



## MEDIA RELEASE

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### Underwrite backs VC and angel investment

The Government's extension of the New Zealand Venture Investment Fund's underwrite facilities through to 2022 will enable NZVIF to continue investing in startups alongside venture capital funds and angel investor groups, says NZVIF chief executive Franceska Banga.

Economic Development Minister Steven Joyce announced today that a \$100 million underwrite facility from the Crown will be extended until 2018 and will then continue at \$60 million until 2022.

In addition, to meet the high demand for NZVIF's Seed Co-investment Fund, the Government will also transfer \$12 million within NZVIF from the Venture Capital Fund. The Seed Co-Investment Fund invests alongside angel networks.

Franceska Banga welcomed the announcement, saying it gives certainty to the market over the availability of NZVIF capital for investment over coming years.

"As returns from investments grow, NZVIF will not require new capital from the government. The returns will enable NZVIF to become self-sustaining over the next few years.

"This decision to extend the underwrite will support a large number of startup companies as we expect to see a number of new funds emerging over the next few years.

"NZVIF invests \$15-20 million a year into technology startups through these funds and angel groups. For every dollar NZVIF invests private investors put in almost nine times that, so this decision is very good news for the emerging pipeline of startup companies."

To date, NZVIF has invested \$147 million into 187 companies through its partnerships with venture capital funds and angel groups, helping to establish and grow some of New Zealand's most promising companies. Companies in its current portfolio include Orion Health, Xero, PowerbyProxi and Nexus6.

Last year saw around \$100 million a year of VC and angel investment into technology companies, with angel fund investment hitting record levels.

NZVIF also received a \$470,000 increase in operational funding.

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#### NZVIF NUMBERS

Investee companies: 187

NZVIF investment: \$147m

Total private investment:  
\$1.3b

\$1 of NZVIF investment  
leverages \$9 of private capital

Active VC funds: 3

Active angel partnerships: 12

Companies with market cap  
over \$50m: 4

Companies listed: 7