



Press Release

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New investment partnership to target medical diagnostic technology

A new investment partnership is looking to invest up to \$10 million developing globally-focused medical diagnostics businesses in New Zealand.

The partnership is between the New Zealand Venture Investment Fund and the private investment company, New Zealand Diagnostics Ltd (NZDx). It aims to invest between \$8 million and \$10 million into new medical diagnostics ventures.

NZDx director William Randall said that the international diagnostics market is experiencing rapid growth and is worth around US\$30 billion.

“There are some very promising technologies emerging in New Zealand which could have considerable commercial potential. As the cost of healthcare rises around the world, the sector is looking at ways to deliver better and more efficient treatment, and new diagnostic technologies allow that.

“We are active investors in the sector. We have invested in two exciting new ventures – eBonz, which has developed 3D anatomically based models of all joints in the human body, and Manawatu Diagnostics, which is developing human fertility medical diagnostic technology.”

NZVIF chief executive Franceska Banga said the partnership was an exciting prospect given New Zealand’s strong background in life sciences technology.

“New Zealand has a history of excellence in life sciences research. NZD_x has considerable experience in developing new businesses and, in particular, considerable knowledge of the medical diagnostics sector.

“We believe there are significant investment opportunities in medical diagnostics technology in New Zealand. With this partnership, we hope to see greater investment in new innovations which have the potential to advance to the commercial stage in global markets.”

NZDx's partnership with NZVIF is through NZVIF's Seed Co-Investment Fund. Through the fund, NZVIF is investing \$40 million into early stage companies with strong potential for high growth, alongside investments made by its partners.

This is the ninth partnership NZVIF has entered into through the Seed Co-Investment Fund, although this agreement with NZDx is replacing an earlier partnership with Chrysalis, a life sciences investment company. Through these partnerships, NZVIF has to date invested over \$17.6 million into 21 companies.

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Background on the NZVIF Seed Co-Investment Fund

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. The Fund provides \$40 million of matched seed funding which is co-invested alongside investments made by Seed Co-Investment Partners. NZVIF aims to help build an early stage investment market worth \$100 million over the next five years.

Background on New Zealand Diagnostics Ltd

NZDx is an early stage investor in novel, disruptive diagnostic devices and life science technologies. It collaborates closely with a number of New Zealand's universities and Crown Research Institutes. NZDx invests on behalf of a number of New Zealand private investors and two off-shore investors. The largest single investor is a UK-based fund, but the majority of investment capital has been raised in New Zealand. The combined skills of the NZDx Board and management team allows the company to "discover" interesting, disruptive technologies within New Zealand, assess their market potential through use of the company's local and international networks and to determine the most effective exit strategy for a given technology or concern.