being established by Endeavour Capital is aiming to invest \$100-\$150 million with early expansion New Zealand companies. Meanwhile, 2ignite is raising capital to establish a \$50 million fund. It involves prominent early stage investors Andrew Duff and Henry Tait, who formed angel investment company Sparkbox along with Greg Sitters and Professor Mark Ahn.

Endeavour Capital chairman Neville Jordan said the Endeavour Growth Fund hopes to attract up to \$100-150 million from New Zealand institutions and investors which will be earmarked for New Zealand investments in sectors such as biotechnology, software and life sciences. The fund also aims to attract another US\$350 million from offshore investors which will be focused on offshore investments, particularly in the Asia Pacific region.

Greg Sitters of 2ignite said the fund aims to attract \$50 million from New Zealand institutions and investors for investing into technology-based companies in areas such as information and communications, the medical and bio-tech sector, and the internet. 2ignite is offering investors the ability to allocate their capital to general opportunities in the above sectors as well as those that are sourced from educational institutes, promote Maori entrepreneurship or sustainability.

The New Zealand Venture Investment Fund is committing up to \$20 million to each fund respectively.

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## US ANGEL INVESTMENTS DOWN IN 2008, BUT NOT DEALS

The value of United States angel investments in 2008 dropped by 26.2 percent from the year before, but the number of deals was relatively unchanged, according to the 2008 Angel Market Analysis released by the Center for Venture Research at the University of New Hampshire.

Total investments in 2008 were \$19.2 billion, a decrease of 26.2 percent from 2007's investments of \$26 billion. The number of entrepreneurial ventures which received angel funding fell a modest 2.9 percent decrease - from 57,120 in 2007 to 55,480 in 2008. The number of active investors in 2008 was 260,500 individuals, virtually unchanged from 2007's 258,200 individuals.

Healthcare services/medical devices and equipment accounted for the largest share of investments, with 16 percent of total 2008 angel investments, followed by

software (13 percent), retail (12 percent) and biotech (11 percent). Industrial/energy accounted for 8 percent of investments, reflecting a continued appetite for green technologies, and media (7 percent).

acquisitions and IPOs) were 22 percent, however, these returns were quite variable.

Angels maintained their position as the largest source of US seed and start-up capital, with 45 percent of

Mergers and acquisitions represented 70 percent of the 2008 angel exits, and IPOs 4 percent, and bankruptcies accounted for 26 percent. Annual returns for angel's exits (mergers and acquisitions and IPOs) were 22 percent, however, these returns were quite variable.

2008 angel investments in the seed and start-up stage, a slight increase of 6 percent over 2007. Angels also exhibited an interest in post-seed/start-up investing with 40 percent of investments in this stage, also an increase from 2007. Expansion stage investing (14 percent) showed the largest decline. New, first sequence, investments

Mergers and acquisitions represented 70 percent of the 2008 angel exits, and IPOs 4 percent, and bankruptcies accounted for 26 percent. Annual returns for angel's exits (mergers and

represent 63 percent of 2008 angel activity, unchanged from the last two years, indicating a continued preference for new, as opposed to follow-on, investments.

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## ADVICE FOR ENTREPRENEURS: DEALING WITH ANGELS

The best time to start a business can be when the economy is down. That's because entrepreneurs with good ideas will find cheaper land, labour, supplier

For the entrepreneur starting up and searching for angels, the pitch is crucial. They need to be especially realistic about their prospects in what is a tough investment environment.

Seeing experienced people on a management team can help ease investors' fears about a company's ability to

across with unsubstantiated market assessments, no competitive analysis, and flimsy marketing and sales plans are unlikely to impress angels. Entrepreneurs should be able to demonstrate an expert knowledge of the market they are about to enter as well as the discipline to follow through with their game plan.

The downside of a slump, however, is that investors can be more cautious and risk averse. Yet even in hard times, a smart angel will not neglect the opportunity to back a highly promising business. For the entrepreneur starting up and searching for angels, the pitch is crucial.

Some sage advice for entrepreneurs is offered by US VC firm Canaan Partners, which has developed a guidebook for entrepreneurs, which is available off its website at <http://www.canaan.com/home/partnerships/poptech>. The guidebook sets out the basic structure for a successful pitch. According to Canaan Partners, some of the most common pitching mistakes include:

contracts, and other ingredients that go into starting a business. Angels that back such ventures can earn impressive long-term returns. The downside of a slump, however, is that investors can be more cautious and risk averse. Yet even in hard times, a smart angel will not neglect the opportunity to back a highly promising business.

deal with a tough economy. Angels are reassured if they see someone on board who has been through prior booms and downturns and knows how to manage cash in the downside. Even if this individual is an unpaid adviser, he or she will add to a company's credibility.

Pitches need to reflect the current market conditions. Entrepreneurs who come

**1. Lack of clarity** – Executives should be able to express what the company does in 30 seconds. A presentation should be 30 minutes long without interruptions.

**2. Arrogance and megalomania** – Don't bring a team to a presentation and

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not permit them to speak. "We invest in people and teams. If you brought your team, let them speak, show them off."

### 3. Avoiding questions –

Don't dance around questions, especially if they're asked multiple times in different ways. Be thoughtful and willing to explain your concerns with the business.

**4. No competition –** Don't insist you have no competition. "We have a unique IP that gives us a multi-year lead" is never true. If someone wants to chase you, they can be right on your heels.

**5. Not understanding the market –** Market-sizing should be top-down and bottom-up. Saying, "We just need 0.1% of the population of China to be a success" ignores the importance of identifying and describing the target customer.

**6. Not knowing the numbers –** Be able to explain how your company plans to drive 500% revenue growth in its second year. But don't suggest a valuation.

## US, EUROPE VC INVESTMENT AT LOW LEVELS

US venture capital investment, while showing signs of recovery, remains at low levels.

In the first half of 2009, 1078 US venture-backed companies raised US\$9.28 billion, according to VentureSource. This was 44% less than the US\$16.47 billion raised by 1459 companies in the first half of 2008.

The first half of 2009 saw US\$4 billion raised in the first quarter, rising to US\$5.27 billion in the second quarter. But second-quarter performance was well below last year's US\$8.33 billion.

Venture investment in US health care companies rose 62% last quarter from the first quarter, and was only slightly below a year ago.

IT investment, especially software, continued to be slow - 41% below last year's total.

Meanwhile, in Europe, deals fell for the fourth consecutive quarter to 156 in the 2nd quarter, or 24% below the first

Venture investment in US health care companies rose 62% last quarter from the first quarter, and was only slightly below a year ago. IT investment, especially software, continued to be slow - 41% below last year's total.

quarter, while investment dropped 31% quarter-to-quarter to 619.7 million Euro (US\$880.6 million). Europe's totals for the quarter were the lowest since VentureSource began reporting on the region in 2000.

## ECKEY WINNING INTERNATIONAL PLAUDITS

Angel-backed Auckland company ECKey won the United States-based Security Industry Association's Access Control award against international competition from multinational security organisations at the ISC West convention in Las Vegas earlier this month.

ECKey chief executive Nick Willis said winning the award will be a tremendous boost for the company, not just in such a big market as the United States but throughout the international marketplace. ECKey's technology turns cellphones into a key to unlock doors, gates, garages, disarm alarms using Bluetooth. When the owner walks up to the door, it will unlock or open automatically without the press of a button. With this technology, keys, swipe cards, and remote controls can be replaced with a cell phone.

ECKey was formed in 2005 in Auckland by Dr Willis as a Bluetooth design and development company.

The company is backed by a number of investors including Sparkbox, Steven Tindall, Sam Morgan, NZVIF's Seed Co-Investment Fund and Ice Angels.

## NEW SCIF PARTNERSHIP TO TARGET MEDICAL DIAGNOSTIC TECHNOLOGY

A new investment partnership is looking to invest up to \$10 million developing globally-focused medical diagnostics businesses in New Zealand.

The partnership between NZVIF and New Zealand Diagnostics Ltd (NZDx) aims to invest between \$8 million and \$10 million into new medical diagnostics ventures.

NZDx's partnership with NZVIF is through NZVIF's Seed Co-Investment Fund. This is the ninth SCIF partnership NZVIF has entered into, although this agreement with NZDx is replacing an earlier partnership with Chrysalis, a life sciences investment company.

## BILL PAYNE HONOURED BY US ANGELS

Bill Payne, the US angel investor known to many angel groups in New Zealand, has received the 2009 Hans Severiens Award. The award recognises individuals whose actions demonstrate leadership in advancing the role of angel investing, in expanding entrepreneurship, and whose accomplishments influence and benefit the

Payne is a member of Tech Coast Angels and Aztec Angel Network

angel investment industry as a whole. It is awarded annually by the Angel Capital Association and Angel Capital Education Foundation.

Payne is a member of Tech Coast Angels and Aztec Angel Networks in San Diego; Vegas Valley Angels in Las Vegas, and Frontier Angel Fund in Whitefish, MT, all groups he helped found.

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## Private Financing deals - year to date

2006

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

2007

Jan-07	Ponoko	Wellington	Software and Services	1	Seed	\$0-\$250k	Private Investors	
Jan-07	Calcium	Auckland	Software and Services	2	Start Up	\$0-\$250k	ICE Angels	
Feb-07	Databrake International 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	
Feb-07	Resonance Systems Ltd	Auckland	Software and Services	1	Seed	\$250-\$500k	Sparkbox	SCIF
Feb-07	Biomatters Ltd	Auckland	Software and Services	4	Start Up	\$250-\$500k	ICE Angels	SCIF
Mar-07	Unimarket	Auckland	Software and Services	1	Seed	\$250-\$500k	ICE Accelerator	
Mar-07	Photonz	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	3	Start Up	\$250-\$500k	K1W1	
Mar-07	LanzaTech	Auckland	Energy	2	Start Up	\$250-\$500k	K1W1	
Mar-07	CG Surgical Limited	Dunedin	Healthcare Equipment & Services	1	Start Up	\$750-\$1m	Pacific Channel	
Mar-07	Mobile Mentor NZ Ltd	Auckland	Consumer Services	2	Start Up	\$500-\$750k	Private Investors	
Apr-07	eBus	Auckland	Software and Services	2	Seed	\$0-\$250k	ICE Accelerator	
Apr-07	Digi-Click	Auckland	Technology Hardware & Equipment	1	Seed	\$0-\$250k	ICE Accelerator	
Apr-07	Bidtogether	Auckland	Software and Services	1	Seed	\$250-\$500k	ICE Accelerator	
May-07	Visual Footprints	Palmerston North	Technology Hardware & Equipment	1	Early Expansion	\$0-\$250k	NZTE Escalator Service	Ignition Limited
May-07	Doppelganger	Auckland	Software and Services	1	Seed	\$250-\$500k	ICE Accelerator	
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	NZTE Escalator Service	ICE Accelerator
May-07	Sentry Bay Corporation	Auckland	Software and Services	4	Start Up	\$0-\$250k	Private Investors	
May-07	The Street	Dunedin	Software and Services	1	Start Up	\$750-\$1m	Upstart Angels	
Jul-07	Zander Corporation	Auckland	Food & Beverage	1	Start Up	\$0-\$250k	NZTE Escalator Service	Ignition Limited
Jul-07	Sleep Limited	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	1	Start Up	\$0-\$250k	Pacific Channel	SCIF
Jul-07	IQ Ideas	Auckland	Consumer Durables & Apparel	2	Start Up	\$0-\$250k	Private Investors	



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## Private Financing deals - year to date (cont.)

Month	Name of Company	Location	Sector	Round	Stage	Range	Lead Investor	Syndication Partners
Jul-07	The Great Sleep Company Ltd	Auckland	Consumer Durables & Apparel	1	Start Up	\$250-\$500k	Sparkbox	SCIF
Jul-07	Vouchermate	Dunedin	Software and Services	1	Start Up	\$250-\$500k	Upstart Angels	
Jul-07	Daestra New Zealand Ltd	Dunedin	Software and Services	1	Start Up	\$250-\$500k	Upstart Angels	SCIF
Aug-07	Forest Genetics	Rotorua	Pharmaceuticals, Biotechnology & Life Sciences	2	Seed	\$250-\$500k	BOP Investors Forum	
Aug-07	Clocktower Games	Dunedin	Software and Services	1	Start Up	\$1.5m-\$2.5m	Parker O'Connor	
Aug-07	Fundit	Queenstown	Diversified Financials	1	Start Up	\$0-\$250k	Private Investors	
Sep-07	Reelclever	Hamilton	Software and Services	1	Seed	\$250-\$500k	Movac	
Sep-07	Ponoko	Wellington	Software and Services	3	Seed	\$250-\$500k	Private Investors	
Sep-07	Xenos	Palmerston North	Capital Goods	1	Start Up	\$250-\$500k	Manawatu Investment Group	SCIF
Sep-07	Kaynemaile	Wellington	Building Products	3	Start Up	\$250-\$500k	Movac	Private Investors
Oct-07	PostaMovie	Auckland	Media	1	Seed	\$500-\$750k	ICE Angels	SCIF
Oct-07	Mesythes	Wellington	Health Care Technology	1	Seed	\$750-\$1m	Movac	SparkBox, SCIF
Oct-07	Indigo Limited	Christchurch	Technology Hardware & Equipment	1	Seed	\$0-\$250k	Powerhouse Ventures	SCIF
Oct-07	Nexus6	Auckland	Healthcare Equipment & Services	3	Start Up	\$750-\$1m	ICE Angels	SCIF, CureKids
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	Biomatters Ltd	Auckland	Software and Services	5	Start Up	\$0-\$250k	ICE Angels	SCIF
Oct-07	Migco Pharmaceuticals	Christchurch	Pharmaceuticals, Biotechnology & Life Sciences	1	Start Up	\$750-\$1m	Pacific Channel	
Oct-07	Ecodiesel	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	1	Start Up	\$2.5m+	Pacific Channel	
Oct-07	Migco Pharmaceuticals	Christchurch	Pharmaceuticals	1	Start Up	\$750-\$1m	Movac	Pacific Channel
Nov-07	Unimarket	Auckland	Software and Services	2	Start Up	\$250-\$500k	ICE Accelerator	
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	Valuecruncher	Wellington	Software and Services	1	Seed	\$0-\$250k	Private Investors	
Dec-07	Anzode	Palmerston North	Capital Goods	4	Start Up	\$1.5m-\$2.5m	Manawatu Investment Group	SCIF, K1W1
Dec-07	Innovative Learning	Dunedin	Software and Services	2	Start Up	\$1m-\$1.5m	Upstart Angels	Parker O'Connor, SCIF
Jan-08	Smartfoods Limited	Auckland	Food & Beverage	2	Expansion	\$2.5m+	NZTE Escalator Service	Deloitte Auckland, Bancorp
Jan-08	Ponoko	Wellington	Software and Services	4	Start Up	\$250-\$500k	Private Investors	
Jan-08	Mesythes	Wellington	Healthcare Equipment & Services	2	Start Up	\$1m-\$1.5m	Sparkbox	Movac, SCIF
Feb-08	Mobile Mentor NZ Ltd	Auckland	Consumer Services	3	Early Expansion	\$1.5m-\$2.5m	ICE Angels	
Feb-08	Blackhawk Tracking Systems	Auckland	Software and Services	2	Start Up	\$250-\$500k	ICE Angels	SCIF
Mar-08	Databrake International Ltd	Auckland	Technology Hardware & Equipment	2	Seed	\$0-\$250k	ICE Angels	SCIF
Apr-08	Trac Plus Limited	Dunedin	Technology Hardware & Equipment	2	Early Expansion	\$1.5m-\$2.5m	Upstart Angels	SCIF
Apr-08	Givealittle	Wellington	Software and Services	1	Seed	\$250-\$500k	Movac	
Apr-08	Trinity Bioactivves	Wellington	Pharmaceuticals, Biotechnology & Life Sciences	2	Start Up	\$750-\$1m	Angel HQ	
Apr-08	Photonz	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	4	Start Up	\$1m-\$1.5m	Cure Kids Ventures	SCIF, K1W1
Apr-08	Resonance Systems Ltd	Auckland	Software and Services	2	Start Up	\$750-\$1m	Sparkbox	K1W1, SCIF, Private Investors
Apr-08	Clean Planet Limited	Auckland	Consumer Services	1	Start Up	\$500-\$750k	Sparkbox	SCIF
May-08	Ebus	Auckland	Software and Services	3	Early Expansion	\$500-\$750k	Movac	Private Investors
May-08	Go Virtual Medical Ltd	Auckland	Software and Services	3	Start Up	\$250-\$500k	ICE Angels	SCIF, Sparkbox
May-08	Xenos	Palmerston North	Capital Goods	2	Start Up	\$250-\$500k	Manawatu Investment Group	SCIF
Jun-08	Androgenix Ltd	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	2	Start Up	\$2.5m+	Pacific Channel	
Jul-08	Flow Software	Auckland	Software and Services	1	Expansion	\$500-\$750k	NZTE Escalator Service	Howard & Company, Australian Consortium
May-09	Anzode	Palmerston North	Capital Goods	5	Start Up	\$0-\$250k	Manawatu Investment Group	
Jul-08	Flossie	Auckland	Publishing	1	Early Expansion	\$750-\$1m	Movac	Private Investors

2008

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## Private Financing deals - year to date (cont.)

Month	Name of Company	Location	Sector	Round	Stage	Range	Lead Investor	Syndication Partners
Jul-08	Clocktower Games	Dunedin	Software and Services	2	Start Up	\$250-\$500k	Parker O'Connor	
Aug-08	Sports Ground	Hawkes Bay	Software and Services	1	Start Up	\$250-\$500k	K1W1	Private Investors
Sep-08	Nexx NZ Limited	Auckland	Software and Services	1	Start Up	\$500-\$750k	ICE Angels	
Sep-08	BlackHawk Tracking Systems	Auckland	Software and Services	3	Start Up	\$250-\$500k	ICE Angels	SCIF
Oct-08	Go Virtual Medical Ltd	Auckland	Software and Services	5	Early Expansion	\$1m-\$1.5m	ICE Angels	SCIF, Sparkbox
Nov-08	Pathway Therapeutics	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	1	Seed	\$250-\$500k	TTCF	Uniservice Limited
Nov-08	Go Virtual Medical Ltd	Auckland	Software and Services	4	Start Up	\$0-\$250k	ICE Angels	SCIF, Sparkbox
Dec-08	The Optima Corporation Ltd	Auckland	Software and Services	2	Early Expansion	\$1.5m-\$2.5m	ICE Angels	
Dec-08	Scitox	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	1	Seed	\$1m-\$1.5m	Pacific Channel	SCIF
Dec-08	Zygem	Hamilton	Pharmaceuticals, Biotechnology & Life Sciences	2	Start Up	Energy	Cure Kids Ventures	SCIF
Jan-09	PowerbyProxy	Auckland	Electrical Components & Equipment	1	Start Up	\$250-\$500k	Movac	Evander Capital
Jan-09	Kaynemaile	Wellington	Building Products	4	Start Up	\$0-\$250k	Movac	Private Investors
Feb-09	Mobile Mentor NZ Ltd	Auckland	Consumer Services	4	Early Expansion	\$1m-\$1.5m	ICE Angels	
Feb-09	Anonymous	Marlborough	Food & Beverage	1	Start Up	\$0-\$250k	NZTE Escalator Service	Corporate, Seltec
Feb-09	Anonymous	Christchurch	Medical Technology	1	Start Up	\$0-\$250k	NZTE Escalator Service	Corporate, Seltec
Feb-09	Indigo Limited	Christchurch	Technology Hardware & Equipment	2	Start Up	\$0-\$250k	Powerhouse Ventures	SCIF
Feb-09	Podscape Holdings Limited	Auckland	Software and Services	1	Seed	\$0-\$250k	Sparkbox	K1W1, SCIF
Mar-09	Thinking Cactus Limited	Christchurch	Software and Services	1	Seed	\$0-\$250k	Powerhouse Ventures	SCIF, Private Investors
Mar-09	eBonz	Palmerston North	Pharmaceuticals, Biotechnology & Life Sciences	1	Start Up	\$750-\$1m	NZDx	Uniservice Limited, SCIF
Mar-09	Organic Dairy	Auckland	Food & Beverage	1	Start Up	\$1.5m-\$2.5m	NZTE Escalator Service	Frontier Group
Mar-09	Kilptank	Tauranga	Manufacturing	1	Start Up	\$250-\$500k	NZTE Escalator Service	Catalyst Management
Mar-09	Envirocomp	Christchurch	Environmental Services	1	Start Up	\$250-\$500k	NZTE Escalator Service	
Mar-09	Ecodiesel	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	2	Start Up	\$0-\$250k	Pacific Channel	
Mar-09	Right Hemisphere Inc	Auckland	Software and Services	2	Early Expansion	\$500-\$750k	ICE Angels	
Mar-09	Lypansys Ltd	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	1	Seed	\$1m-\$1.5m	ICE Angels	SCIF, CureKids
Apr-09	Intergrid	Wellington	Software and Services	1	Seed	\$750-\$1m	Angel HQ	
Apr-09	mDx	Palmerston North	Pharmaceuticals, Biotechnology & Life Sciences	2	Start Up	\$1m-\$1.5m	NZDx	SCIF
Apr-09	Anonymous Food Tech Company	Christchurch	Food & Beverage	1	Start Up	\$2.5m+	NZTE Escalator Service	Frontier Group
Apr-09	TracMap	Dunedin	Technology Hardware & Equipment	1	Start Up	\$500-\$750k	Upstart Angels	Angel HQ
Apr-09	Trac Plus Limited	Dunedin	Technology Hardware & Equipment	3	Start Up	\$0-\$250k	Upstart Angels	SCIF
May-09	Precision Training	Christchurch	Services	1	Expansion	\$0-\$250k	NZTE Escalator Service	Frontier Group
May-09	Marquis Condoms	Auckland	Health Care Equipment & Services	1	Start Up	\$250-\$500k	NZDx	
May-09	Syft Technologies Ltd	Christchurch	Scientific Instrument	8	Expansion	\$0-\$250k	Cure Kids Ventures	Private Investors
May-09	Photonz	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	5	Start Up	\$750-\$1m	Cure Kids Ventures	SCIF, Private Investors
May-09	Sleep Limited	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	2	Start Up	\$250-\$500k	Pacific Channel	SCIF
Jun-09	Inro Technologies	Auckland	Technology Hardware & Equipment	2	Early Expansion	\$2.5m+	ICE Angels	Endeavour Capital, VAN, SCIF
Jun-09	Vinacom	Wellington	Software and Services	1	Start Up	\$0-\$250k	Creative HQ	
Jun-09	Simtrix	Christchurch	Computer Hardware	2	Start Up	\$750-\$1m	Endeavour Capital	Private Investors / Endeavour / SCIF, Frontier Group
Jun-09	Unimarket	Auckland	Software and Services	3	Start Up	\$250-\$500k	ICE Angels	SCIF
Jun-09	Saratan Therapeutics Ltd	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	1	Start Up	\$1m-\$1.5m	TTCF	Breast Cancer Research Trust
Jun-09	Triplejump Ltd	Auckland	Financial Services	3	Early Expansion	\$250-\$500k	Private Investors	K1W1
Jun-09	SMX Ltd	Auckland	Software and Services	2	Early Expansion	\$1.5m-\$2.5m	K1W1	Private Investors
Jun-09	Zygem	Hamilton	Pharmaceuticals, Biotechnology & Life Sciences	3	Start Up	\$250-\$500k	Cure Kids Ventures	Endeavour Capital, K1W1, SCIF, Private Investors

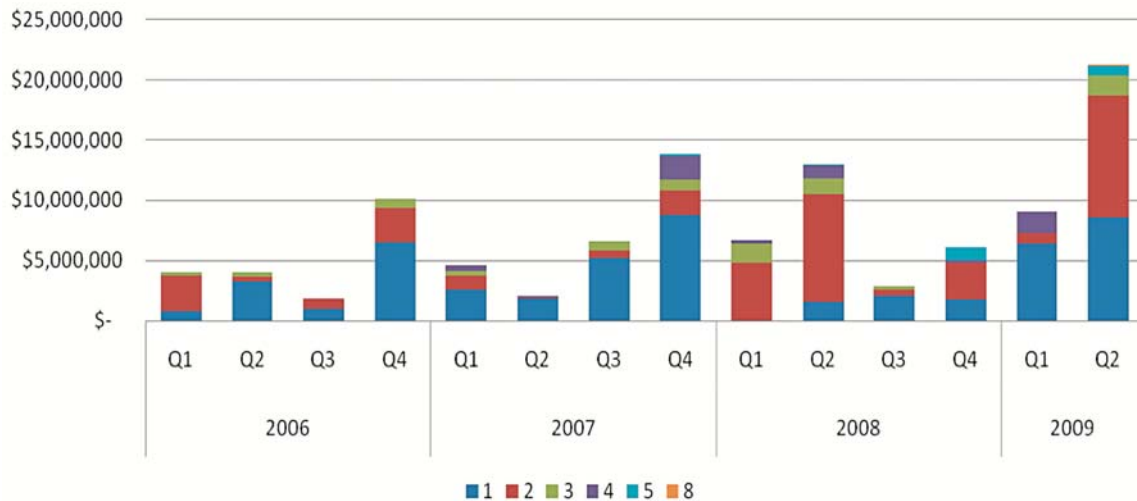
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# NZ Young Company Finance

## Capital Invested

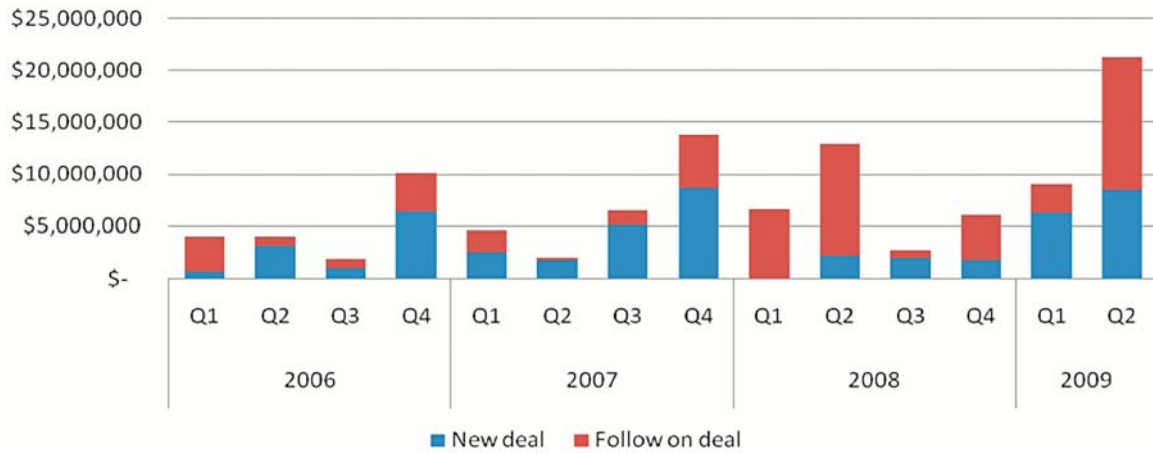


## Capital Invested by Round

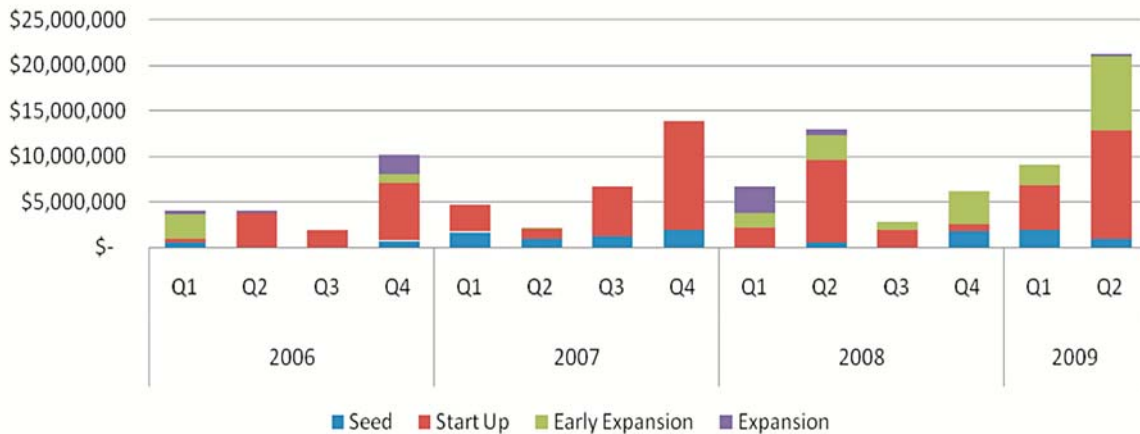


# NZ Young Company Finance

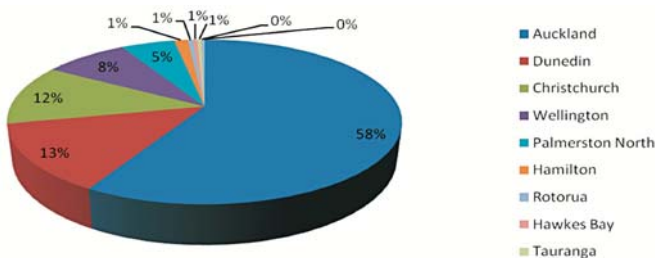
**Capital Invested by Type**



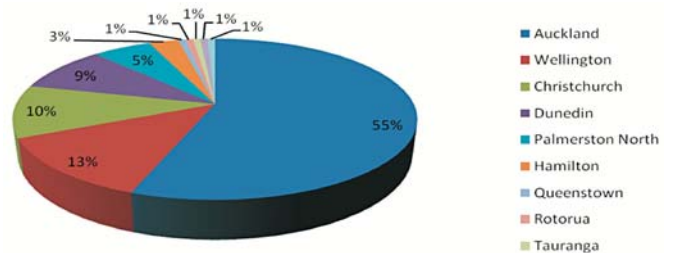
**Capital Invested by Stage**



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

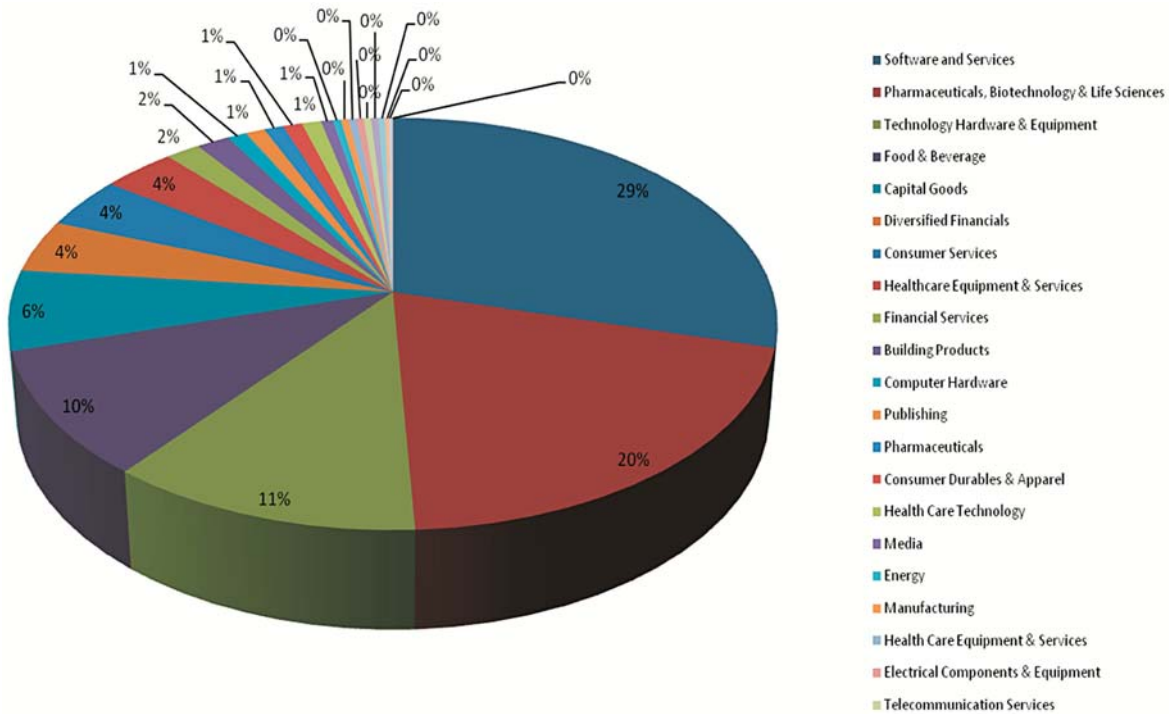


**Capital Invested by Region - Number of Deals**



# NZ Young Company Finance

Captial Invested by Sector - % of \$ Invested



Captial Invested by Sector - Number of Deals

