



## PRESS RELEASE

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### **Accelerating funding for new business ventures**

Up to \$8 million is to be invested into start-up businesses under a partnership between a new Nelson-based angel investment group, Venture Accelerator Ltd, and the New Zealand Venture Investment Fund.

Venture Accelerator Ltd is an angel investment group bringing together a number of highly successful business people now residing in the top of the South Island. Shareholders come from Nelson and Blenheim areas.

NZVIF chief executive Franceska Banga said the partnership with Venture Accelerator increases the capital available for new start-up businesses in the Top of the South Island and throughout New Zealand.

“Venture Accelerator Ltd is a network of private investors investing in early stage businesses. They bring considerable business and entrepreneurial experience, and are looking to be very active in searching for and investing in exciting new companies.

“While the group is Nelson-based, it has close links with angel investor groups in other centres and has already been involved in co-investment projects throughout New Zealand. These groups connect start-up ventures with willing investors to facilitate the funding and success of emerging companies.

“Under the partnership, both Venture Accelerator Ltd and NZVIF will each invest up to \$4 million into high-potential companies.”

Venture Accelerator Ltd chief executive Mark Houghton-Brown said the group has a passion for the sustainable development of the regional economy and will focus on innovative companies offering significant & progressive solutions where the investment can add significant value.

“New Zealand is generating wonderful innovation but many prospective start-up companies struggle to get their ideas to market successfully, because of the difficulty in finding willing partners with the contacts and the capability to assist them.

“At the same time individual investors often find it difficult engaging with local entrepreneurs in a satisfactory way because of the lack of infrastructure and support. The opportunities for both sides are considerable.

“Venture Accelerator Ltd comprises highly successful business people from the ‘top of the south’ keen to invest in exciting new ventures. Not only do we bring capital, but we also have considerable skills and experience, in a range of sectors, which will be of benefit to helping young companies grow successfully.”

Venture Accelerator Ltd’s partnership with NZVIF is through NZVIF’s Seed Co-Investment Fund. Through the fund, NZVIF partners with groups like Venture Accelerator to invest in early stage businesses with strong potential for high growth.

Franceska Banga said the Seed Co-Investment Fund is an important product in NZVIF’s investment portfolio.

“This is the ninth partnership we have entered into through the Seed Co-Investment Fund. Through these partnerships, we and our partners have jointly invested over \$16 million into 18 companies.”

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**Background on the NZVIF Seed Co-Investment Fund**

Seed investing is the term given to investing in start-up businesses at a very early stage. Typically, seed investors are high net worth individuals and they often form groups, known as Angel Groups. The NZVIF Seed Co-Investment Fund involves partnerships with seed investors and Angel Groups. NZVIF’s Seed Co-Investment Fund is an equity investment fund aimed at small to medium sized businesses at the seed and start-up stage of development which have strong potential for high growth. NZVIF’s Seed Co-Investment Fund provides \$40 million of matched seed funding to support the further development of early-stage investment markets alongside selected Seed Co-Investment Partners.

### Background on Venture Accelerator Limited

Venture Accelerator Ltd is an angel group of twenty private investors established to help early stage companies grow. It developed out of a 2005 initiative of the Nelson Regional Economic Development Agency, in conjunction with New Zealand Trade and Enterprise, to develop the Venture Accelerator Network to provide the region's businesses with the opportunity to network with potential investors in the region to help achieve the aim of growing smart value added industries and enhancing the skill base of the region's labour force. Lawyers at progressive solicitors Duncan Cotterill facilitated company's formation last year, and VA Ltd has already made a number of successful investments.

To date, the Venture Accelerator Network has hosted a number of events to enable businesses with significant potential the opportunity to network with potential investors in the region. Participants have been drawn from sectors including ICT, natural products, agriculture, aquaculture, marine engineering, wine, tourism and film. The Nelson Regional Economic Development Agency, with NZTE and Nelson accounting firm WHK West Yates, will continue the activities of Venture Accelerator Network. The Venture Accelerator Limited will work closely with the Venture Accelerator Network as a potential source of investment capital to appropriate new businesses in the 'Top of the South' region.