

# NZ Young Company Finance

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

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More than \$50 million was invested by angel investors into young companies in 2009 – a 72 percent increase on the previous 12 month record of \$29 million invested in 2008, based on data collected by Young Company Finance.

Cumulatively, \$127 million has now been invested into young companies by angels since Young Company Finance began collating data in 2006. In 2007, \$27.4 million was invested and \$20.2 million in 2006.

NZVIF's Richard Palmer says the increased activity comes after the growth in angel investing resulting from a number of years of market development by the Seed Co-Investment Programme, the angel community, various economic development agencies and incubators throughout the country. Also, as the number of companies being invested in grow, and those companies need follow-on investments, the investment activity increases. The challenge facing the industry, he said, is to ensure there is sufficient investment capital to fund further expansion.

Of the \$50 million invested last year, \$20 million was into first round investments – the highest annual dollar value of investment into new companies - and \$30 million comprised follow-on investments. In terms of the stage of investment, \$8.9 million was seed investment, \$29.9 million was at the start-up stage, \$11.2 million at the early expansion level, and \$300,000 at the expansion stage.

The 2009 year also saw growing syndication of deals between different angel groups. In 2009, 48 percent of deals were syndicated and 52 percent were not. In 2006, just 26 percent of deals were syndicated and 74 percent were not. This is a welcome trend, demonstrating the increasing amount of co-operation and sharing of deal flow and due diligence between angel groups.

The sector is also seeing a change in the type of investments angels are making. In 2009, 31 percent of investments were convertible loans, 47 percent were ordinary shares, and 22 percent were preference shares. In 2006, there were no convertible loans, 75 percent were ordinary shares, and 25 percent were preference shares. This reflects the fact that investors are increasingly prepared to invest at a very early stage, before a company is ready for a shareholder deal.

Deal flow for the year was substantively increased on 2008. In 2009, 63 deals were completed, compared with 29 in 2008 and 49 in 2007.

Since 2006, by region, 54 percent has been invested in Auckland, 12 percent in Christchurch, 11 percent in Dunedin, 9 percent in Wellington and 5 percent in Palmerston North. Software and services have received 28 percent of the amount invested, followed by pharmaceuticals (23%), technology, hardware and equipment (13%), and food and beverage (12%).

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## US ANGEL EXPERT TO SPEND FIVE MONTHS IN NZ

Bill Payne, one of the United States' foremost angel investors, is spending five months in New Zealand from February to July advising investors, entrepreneurs and universities as part of a role involving The University of Auckland Business School.

With a background in research engineering, Bill Payne co-founded Solid State Dielectrics Inc in 1971 to manufacture materials for the ceramic capacitor business, selling the company to DuPont in 1982. Mr. Payne has been investing as an angel since 1980 and has funded over 50 companies. Since 1999, he has been a founding and organising member of four angel organisations in the US.

His visit has been organised by Icehouse, the Auckland business incubator. While in New Zealand, he will serve as the BNZ University of Auckland Business School Entrepreneur In Residence.

He will also travel throughout New Zealand, meeting with entrepreneur and investor groups to run seminars and advise on the commercialisation of research.

The objective of Mr. Payne's visit is to transfer his experience, knowledge, and US network to New Zealand's entrepreneurs, universities, and investors. He will be working with more than 50 organisations and start-ups around New Zealand.

He is one of the United States' most decorated Angel investors. In 25 years, he has invested in more than 50 companies, mentored hundreds, and founded four angel networks. In recognition of his contributions, he was awarded the 2009 Hans Severiens Award, the US Angel Capital Association's highest honour.

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organisations and start-ups around New Zealand.

*The Angel Capital Education Foundation recently spoke to Bill Payne for his views on the effect of the challenging economic times on valuation of new deals and follow-on rounds.*

**ACEF:** In this rocky economy, are angels still seeing investment-worthy deals?

**BP:** I would say there is actually some overall improvement in quality. I don't know if that is because the average deal is better or because those people who have marginal deals realise that the likelihood of being funded is so low that they don't even try.

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It can be a very good time for angel investors willing to write cheques. Competition is down and valuations are very competitive. Many angels I talk with are seeing good quality deals out there and they are priced right.

Unfortunately, there is also a lot of emotional pressure not to invest. We know in our heart of hearts there are good deals out there and yet good deals that are priced right still don't get money because there is an emotional factor in all of this due to the federal melt down.

**ACEF:** Are you seeing valuations decline?

**BP:** We see two things influencing valuations. First, in communities where there is competition, valuations have dropped. In the past, in places with lots of seed level VCs and investors, an entrepreneur could get a bidding war going over an attractive plan. Today there is less competition in the space. Those angels and

seed investors who may have invested in higher valuations in the past aren't now.

Second, the amount of angel investing has dropped. Angel pocketbooks are thinner. Their willingness to write cheques is reduced. This keeps valuation in an appropriate range. Angels are saying "I will invest at \$1 million pre-money." It's a take it or leave it. More angels are saying if the valuation is

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above \$3 million or even above \$2 million, I'm going to pass. There is a lower supply of investment capital;

therefore, prices are going to go down.

**ACEF:** Have entrepreneurs gotten the message?

**BP:** There is a set of savvy entrepreneurs who know that times are tough and if they are going to get funded, they are going to have to put together an attractive package to get angels to write cheques. But that's a small group.

Unfortunately, most entrepreneurs are putting offerings together that are unchanged from what we were seeing two to three years ago. We tell them the environment has changed. The smart ones who are listening and paying attention then revise their deals and get funding.

I still see plans where the entrepreneur needs \$500,000 now and \$5 million more in a year and isn't paying attention to the fact that VCs are not investing in new deals.

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Entrepreneurs who think their deal is so good that current economic times shouldn't be factored into their offering are dead wrong.

**ACEF:** How are angel investors dealing with follow-on investments in portfolio companies?

Today, entrepreneurs need to understand the current market for capital. Most entrepreneurs are naive. They put a high valuation on paper because they don't know what is realistic and what isn't.

**BP:** Companies that are meeting their milestones, need more money, and always knew they would are the very kinds of portfolio companies that the angel groups are working diligently to try and get more money for.

At Vegas Valley Angels, we are committed to not look at lots of new deals right now. We might consider syndicating in a deal led by someone else, but we are very committed to doing the

best we possibly can to support portfolio companies. That's an area where all angel groups feel a responsibility to help their portfolio companies and entrepreneurs. It doesn't mean they will all get the capital they need, but it does mean that we are going to work harder for that. The VCs

have the same attitude that we angels do. If a company is meeting its milestones, do the best to provide capital for them.

We are seeing some entrepreneurs who need more money but wait too long, in spite of what their advisors are telling them. They come back and expect money to be there quickly and it isn't.

Today, entrepreneurs need to understand the current market for capital. Most

entrepreneurs are naive. They put a high valuation on paper because they don't know what is realistic and what isn't. They need more education and information before they put their plans out there. The Valuation for Entrepreneurs seminar that is part of the Power of Angel Investing series provides a half-day of valuation training to entrepreneurs who have at least raised \$75,000 in friends and family funds. That's a good place to start.

## TINDALL BECOMES NZ'S FIRST 'ARCH ANGEL'

Sir Stephen Tindall became the first ever New Zealand Arch Angel at the Angel Association of New Zealand's second Angel Summit in Queenstown in November, honouring his contribution to the angel investing industry. He has invested over \$150 million in seed and venture capital companies - both directly and as a fund-of-funds. He and his family have invested in over 100 New Zealand companies.

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## UNIVERSITY FOCUS TO TWO NEW SCIF PARTNERS

Two new groups – Angellink from Hamilton and the Trans-Tasman Commercialisation Fund - became partners to the Seed Co-Investment Fund in the last half of 2009.

Angellink is a national angel group bringing together successful early stage investors such as Movac, Sparkbox, Endeavour Capital and K1W1. The network was initiated by WaikatoLink, the commercial arm of the University of Waikato. It will work closely with Unicom, which links Waikato with Lincoln, AUT, and Canterbury University at the pre-seed investment stage.

The Trans Tasman Commercialisation Fund is an AU\$30 million investment fund established last year to commercialise research at Auckland University and four Australian universities. The investment partnership will look at commercial opportunities emerging from UniServices – Auckland University's commercialisation agency.

## HALO FUND TO BE REDESIGNED

The Halo Fund - a joint venture between seven angel investor groups and the New

The Halo Fund was aimed at investors interested in partnering with New Zealand's most experienced angel investors to invest in new technology, high growth companies in dynamic sectors. It aimed to invest into 30 plus companies over a two to three year period

Zealand Venture Investment Fund – is being redesigned, having closed its fund-raising short of its \$5 million target.

Halo Investment Management chairman John McDonald said the fund received strong interest from investors but the investment

climate meant it received commitments of \$2 million.

“The concept was extremely well received, but unfortunately, in the current environment, we were not able to translate that into sufficient firm commitments to proceed with the Fund. There was considerable interest from investors in gaining access to the companies in the angel and venture capital pipeline. We will look at some redesign of the fund and then consider re-launching it, possibly next year, when investment conditions improve.”

The Halo Fund was aimed at investors interested in partnering with New Zealand's most experienced angel investors to invest in new technology, high growth companies in dynamic sectors. It aimed to invest into 30 plus companies over a two to three year period at the seed and start-up phase in sectors like software, bio-technology, and medical diagnostics.

## START-UP FORMATION RATE STEADY OVER TIME

A new US study finds the number of newly created start-ups remains steady throughout an economic cycle

data from the U.S. Census Bureau which tracked the annual number of new businesses from 1977 to 2005. The annual totals remain rather consistent, fluctuating by just 3% to 6% each year. Within a year, the number of people starting new businesses each quarter

remains even steadier.

Even entrepreneurship education and venture capital don't seem to have a noticeable effect on start-up creation. The late 1970s to early 2000s "experienced a veritable explosion in efforts to promote and increase new-firm formation," the authors write,

More than 2,000 universities offered entrepreneurship courses in 2005 compared with 200 in the late 1970s. At the same time, the amount of capital raised by venture firms rose to \$100 billion in 2000 from \$424 million in 1978

regardless of recessions, expansions, tax changes, population growth, and technological advances. That's different with business closures, which are correlated more closely with the economy's health.

The Ewing Marion Kauffman Foundation report analysed

pointing out that more than 2,000 universities offered entrepreneurship courses in 2005 compared with 200 in the late 1970s. At the same time, the amount of capital raised by venture firms rose to \$100 billion in 2000 from \$424 million in 1978, all the while the levels of start-up formation remained flat.

In the end, the study concludes, volume may matter less than impact. The 1990s, for instance, are thought of as a time of booming entrepreneurship because of the impact of many of the companies developed then, indicating "that something was occurring beneath the surface of steady firm formation."

*Source: Wall St Journal Venture Capital Dispatch*

## ANGEL ASSOCIATION APPOINTS EXECUTIVE DIRECTOR

The Angel Association New Zealand has appointed Colin McKinnon as its new executive director. Mr McKinnon will take on the role in addition to his position as executive director of the New Zealand Private Equity and Venture Capital Association.

Angel Association chair Andrew Hamilton said Mr McKinnon has considerable understanding of the New Zealand private equity market - from angel investing through to venture capital and larger private equity investment.

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## WORLD BUSINESS ANGELS ASSOCIATION HOLDS FIRST CONFERENCE

The first conference of the newly launched World Business Angels Association (WBAA) was held in Beijing, China in December. More than 200 participants attended from more than

WBAA (www.wbaa.biz) is a not-for-profit association of angel federations from countries around the world

twenty countries, including representatives from China, Australia, New Zealand, South America, Europe, United Kingdom, and the United States.

WBAA (www.wbaa.biz) is a not-for-profit association of angel federations from

countries around the world formed to promote the creation of business angel groups and associations, share best practices internationally, coordinate research produced on the angel market, and standardise terminology regarding angel investing at the international level. Speakers and panels also presented examples of successful government support and policy initiatives.

## NZ AND SINGAPOREAN SIGN ANGEL INVESTING ALLIANCE

New Zealand and Singapore angel investors have signed a land-mark partnership between the Angel Association of New Zealand and the Business Angel Network (South East Asia) which will assist both countries in the development of globally successful exporting companies.

Angel Association Chair Andrew Hamilton says the partnership is highly valuable for New Zealand

as it will open up networks into South East Asia for our emerging global companies, both in terms of networks for investment and market access.

## SPEND A PENNY, EARN A POUND

Recent British research reports for the first time that UK Business Angels stand to make a substantial profit from investing in start-ups, with an average Internal Rate of Return (IRR) of 22 per cent over four years, compared with 27 per cent IRR in the US.

The report reviewed 1,080 investments. More than half were directed at very early stage, pre-revenue start-ups - the riskiest time of a company's life. This was reflected in the investment returns. Despite the fact that the majority of investments make a loss (56 per cent in this study), a substantial number (44 per cent in this study) lead to positive returns with 9 per cent generating more than 10 times the capital invested.

(Source: Kauffman Foundation)

## ENGINEERING STARTUP SUCCESS - A UNIQUELY KIWI START-UP INVESTMENT MODEL

by Dave Moskovitz,  
Chairman, WebFund Limited

WebFund invests in online startups, actively supporting growth by working shoulder-to-shoulder with entrepreneurs on everything from governance and strategy to IT infrastructure and stuffing envelopes. We're a high-touch incubator, typically starting work with our portfolio companies on day one before a business plan or any code has been written, normally taking a 25-40% equity stake.

We have three partners, Dr Stefan Korn, Campbell Means, and myself who work actively with our portfolio companies.

We've been in business since 2007, and have taken on four investments in that time. We recently reached a major milestone when BookHabit - an online market for unpublished authors - was sold to Silicon Valley-based

Smashwords, Inc. The sale price was modest, but it proved that the WebFund business model worked well, and that we could build an online startup from zero to trade sale in 18 months.

Our other investments DIYFather.com (an online community for dads) and BaseDiary.com (a SaaS system for dental technicians) have been going for a similar length of time. Both are making good progress, both with burgeoning international markets and significant offshore sales streams. MusicHy.pe (a music industry platform for band-fan interaction) launched in January - we believe it will play a significant role in reshaping a broken music industry.

BookHabit was a good-news story in a rather bleak year in which people asked, 'when will angels see international exits from their investments?'

But we think the question isn't 'where are the quality exits'; the real question is 'where are the quality entries'.

Given the number of investment opportunities we see, we've come to the view

that all is not well in the startup investment ecosystem. The flow of quality investments is poor because the standard investment model is not optimised for New Zealand conditions where critical mass is an issue. Under the 'standard model', a founder has a big idea, develops a prototype, validates the market, and then seeks angel investment to turn it into a finished product and accelerate sales. Once the product starts gaining real traction, bring on the VCs to fund international expansion. Unfortunately, most of the data on start-up investment doesn't fit this theory.

**From a founder's perspective, the typical cycle goes something like this:**

1. Come up with a 'big idea' based on your world experience.
2. Continue day job, working weekends/ evenings on fledgling idea.
3. Take over the garage/guest room.
4. Uncle Stewart and Mum throw in some seed capital.
5. Find uni students willing to work for peanuts on product development.

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**6.** Seek funding from NZTE/RDAs/FRST/any agency that might part with some dosh.

**7.** Max out credit card, and take out second mortgage.

**8.** Quit day job devoting time applying for grants, product development, and managing creditors. Consult to feed kids and increasingly grumpy partner.

**9.** After many months of adding cool features to product, ready to launch.

**10.** Launch day. Uh-oh, sales! Better find a sales person - one who can be persuaded to work for equity. You're both unhappy about the split, and wonder if you've teamed up with the right person. Neglect a shareholder agreement or other governance arrangements because you're in the middle of a product launch.

**11.** A few sales but not enough to break even. Try to add additional features to turn it into a killer product, or at least one that might break even.

**12.** Running out of cash. Approach angel investors. They don't know you from a bar of soap, and aren't convinced the product will fly. You've invested \$400,000 of

your cash (as well as Uncle Stewart's and Mum's), but your potential investors don't see how that valuation will ever stack up.

**13.** Everyone gets frustrated, and meanwhile you find that you now have some previously unknown competition.

And so on. By the time you get to this stage, the problems are often too big to be fixed. We've all seen these – lots of these – with variations in the story, in our day-to-day dealings as angels. And each time, we scratch our heads and ask ourselves how these founders ever worked themselves into these positions. The net result is wholly unrewarding for all.

## **Some of the key symptoms are:**

- Founders often don't know their own limitations, and can be reluctant to team up with others. In many ways, grafting team members on after Day One is more fraught than starting up with a balanced team of complementary players.
- Business ideas are frequently based on incremental improvement, rather than solving a key

market pain point.

- Much time is wasted early on scrounging for money that comes with seemingly irrelevant but cumbersome strings attached.
- Strategy, governance and sales take a back seat to product development.
- Bad habits have ample time to develop unchecked.
- The company develops a freight-train of tiny shareholders eager to demand unrealistic returns on their sunk cost of investment, and incapable of further investment.
- By the time real investors get a look-in to the idea, the business has become ugly, even if it has an attractive core concept.

The central problem is that *the standard model is based on best practice overseas in much larger economies* where there is a much greater volume of ideas and many more people with an appetite for entrepreneurial risk. There is also much more investment capital floating around that doesn't get shunted into property, bigger and easier to access local markets, and much greater possibilities for follow-on investment.

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The standard model relies on random mutation and natural selection, where entrepreneurs, ideas, people, and resources must all find each other in the right conditions, and only the fittest survive. It works well in a large gene pool surrounded by nutrients, but fails in tiny resource-starved populations. In NZ we simply don't have enough real entrepreneurs, great ideas or risk-loving investors to produce a good flow of high quality opportunities. Sticking to the standard model here results in a low throughput of business concepts that are worth funding and few success stories.

In order to build a successful business, you need a great team with strong leadership and governance, an excellent idea for a compelling 'must-have' product or service, outstanding execution, and sufficient resources.

It is very rare to find all of these in an angel investment opportunity in NZ; indeed you might argue that if they did have all of them then they would already be a

successful business that didn't require any angel investment. That said, we do have the elements here required to bring start-ups into fruition.

In 2010, WebFund will be iterating our current business model to overcome the shortcomings of the 'standard model'. The principle idea behind the new model is to 'genetically engineer' start-ups - bringing together groups of smart people who have successfully started up and exited their own businesses to work together on online business concepts which address structural inefficiencies in society, and exploit our own networks to co-resource the resulting businesses. We syndicate our deals at the time of formation, before the companies have any value at all, because syndication with the right players can be a significant catalyst for value creation. We like to think we're smart, but we know that we don't have the knowledge and resources to do everything ourselves.

This model can only work

well in a community the size of New Zealand, where investors already know each other and the talent pool reasonably well, and we have a high degree of social capital.

We'll likely end up investing more for a lower equity stake in the resulting businesses (than had we continued on using the standard model), but many of the early stage risk factors will have been eliminated or greatly reduced.

Engineered start-ups have success baked in from Day One by teams containing seasoned professionals with the experience, networks, leadership, resources as well as the committed investment required to grow into world-class businesses. And more great entries will result in more great exits.

Instead of natural selection, we're opting for genetic engineering, because we can't afford to wait for Mother Nature in New Zealand.

Move over Charles Darwin, we're going with J. Craig Venter.

# NZ Young Company Finance

## Private Financing deals - year to date

2009

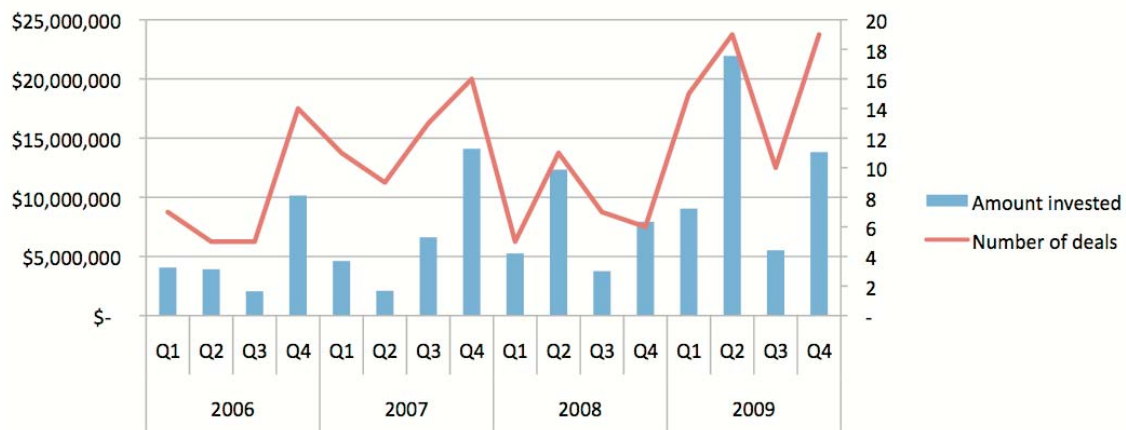
Month	Name of Company	Location	Sector	Round	Stage	Range	Lead Investor	Syndication Partners
Jan-09	Kaynemaile	Wellington	Materials	4	Start Up	\$0-\$250k	Movac	Private Investors
Jan-09	PowerbyProxy	Auckland	Technology Hardware & Equipment	1	Start Up	\$250-\$500k	Movac	Evander Capital
Feb-09	Indigo Limited	Christchurch	Technology Hardware & Equipment	2	Start Up	\$0-\$250k	Powerhouse Ventures	SCIF
Feb-09	Anonymous	Christchurch	Health Care Equipment & Services	1	Start Up	\$0-\$250k	NZTE Escalator Service	Corporate, Seltec
Feb-09	Anonymous	Marlborough	Food & Beverage	1	Start Up	\$0-\$250k	NZTE Escalator Service	Corporate, Seltec
Feb-09	Mobile Mentor NZ Ltd	Auckland	Consumer Services	4	Early Expansion	\$1m-\$1.5m	ICE Angels	
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	Envirocomp	Christchurch	Commercial Services & Supplies	1	Start Up	\$250-\$500k	NZTE Escalator Service	
Mar-09	Kilptank	Tauranga	Capital Goods	1	Start Up	\$250-\$500k	NZTE Escalator Service	Catalyst Management
Mar-09	Organic Dairy	Hamilton	Food & Beverage	1	Start Up	\$1.5m-\$2.5m	NZTE Escalator Service	Frontier Group
Mar-09	eBonz	Palmerston North	Pharmaceuticals, Biotechnology & Life Sciences	1	Start Up	\$750-\$1m	NZDx	Uniservice Limited, SCIF
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	Lypanosys Ltd	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	1	Seed	\$1m-\$1.5m	ICE Angels	SCIF, CureKids
Apr-09	Trac Plus Limited	Dunedin	Technology Hardware & Equipment	3	Start Up	\$0-\$250k	Upstart Angels	SCIF
Apr-09	TracMap	Dunedin	Technology Hardware & Equipment	1	Start Up	\$500-\$750k	Upstart Angels	Angel HQ
Apr-09	Anonymous Food Tech Company	Christchurch	Food & Beverage	1	Start Up	\$2.5m+	NZTE Escalator Service	Frontier Group
Apr-09	mDx	Palmerston North	Pharmaceuticals, Biotechnology & Life Sciences	2	Start Up	\$1m-\$1.5m	NZDx	SCIF
Apr-09	Intergrid	Wellington	Software and Services	1	Seed	\$750-\$1m	Angel HQ	
May-09	Precision Training	Christchurch	Consumer 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	Photonz	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	5	Start Up	\$750-\$1m	Cure Kids Ventures	SCIF, Private Investors
May-09	Syft Technologies Ltd	Christchurch	Technology Hardware & Equipment	8	Expansion	\$0-\$250k	Cure Kids Ventures	Private Investors
May-09	Somnaceutics Limited	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	2	Start Up	\$250-\$500k	Pacific Channel	SCIF
Jun-09	Saratan Therapeutics Ltd	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	1	Start Up	\$1.5m-\$2.5m	TTCF	SCIF, Breast Cancer Research Trust
Jun-09	Inro Technologies	Auckland	Technology Hardware & Equipment	2	Early Expansion	\$2.5m+	ICE Angels	Endeavour Capital, VAN, SCIF
Jun-09	Unimarket	Auckland	Software and Services	3	Start Up	\$250-\$500k	ICE Angels	SCIF
Jun-09	Simtrix	Christchurch	Technology Hardware & Equipment	2	Start Up	\$750-\$1m	Endeavour Capital	Private Investors / Endeavour / NZVIF, Frontier Group
Jun-09	Vinacom	Wellington	Software and Services	1	Start Up	\$0-\$250k	Creative HQ	
Jun-09	Givealittle	Wellington	Software and Services	1	Start Up	\$250-\$500k	Movac	
Jun-09	Triplejump Ltd	Auckland	Diversified Financials	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
Jul-09	Flossie	Auckland	Media	2	Early Expansion	\$0-\$250k	Movac	Private Investors
Jul-09	Kaynemaile	Wellington	Materials	5	Start Up	\$0-\$250k	Movac	Private Investors
Jul-09	Wicard	Dunedin	Software and Services	1	Start Up	\$0-\$250k	Upstart Angels	SCIF
Jul-09	Breathe Easy	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	1	Seed	\$0-\$250k	Pacific Channel	SCIF
Aug-09	Polybatics	Palmerston North	Pharmaceuticals, Biotechnology & Life Sciences	1	Seed	\$750-\$1m	Manawatu Investment Group	SCIF, K1W1
Aug-09	Nikos	Auckland	Software and Services	1	Seed	\$0-\$250k	Sparkbox	SCIF, K1W1
Sep-09	Migco Pharmaceuticals	Christchurch	Pharmaceuticals, Biotechnology & Life Sciences	2	Start Up	\$500-\$750k	Pacific Channel	SCIF, Movac
Sep-09	Anzode	San Francisco	Materials	5	Start Up	\$250-\$500k	Manawatu Investment Group	SCIF, K1W1, Private Investors
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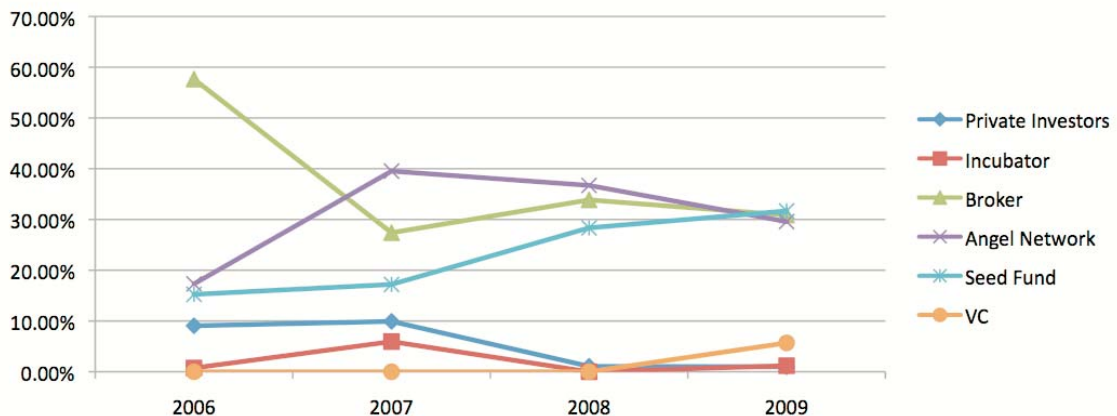
## Private Financing deals - year to date (cont.)

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Oct-09	Unimarket	Auckland	Software and Services	4	Start Up	\$500-\$750k	ICE Angels	SCIF
Nov-09	MusicHype	Wellington	Software and Services	1	Seed	\$0-\$250k	Webfund	Private investors
Nov-09	Career Group	Wellington	Software and Services	1	Seed	\$0-\$250k	Creative HQ	Private Investors
Dec-09	Kliptank Limited	Tauranga	Materials	1	Start Up	\$250-\$500k	NZTE Escalator Service	
Dec-09	Swiftpoint Ltd	Christchurch	Technology Hardware & Equipment	2	Start Up	\$1.5m-\$2.5m	Endeavour Capital	Frontier Group, NZVIF
Dec-09	Womama	Wellington	Consumer Durables & Apparel	1	Early Expansion	\$250-\$500k	Creative HQ	Private Investors
Dec-09	Givealittle	Wellington	Software and Services	3	Start Up	\$0-\$250k	Movac	
Dec-09	Ebus	Auckland	Software and Services	2	Early Expansion	\$250-\$500k	Movac	Private Investors
Dec-09	Reelclever	Hamilton	Software and Services	2	Start Up	\$250-\$500k	Movac	
Dec-09	Pathway Therapeutics	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	2	Seed	\$2.5m+	TTCF	SCIF
Dec-09	Podscape Holdings Limited	Auckland	Software and Services	2	Seed	\$0-\$250k	Sparkbox	SCIF, K1W1
Dec-09	Innovative Learning	Dunedin	Software and Services	5	Start Up	\$0-\$250k	Upstart Angels	SCIF
Dec-09	Biomatters Ltd	Auckland	Software and Services	6	Start Up	\$250-\$500k	ICE Angels	SCIF
Dec-09	Sharesight	Wellington	Software and Services	1	Start Up	\$250-\$500k	Sparkbox	SCIF
Dec-09	Precision Training	Christchurch	Consumer Services	2	Start Up	\$1m-\$1.5m	NZTE Escalator Service	Frontier Group

### Capital Invested 2006-2009

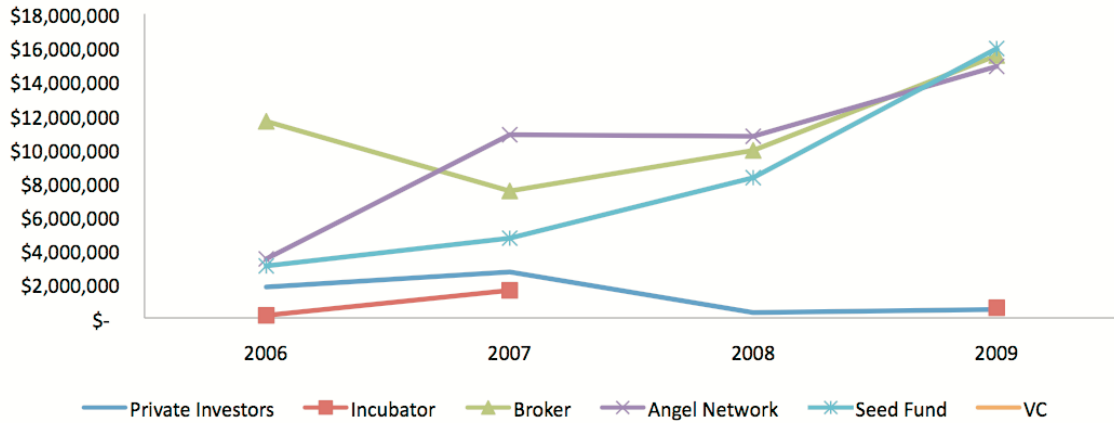


### Deal Sources 2006-2009

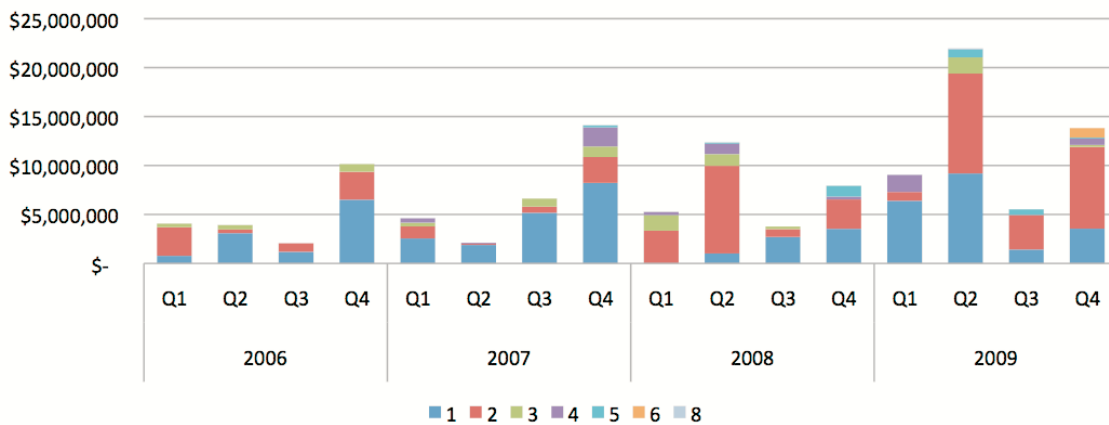


# NZ Young Company Finance

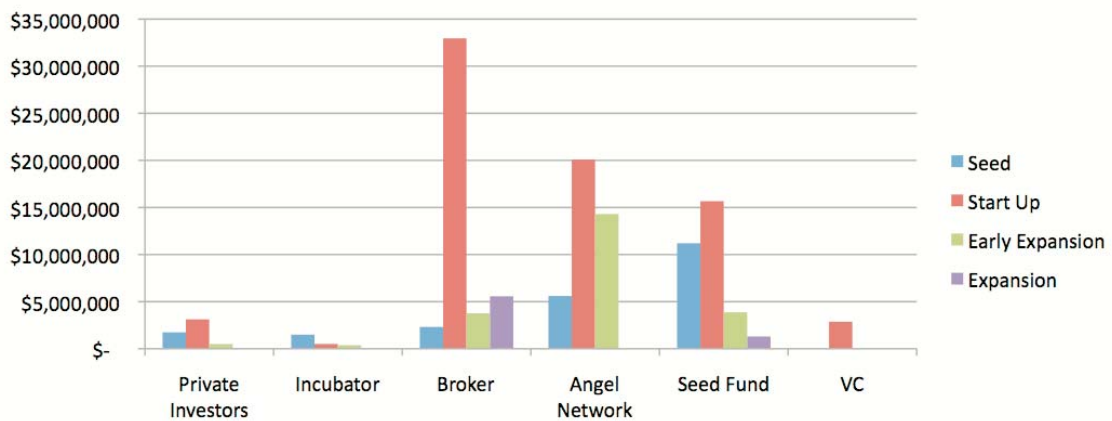
Deal Sources 2006-2009



Capital Invested by Round 2006-2009

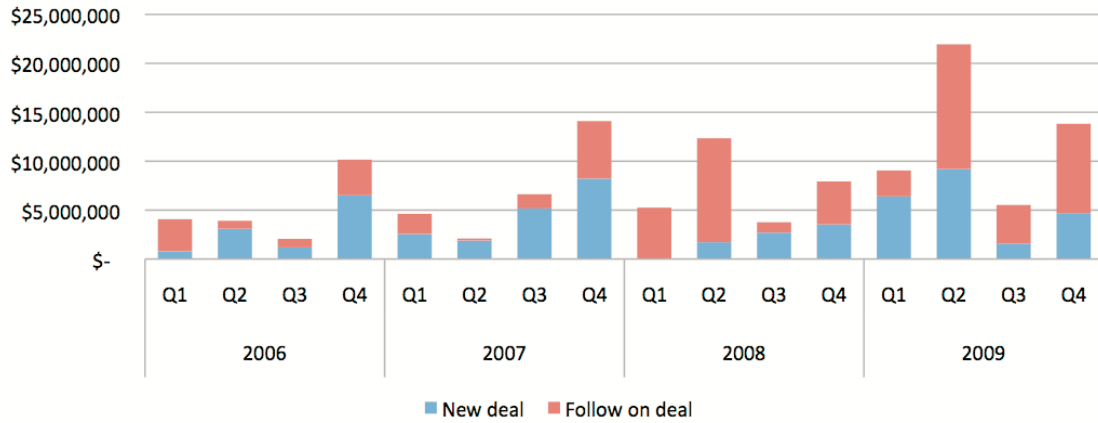


Deal Sources by Stage 2006-2009

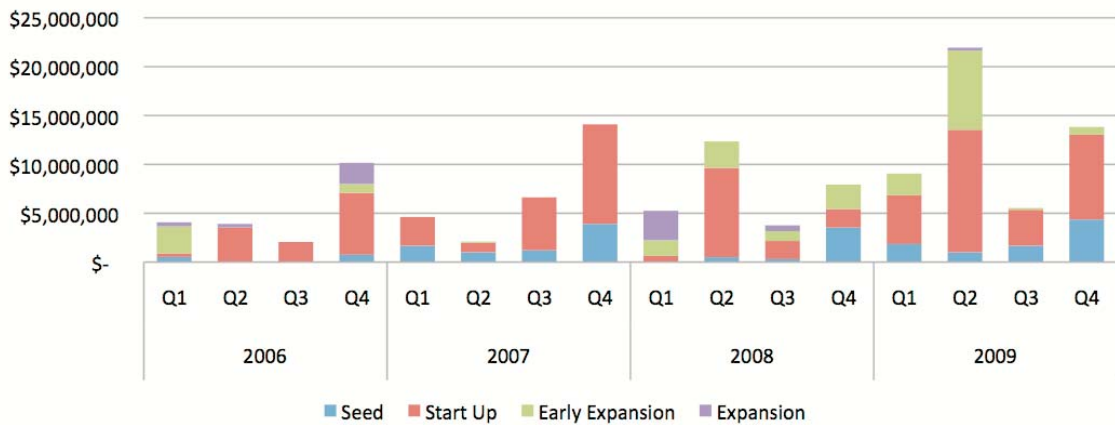


# NZ Young Company Finance

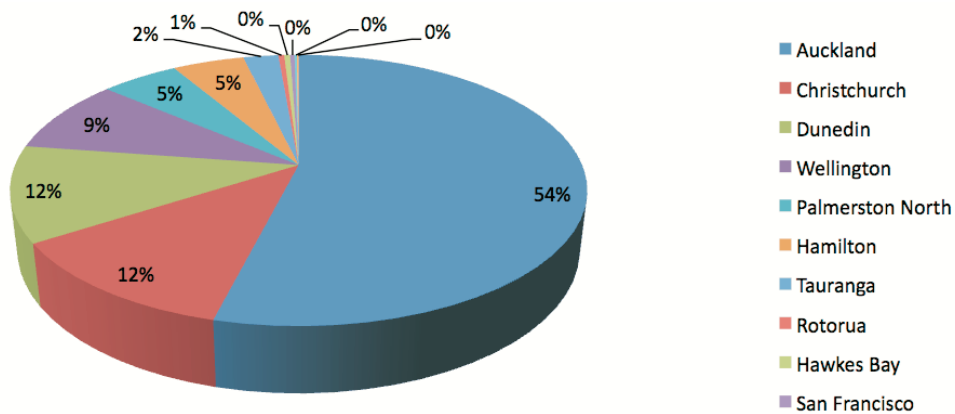
Capital Invested by Type 2006-2009



Capital Invested by Stage

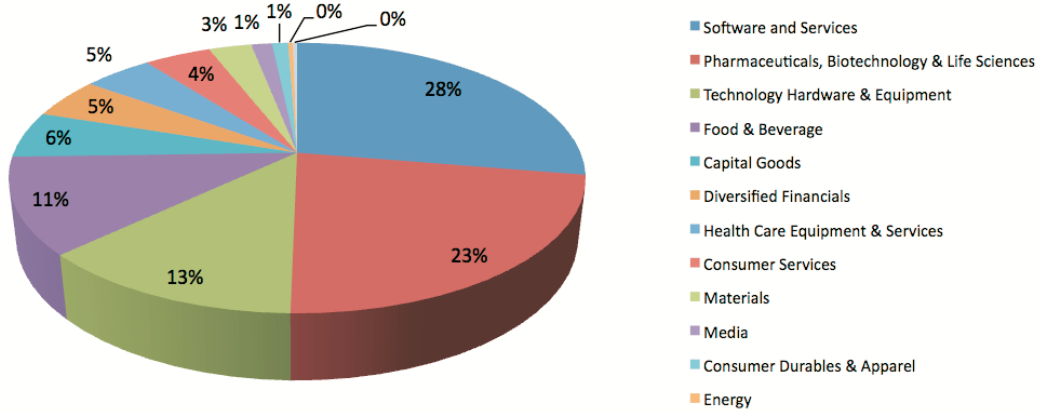


Capital Invested by Region - % of \$ Invested 2006-2009

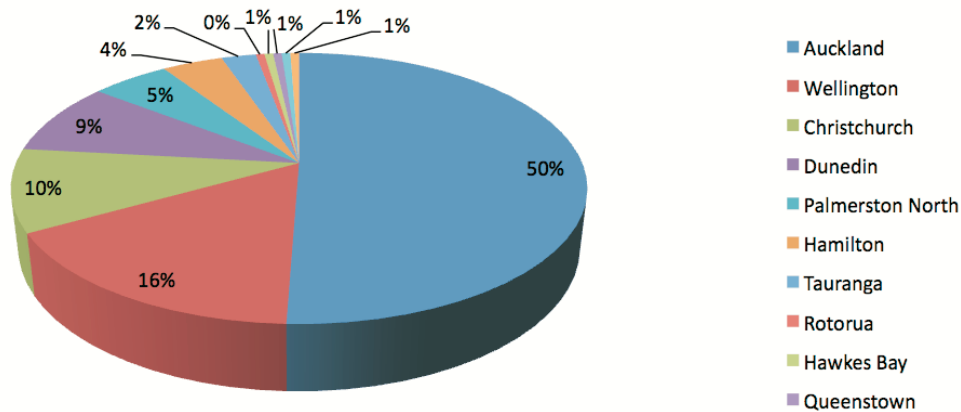


# NZ Young Company Finance

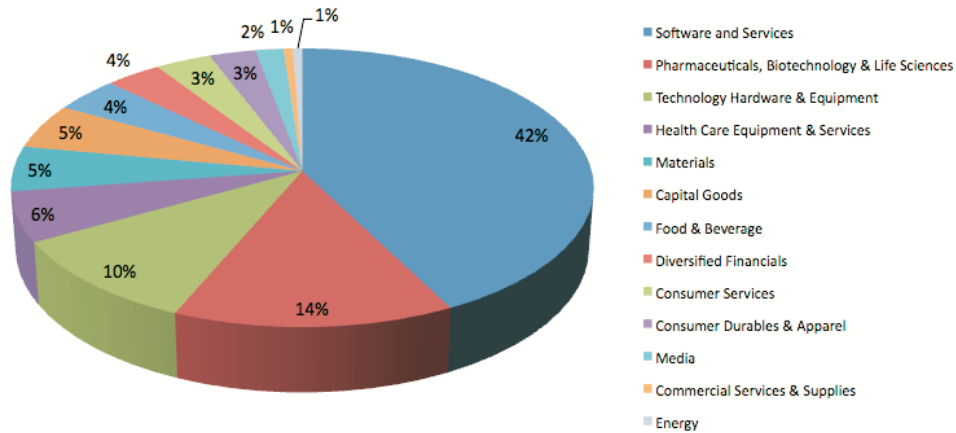
Capital Invested by Sector - % of \$ Invested 2006-2009



Capital Invested by Region - Number of Deals 2006-2009

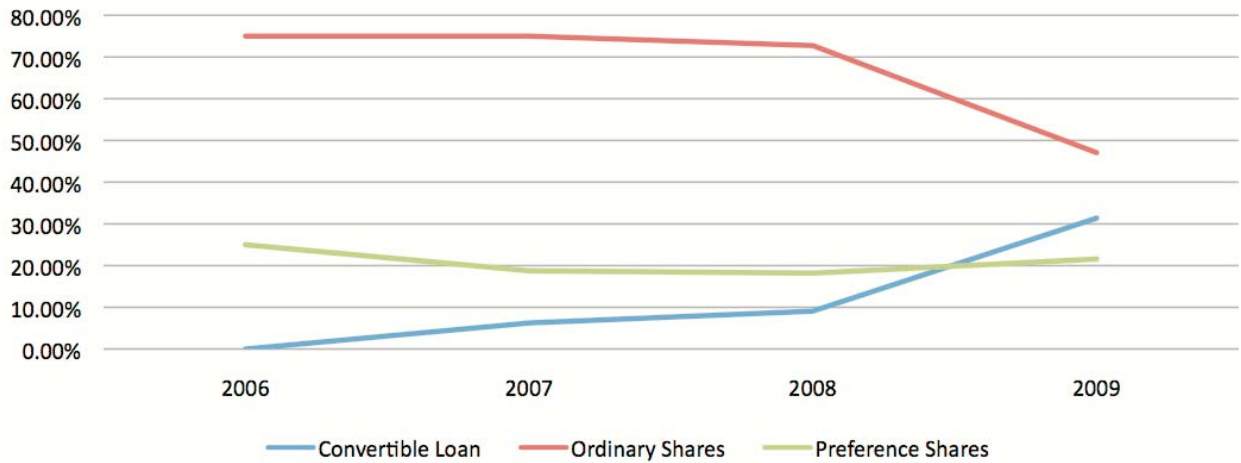


Capital Invested by Sector - Number of Deals 2006-2009



# NZ Young Company Finance

Deal Types 2006-2009



Syndication 2006-2009

