



## Press Release

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### **New angel groups sought to continue recent growth**

The amount of capital invested by angel groups into start-up companies has increased hugely – from \$20 million a year in 2006 to over \$50 million last year - but the New Zealand Venture Investment Fund wants to be involved in further growth.

NZVIF is seeking more angel investor groups to join its Seed Co-Investment Fund programme. Through the SCIF fund, NZVIF co-invests with angel groups in innovative New Zealand companies at the seed and start up stage.

NZVIF chief executive Franceska Banga said angel groups are playing an increasingly important role as funders of innovative start-up companies especially. The angel investment sector invested a record \$50.3 million across 63 deals into young New Zealand companies during 2009, well up on previous years.

“We are seeing considerable growth in the angel sector. This mirrors the experience in the United States and Europe, where angel investing has increased hugely as the sector has become more professional in its approach.

“The more active and strong angel groups we have, the greater the pool of capital available to build the pipeline of innovative business ideas that can grow into young companies. It has the potential to be a key asset class and a very influential player in commercialising New Zealand innovations.

“The Seed Co-Investment Fund is helping to build the angel sector here in New Zealand by investing alongside angel groups on a one-to-one basis. If a partnering angel group invests \$250,000 into a high growth New Zealand business, NZVIF can match that - doubling the capital available to invest in a young company.

“So far, we have 11 co-investment partnerships with angel groups in Auckland, Hamilton, Manawatu, Nelson, Christchurch and Dunedin. Expanding the angel sector further will assist in building the pipeline of young innovative start-ups.”

NZVIF is inviting angel investor groups interested in finding out more about the Seed Co-Investment Fund to apply to become a SCIF partner. Suitable applicants will go through a contestable process involving a due diligence process for selected candidates.

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