



Press Release -29 June 2009

New private equity fund 2Ignite growing NZ companies

A new \$50 million venture capital fund is being established to focus on early stage New Zealand technology companies– the second new venture capital fund to be launched this year.

Prominent early stage investors Andrew Duff and Henry Tait, who formed angel investment company Sparkbox along with Greg Sitters and Professor Mark Ahn, are raising capital to establish the 2 Ignite fund. The New Zealand Venture Investment Fund is committing up to \$20 million to it.

Greg Sitters said the 2 Ignite Fund aims to attract \$50 million from New Zealand institutions and investors for investing into technology-based companies in areas such as information and communications, the medical and bio-tech sector, and the internet. 2 Ignite is offering investors the ability to allocate their capital to general opportunities in the above sectors as well as those that are sourced from educational institutes, promote Maori entrepreneurship or sustainability.

“There are exciting investment opportunities emerging in these areas. The 2 Ignite Fund will focus on post angel investment companies which are now looking for new equity investment to move to the next stage of their development.

“We aim to invest in approximately 12 exciting companies which have developed innovative technology giving them a clear niche in the international marketplace.”

The 2 Ignite Fund has a leading technical advisory board including technology guru Rod Drury and exit specialist Professor Tom McKaskill. The Fund will also draw on deep relationships with New Zealand’s most experienced early stage investment specialists.

“We have well-developed relationships with a number of other angel investor groups, which will provide a good pipeline of prospective investee companies. A number of companies in which Sparkbox has invested – companies like ECKey and Mesynthes – are growing to the stage where they will require new capital to fund their growth.”

NZVIF chief executive Franceska Banga said that with New Zealand’s existing venture capital funds reaching the end of their active investment phase, 2 Ignite will help to fill a gap in the current early stage investment market.

“We have seen significant growth in the angel investment sector over the past few years. We need to ensure that as new companies grow and expand, the next stage of investment capital is available. The 2 Ignite Fund will help to meet that need.

“With this partnership, NZVIF has now entered into investment partnerships with eight private venture capital funds, and the second this year following on from Endeavour Capital’s new fund announced in March. We have invested around \$70 million, to date, which has helped to mobilise over \$350 million of private sector investment into young New Zealand technology companies.”

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