



PRESS RELEASE

Thursday 25 June 2020

Aspire NZ Seed Fund is set to increase support for tech start-ups

The Government has raised the Aspire NZ Seed Fund's annual investment cap from \$12 million to \$20 million in one of four changes to the Aspire fund's mandate which take effect immediately and apply until 30 June 2021. These changes follow earlier Government announcements and are measures taken in response to the impact of COVID-19 on the early stage eco-system.

The changes will help the Aspire fund to continue its focus on the long-term goal of developing a self-sustaining early stage capital investment market for New Zealand, says New Zealand Growth Capital Partners Investment Director Marcus Henderson, who leads the Aspire fund. The changes are:

- Raising the annual investment cap from \$12 million to \$20 million
- Raising the per company investment cap from \$1.5 million to \$2.5 million
- Relaxing the 1:1 matching requirement to be a maximum of \$2 of public capital to \$1 of private capital, should this be required to establish investments
- Allowing NZGCP to proactively work with private sector partners to co-lead deals to increase the possibility of fundraising occurring in the current environment.

"It is a difficult time for many businesses with the Covid-19 crisis but there are also some real opportunities. These changes made by the Government will give the Aspire fund more flexibility in the way it invests alongside angel investors and funds into emerging companies".

"Raising the annual investment cap to \$20 million anticipates the expected continued growth in private capital entering the market and the rising demand for investment in early stage companies. It gives the fund more scope to allocate capital both into new investments and into follow-on investments in high performing companies in its portfolio".

"The opportunities which lie ahead for New Zealand's technology sector are considerable. Digital transformation and innovation is accelerating and continues to revolutionise many industries including healthcare, education, financial services, retail and agriculture".

"This additional support from the Government will be aimed at realising these opportunities and we continue to work hard in order to support the growth of several promising technology companies from New Zealand. We also recognise the efforts of the Angel Association and those that supported the submission with recommendations, resulting in the change in settings by the Ministers and Officials" says Mr Henderson.

Recent and notable investments by the Aspire fund include PowerbyProxi, Engender, HaloIPT, Rockit Apples, Aroa Biosurgery, LeoLabs, TracPlus and Invert Robotics.

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