

Press release

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Quantifi Photonics raises \$15m Series B for international growth

Quantifi Photonics, the Auckland-based photonics test and measurement company, has raised \$15m from six New Zealand funds.

Led by Punakaiki Fund, the Series B round included the first private equity investment by Simplicity, and co-investments from Pacific Channel and newly established venture capital firm Nuance Connected Capital. The round was supported by existing investors K1W1, and NZ Growth Capital Partners' Aspire Fund.

Andy Stevens, CEO and co-founder of Quantifi Photonics, says the size of the investment round was extended to \$15 million with strong investor demand matched with the potential to drive scale and growth in the business.

"It's incredibly gratifying to receive such strong support from local investors, who have recognised the value of the business we have created and the high-growth opportunities ahead of us. We're pleased that Punakaiki Fund, following on from their Series A investment, continues as our lead investor. They bring a lot of additional value and experience to our team and have catalysed a much larger round than originally anticipated," says Stevens.

The company will use the funds to accelerate its product roadmap, along with expanding their international sales, marketing and customer support capabilities to meet international demand.

Quantifi Photonics is building on the rapidly developing market for optical transceivers, which turn high-speed electrical data to-and-from optical data. Optical communications can transmit data at far higher data rates and lower power than electrical signals. The Internet of Things, cloud networks, and 5G communications all rely on optical communications to transmit vast amounts of data within data centres and across the globe.

“We are one of only two companies able to meet the exacting requirements for manufacture of high-end optical transceivers and we are moving quickly to consolidate our lead,” says Stevens.

“We started by providing leading-edge photonic test equipment to overseas R&D labs who were developing the fibre-optic communication technologies used in subsea cables such as the Southern Cross cable between New Zealand and the USA, which carries most of New Zealand’s internet and telecommunications data.

“Today, our equipment is used to test devices which operate much faster, but are much smaller and cheaper, and are being used in thousands of data centres worldwide,” he says.

The Series B investment will allow Quantifi Photonics to target a growing number of leading, global tech companies that are investing significantly into their R&D and production of photonics technology.

“We have significant opportunities with a number of existing customers, and we are one-hundred percent focused on becoming a leading supplier to the world’s largest photonics manufacturers over the next five years,” says Stevens.

About the investment round

Punakaiki Fund, which led the previous Series A round in 2018, invested \$5 million.

Punakaiki Fund director Lance Wiggs says: “We are very happy to not just lead this round, but also to see it close at a much higher level than anticipated. It says a lot about what Andy and the team are building, as well as the health of the New Zealand investing ecosystem.”

Punakaiki Fund’s investment was made using funds obtained after the sale of Vend, for \$500 million, earlier this year.

Simplicity invested \$4 million in Quantifi Photonics, with strong support from Pacific Channel, along with substantial investments from K1W1, Nuance Connected Capital and Aspire.

The deal is a significant one for Simplicity, marking the first in a series of private equity investments that the fund intends to make. Sam Stubbs, Simplicity Managing Director says: “As part of our fully diversified strategy we will invest into privately held companies with meaningful revenue and strong fundamentals. We intend to create, over time, enough holdings to have an index on strong privately held businesses in New Zealand.”

Simplicity has over \$3 billion in funds, and 66,000 investors, and seeks to offer a broad-based low-cost index-like portfolio across a wide range of asset classes.

Pacific Channel committed \$2m to the round. “As investors primarily focussed on bringing IP from the lab to market through start-up companies, it’s a pleasure to support Quantifi Photonics to further develop its test and measurement solutions for the optical communications market. Our best exit relied on optical technology, and we hope to assist Quantifi Photonics with its intellectual property strategy,” says Brent Ogilvie, Managing Partner at Pacific Channel. Pacific Channel has recently closed a \$55m venture fund, aiming to invest in 25 New Zealand-based deep-tech companies.

Nuance Connected Capital committed \$1 million. Partner Ngaio Merrick says: “Our investment process focuses on the calibre of the founders and the ability of the company to carve out a global niche. We believe Quantifi Photonics is well placed to scale internationally with the investment and the support of their investors.”

About Quantifi Photonics

Quantifi Photonics is on a mission to transform the world of photonics test and measurement. From its Auckland, New Zealand headquarters, the company develops and manufactures advanced photonics test and measurement solutions. With deep expertise in harnessing, manipulating and measuring the physical properties of light, Quantifi Photonics solves complex challenges across many industries with innovation and experience. The company has developed a broad portfolio of benchtop and modular instruments and software test solutions and is a supplier to leading multinational technology companies in over 25 countries.

Contact

For further comment please contact:

Andy Stevens

a.stevens@quantifiphotonics.com, 021 243 6191

Lance Wiggs

lance@wcm.co.nz, 021 526239

Sam Stubbs

sam.stubbs@simplicity.kiwi, 02149154