



Press Release

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\$8m boost for hi-tech start-ups

Wellington-based angel investment group Angel HQ is partnering with the New Zealand Venture Investment Fund to invest up to \$8 million into start-up companies.

Angel HQ is an established angel investment group with about 30 investors who invest in a range of start-up companies, mainly in the Wellington region. Current investments include companies like Green Button, a cloud computing platform which provides computer users with access to supercomputer power without having to invest in their own systems, and Kiwi Semiconductor, a semiconductor manufacturing facility.

The investment partnership means that when Angel HQ invests into a new company, NZVIF will match that investment, increasing the capital available for the company's growth. NZVIF is committing to invest up to \$4 million through the partnership.

Angel HQ chairman Bruno Bordignon said the partnership with NZVIF will bring more investment into innovative companies in Wellington.

"We are seeing some very exciting companies emerging in the Wellington region. We want to build on this, which is why Angel HQ earlier this year formed linkages with Victoria University's commercialisation agency, VicLink, the business incubator, Creative HQ, and Industrial Research Limited, to help drive deal flow. But the missing factor for many start-ups is capital.

"The partnership with NZVIF increases the available capital. Our expectation is that the partnership will run for around four to five years, investing into around 15 to 20 young companies. With NZVIF committing up to \$4 million on a matching 1:1 basis with Angel HQ investors, up to \$8 million could be invested through the partnership."

This is the fourteenth partnership NZVIF has entered into through its Seed Co-Investment Fund and the second in Wellington. To date, NZVIF and its angel partners have co-invested over \$51 million into 69 companies.

NZVIF chief executive Franceska Banga said that Wellington is seeing significant activity in building young companies.

"Angel HQ is the second angel group we've partnered with in Wellington in the last year. NZVIF also invested with MOVAC's new venture capital fund, which was launched in July. These partnerships are giving a boost to the amount of ready capital able to be deployed into investing into young businesses.

“Angel investing continues to grow strongly throughout New Zealand. Last year, over \$40 million was invested. Since NZVIF began collecting the data in 2006, angel investors have invested over \$200 million into young technology companies.

“This is swelling the pipeline of young technology companies who need new sources of investment capital as they develop. This is a good problem to have. But it reinforces the need to establish new venture capital funds to complement and build on the investments being made by angel investors.”

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