

FUNDING • 2026 EDITION

Physical Product Companies

*Raising investment in Aotearoa
New Zealand: a field guide for founders.*

ANNA GUENTHER & JACKY LAVERTY
PLEDGEME



Raising is hard. For physical product founders, it's *harder*.

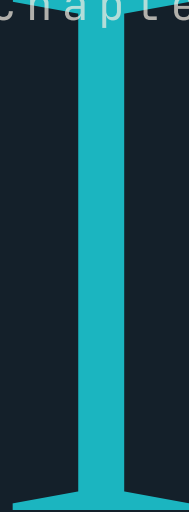
This report is for those founders. It shares data and stories from the people who came before you and a practical map of where to go when it's the right time to raise.

It's rich in both data and stories, as well as guiding founders on how to pick your own path.

"For a country built on the backs of our farmers, we need to ensure the next generation can build not just in the clouds, but on the land as well."



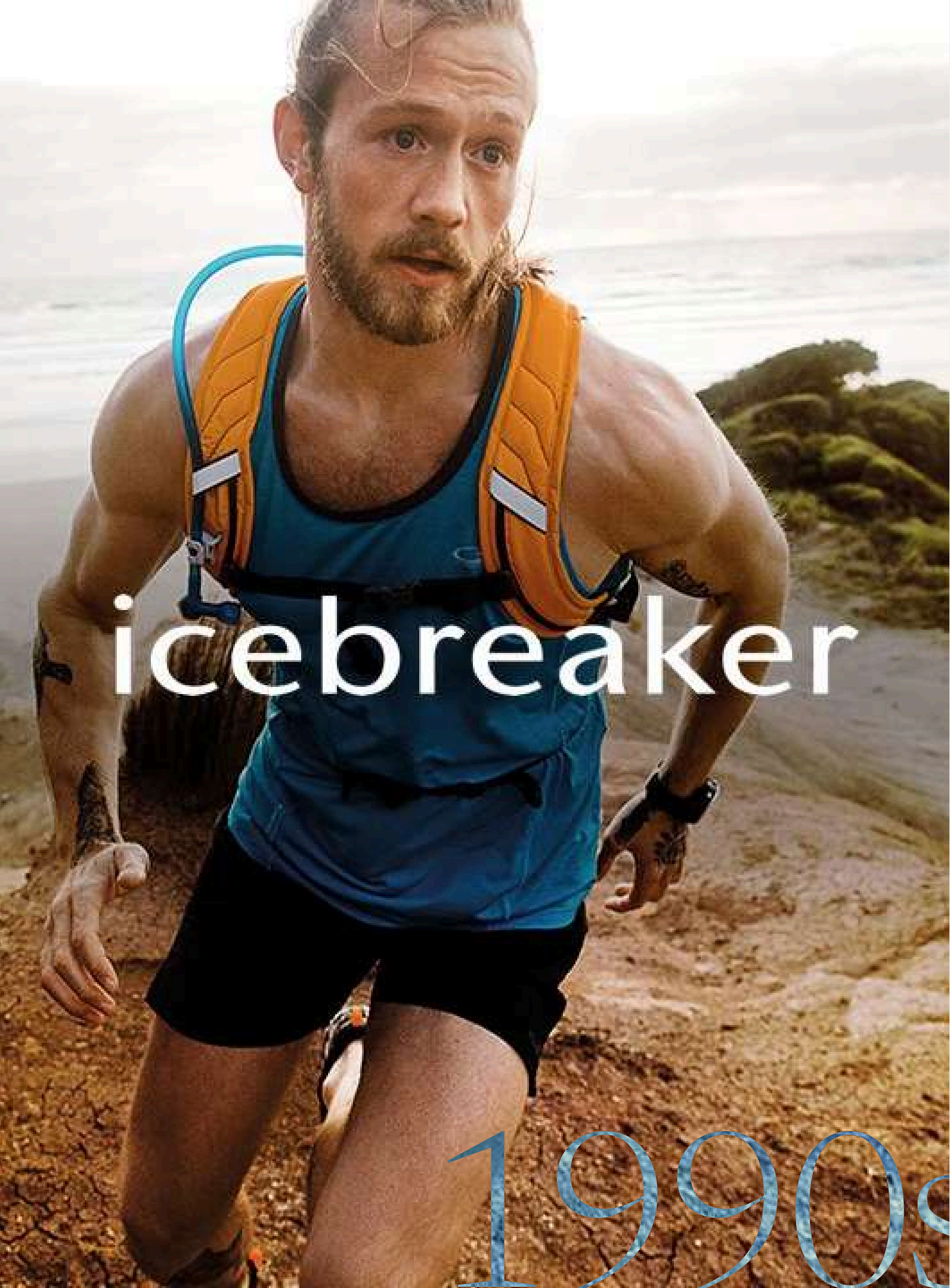
Chapter One



The landscape.

Forty years of physical product companies built and funded in Aotearoa. Four stories for inspiration.





icebreaker

1990s

ICEBREAKER · JEREMY MOON

\$25,000 kitchen.

Founded 1994 · Wellington

At 24, Jeremy Moon told his bank he needed a new kitchen. He used the \$25,000 to launch Icebreaker instead. Eight investors, mostly friends' parents, put in \$200,000 cash plus mentorship to help him grow it.

He scaled in New Zealand, then offshore, reaching \$200m in export revenue. Twenty-four years after launch, he sold the business for \$288 million.

\$288m

SALE PRICE ·
2018

\$200m

EXPORT REVENUE

24y

TIME TO
EXIT



JEREMY MOON

trilogy.

Sheer confidence.



2000s

TRIOLOGY • SARAH GIBBS & CATHERINE DE GROOT

Two sisters.

Founded 2002 • Wellington

Two sisters wanted natural solutions to their own skin problems. They grew Trilogy into an international brand and one of the first serious players in natural and organic skincare.

In 2010 they sold to Ecoya for \$20 million to fund the next stage of growth. Seven years later, the business sold again, this time for \$211 million.

\$20m

FIRST SALE •
2010

\$211m

SECOND SALE •
2017

10×

VALUE
GROWTH



SARAH GIBBS & CATHERINE DE GROOT

2010s



ETHIQUE · BRIANNE WEST

Bars, not bottles.

Founded 2013 · Christchurch



BRIANNE WEST · ETHIQUE

A university student started making solid shampoo bars. Her first investor came from an advisor she was matched with during a campus pitch competition. She later raised \$200k in two weeks through equity crowdfunding.

Two years later, she raised \$500k in 90 minutes which was matched by local angel investors. When she sold in Ethique in 2020, her early crowdfunders walked away with a 48x return.

90min

RAISE TIME

48x

INVESTOR
RETURN

22

COUNTRIES
REACHED

2020s



SOLID • LAURA & ADAM NIXON

Toothpaste, without the plastic.



LAURA & ADAM NIXON

Founded 2022 • Auckland

An oral hygienist and her business-manager husband launched solid toothpaste in refillable jars, removing the need for plastic tubes. They bootstrapped their first batches from the kitchen.

In 2023 they raised \$23k through rewards-based crowdfunding to move from the kitchen into a factory. Last year, they secured an interest-free loan from Coralus to fund their Australian expansion.

\$23k

FIRST RAISE
• 2023

0%

INTEREST ON
CORALUS LOAN

2

COUNTRIES
• NOW

Chapter One · continued

1.2

The landscape today.

What the funding market actually looks like in 2026, and the trap too many physical product founders fall into.



Fewer than 1 in 10 capital-raise deals go to *physical product* companies.

10 of 144 ~ 70%

Reported capital raises that went to physical product companies in 2023, under 7% of all tracked deals.

Of those deals were follow-on rounds, meaning very few new, early-stage physical product entrants got funded at all.

BUT, SAME YEAR

The picture is wider than what gets tracked.

YCF TRACKED · 2023



10

PLEDGEME · F&B + PRODUCT



20

2x the tracked count, from a single platform. The visible market still tilts toward tech, but the deals are happening.

EXPECT THIS

You'll self-fund longer than you expect.

Most physical product founders move through multiple funding paths before they get to the "real" raise.

DoseBuddy, for example, started with personal funds, added a bank loan, and then turned to rewards crowdfunding, each step solving a different constraint.

Planning for that sequence, rather than betting on a single round, is what gets companies to breakeven without running out of road.

01 Personal funds

Bootstrap. Reduce, reduce, reduce.

02 Friends, family & bank debt

Small, relationship-led, often interest-bearing.

03 Crowdfunding & angels

First external equity, often both at once.

04 Growth capital

PE, VC, strategic investors.

THE TRAP

Founders rush into VC because *"that's what startups do."*

We've watched too many founders spend months chasing venture capital only to come back with *"it didn't work."*

For physical product companies, thinking VC is the only path is a trap. The economics are different. Your growth curve is probably a steady climb, not a hockey stick.

VCs need 10–20× in ten years. Your company might be better off growing profitably and sustainably, not exponentially.

ALIGNMENT MATTERS

You're looking for the *right kind* of money, aligned to *your* plans.

YOU

What you want or need

THEM

What the funder wants or needs

KNOW YOUR OPTIONS

Many ways to fund a physical product business.

Equity

| | |
|--------------------|-------|
| Founder investment | YOURS |
|--------------------|-------|

| | |
|------------------|--------------|
| Family & Friends | RELATIONSHIP |
|------------------|--------------|

| | |
|-----------------|------|
| Angel Investors | SEED |
|-----------------|------|

| | |
|---------------------|-------|
| Equity Crowdfunding | CROWD |
|---------------------|-------|

| | |
|-----------------|----------|
| Venture Capital | \$2-25M+ |
|-----------------|----------|

| | |
|----------------|--------|
| Private Equity | GROWTH |
|----------------|--------|

| | |
|----------------|--------|
| Listed Markets | PUBLIC |
|----------------|--------|

Debt

| | |
|--------------|-------|
| Founder loan | YOURS |
|--------------|-------|

| | |
|----------|--------------|
| F&F loan | RELATIONSHIP |
|----------|--------------|

| | |
|-----------|------|
| Term loan | BANK |
|-----------|------|

| | |
|----------------|------|
| Line of credit | BANK |
|----------------|------|

| | |
|-------------|----------|
| Credit card | PERSONAL |
|-------------|----------|

| | |
|-----|----------|
| P2P | PLATFORM |
|-----|----------|

| | |
|-------------------|----------|
| Invoice financing | CASHFLOW |
|-------------------|----------|

Other

| | |
|---------------|---------|
| Bootstrapping | REVENUE |
|---------------|---------|

| | |
|--------|------|
| Grants | GOVT |
|--------|------|

| | |
|-----------|-----------|
| Pre-sales | CUSTOMERS |
|-----------|-----------|

| | |
|----------------------|-------|
| Rewards crowdfunding | CROWD |
|----------------------|-------|

| | |
|------------------|-----|
| RDTI tax credits | IRD |
|------------------|-----|

What each path is actually for.

BOOTSTRAPPING

Personal funds

Your own money goes in. Reduce costs, then reduce them again. Decide up front whether you treat it as a loan to the company or an investment.

Stage · Idea → Launch

INVOICE FINANCE

Cashflow bridge

Borrow against invoices owing. Useful when you've landed a retailer but won't get paid for 60–90 days.

Stage · Revenue

GRANTS

Government co-funding

Non-dilutive funding for specific costs. RBPN, Callaghan, regional funds. Slow but strategic.

Stage · Any

FRIENDS & FAMILY

Private round

Friends, family or advisors put in money. Be careful not to publicly solicit, know which exemption applies.

Stage · Pre-revenue

CROWDFUNDING · REWARDS

Pre-sell the product

Pre-tail product runs or specific projects, a bigger chocolate machine, a new factory shed. Also a way to test demand with real dollars behind it.

Stage · Launch

BANK

Term loan

Traditionally hard for founders, too risky unless you're asset-rich. BNZ and Kiwibank are launching new startup products worth watching.

Stage · Post-revenue

Scaling and exit capital.

CROWDFUNDING · EQUITY

Growth + community

A sweet spot at 2–3 years in-market, with a growing crowd and a new product or market to pursue. Investors become your advocates.

Check · Up to ~\$2m

ANGELS

Early seed

Wholesale investors. Higher risk tolerance. Often mainly tech these days, but physical-product angels do exist. Sometimes bridging with convertible notes.

Check · \$50k–\$4m

VENTURE CAPITAL

Hockey-stick bet

Seed through Series C. Looking for the growth curve that delivers a 10x+. Often tech or big verticals; hard terrain for most product companies.

Check · \$2m–\$25m+

PRIVATE EQUITY

Scale & exit

Typically buys stakes in, or out of, profitable businesses. Grows them to IPO or onward sale.

Check · \$10m+

LISTED MARKETS

Public capital

NZX Main Board or growth markets. High compliance bar, high liquidity. A later-stage option for mature companies.

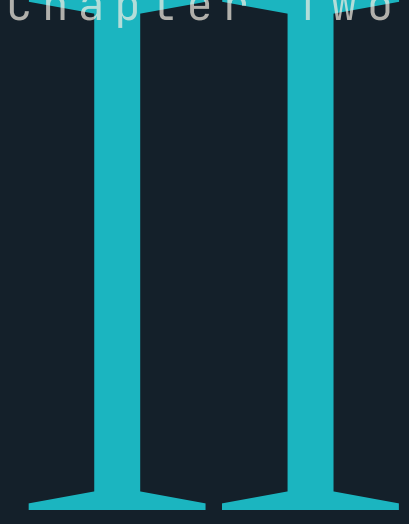
Check · \$20m+

RDTI

R&D tax credit

Not cash up front, but a real offset if you're doing qualifying R&D. Forecast it like a grant: slow to land, but meaningful.

Stage · Any w/ R&D



How to prepare.

The work you do before a raise determines whether the raise actually happens.



READINESS

When do external investors get interested?

When you've got the plan, the team, the global opportunity, and the ambition to go after all three.

01 · PEOPLE

A team that can deliver.

Founders who've done this before, or advisors who have. Investors back people first.

02 · MARKET

A market big enough to matter.

New Zealand is proof, not destination. Think Australia, the US west coast, Japan.

03 · PLAN

A growth plan you believe in.

A clear path from today's product to real revenue, with numbers, not vibes.



”

Every FMCG product business I've worked with that raised money successfully, *pretty much every one*, had a global plan.

CHRIS THOMAS

PARTNER · DUNCAN COTTERILL

BEFORE YOU PITCH

What to work out about your own business *first*.

A growth plan is a story about how your business gets from here to a defensible, profitable future, with numbers behind it.

Start by pressure-testing your own business on three axes. If any of them is shaky, fix that before you ask anyone for money.

01 Your model

Can you actually make revenue, and profit, at scale?

02 Your competitive advantage

Are you genuinely differentiated? Why you, why now, why not them?

03 Your levers to scale

Value-prop or value-architecture levers you can pull, without adding linear cost.

INITIATIVES FOR GROWTH

What limits, and what enables, your growth?

Opportunities

Enter a new market

Acquire new customers

Launch a new product

Change the business model

Partner or licence

Where can you expand?

Barriers

Highly competitive / saturated market

Understaffed or under-skilled

Insufficient cashflow

Low risk appetite (yours or the market's)

Supply chain concentration

What's in the way?

Resources

Build management capability

CapEx, factory, equipment

Acquisitions & partnerships

Sales & marketing investment

IP & brand protection

What do you need?

THE NUMBERS

Then put the story into *three forecasts.*

FORECAST · 01

Profit & Loss

What you sell, what it costs,
what's left.

MONTHLY · 36 MONTHS

FORECAST · 02

Balance Sheet

What you own, what you owe,
what's yours.

QUARTERLY · 12 QUARTERS

FORECAST · 03

Cashflow

When the money actually moves
in, and out.

WEEKLY · 52 WEEKS

A DIFFERENT BEAST

Tech companies fund *operating losses*. Product companies fund *that, plus a balance sheet*.

Like a tech company, you have to fund net cash burn until you reach breakeven. Unlike a tech company, two large items sit on your balance sheet that have to be funded as well, both of which scale with growth, not against it.

TECH • SOFTWARE • SERVICE

Weightless.

| | |
|-----------------------------|------|
| Operating burn to breakeven | FUND |
| Fixed assets / CapEx | SKIP |
| Working capital | SKIP |

No factory. No inventory. No retail customer waiting 60 days to pay.

PHYSICAL PRODUCT COMPANY

Three things to fund.

| | | |
|----|---|---------------|
| 01 | Operating burn to breakeven The cash you spend until profit kicks in. | P&L |
| 02 | Fixed assets / <i>CapEx</i> Long-life manufacturing equipment, fit-out, plant. | BALANCE SHEET |
| 03 | Working capital / <i>Inventory + AR</i> Cash circulating through normal trading activity. | BALANCE SHEET |

*Items 2 and 3 are the reason product companies need **more capital, for longer**, and why VC equity rarely fits the shape.*

BALANCE SHEET • ITEM 02

Fixed assets need *patient capital*.

Manufacturers build the things they sell. That generally means manufacturing facilities, plant and equipment, large assets, often with long useful lives.

Long-life assets need *long-term funding*. The two have to match. You can't fund a 20-year machine with a 12-month overdraft, or with a VC fund that needs to return its money in seven.

This is exactly where equity, and patient debt, align well with physical product companies. Often VC equity doesn't have the patience for assets that pay back over a decade.

MATCH THE TERM TO THE ASSET

| | |
|------------------------|-----------|
| Manufacturing facility | 15-25 YRS |
| Plant & equipment | 7-15 YRS |
| Fit-out & tooling | 3-7 YRS |

ALIGNED

Equity • long-term debt • patient family/strategic capital

MISALIGNED

VC equity • short overdrafts • revolving credit

BALANCE SHEET • ITEM 03

Working capital is the *quiet killer* of growing product companies.

Working capital is the cash circulating through your business in normal trading. It's commonly overlooked, and it grows as you grow.

20% RULE OF THUMB
 of revenue, tied up on your balance sheet as inventory and aged receivables.

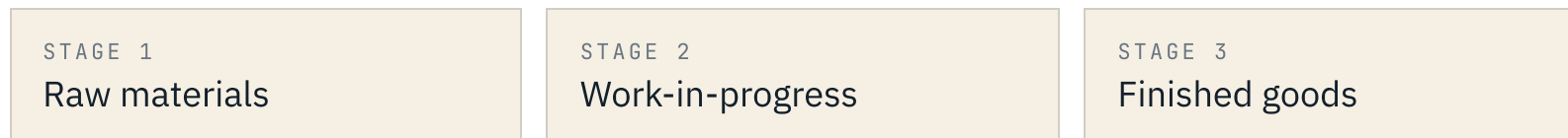
WHAT THIS MEANS IN PRACTICE

\$10m REVENUE → **\$2m** IN FUNDED INVENTORY + AR

Service, software and tech companies don't carry this. You do.

SIDE A • INVENTORY

Stock moving through the business



Grows further when you buy raw materials in larger volumes for better pricing, a growth move that ties up more cash.

SIDE B • ACCOUNTS RECEIVABLE

The gap between dispatch and payment



Bigger deals = longer terms. Your customer is decreasing *their* working capital by stretching *yours*.



BREAKEVEN IS THE MILESTONE

”

Breakeven just means you've stopped bleeding cash. It's the most important milestone.

"If you run out of cash in year two, you can say '*I just need a year.*' That's very different to needing three. Have a believable plan that gets you to breakeven in year three."

JEREMY MOON

FOUNDER · ICEBREAKER

CONFIDENCE COMPOUNDS

Professionalism builds confidence *faster than any pitch deck.*

"You have to be prepared when you're raising capital. Think of it as selling part of your business."

CHRIS THOMAS · DUNCAN COTTERILL



Know where every key document lives

Shareholders' agreement, cap table, contracts, IP. Not in your head.



Understand what you're signing

Read before you sign. Get a lawyer who knows capital raising.



Have a 'data room' ready

An organised place for the key documents. Builds trust immediately.



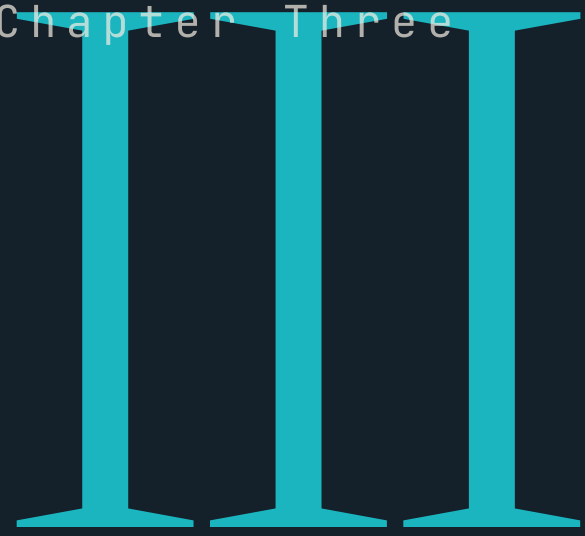
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Don't be afraid to *ask for help* as you prepare. Other founders who came before you will often have coffee and share their experiences, and people in your own crowd may have the skills you need.

ANNA GUENTHER

CO-FOUNDER · PLEDGEME

Chapter Three



Learn from others.

Timing, trade-offs and tactics, from the founders who actually did it.



THE HONEST QUESTION

When is the *right* time to raise?

Most founders underestimate both the time it takes and the emotional toll when it doesn't land. Before you start, get honest.

01

Why now?

What's changed that makes this the moment, not next quarter, not last one?

02

What exactly are you raising for?

Name the specific initiatives. "Growth" isn't an answer, it's a vibe.

03

Is growth held back by *money*, or by *focus*?

Cash is the easy answer. It's often not the right one.

A QUICK TOUR

How other founders actually funded their companies.



Ethique

Private investors → equity crowdfunding → angels → PE. 48× return on initial crowd.



Parrotdog

Credit cards → family loans → equity crowdfunding & bank debt for scale.



Icebreaker

Bank loan to finance kitchen renovation → friends-of-family investors → global export.



Vince

Project-led crowdfunding → angel round with Flying Kiwi Angels.



Natural Paint Co.

Attempted VC raise → pivoted back to equity crowdfunding.



DoseBuddy

Personal funds → Kiwibank loan → rewards crowdfunding (smashed goal 2.4×).



Solid

Bootstrap → small equity raise → interest-free Coralus loan for Australia.



Trilogy

Private capital → strategic sale × 2 (Ecoya, then \$211m exit).

THE TWO ROUTES

Where does crowdfunding fit?

ROUTE A • REWARDS-BASED

Just starting, or launching something new.

You're pre-selling your product. You need to market to a wider crowd and you see the upside of early customers becoming your loudest advocates. You're probably not ready to hit the numbers for an equity offer, but need to grow efficiencies of scale (eg. buy a new machine, move into a new factory).

Best for: young companies with product-market fit, good rewards they can offer and a crowd they can activate.

DOSEBUDDY • SOLID • EARLY-STAGE BRANDS

ROUTE B • EQUITY-BASED

Funding a clear growth plan

You're planning meaningful growth or a future exit. You have the trading history to back a share price and a clear story about what's in it for your investors. Often a focus on export goes down well with investors, and you need to raise enough for 12 months of your growth plan.

Best for: established companies (2+ years of trading) who see the value of marketing and have a crowd to convert.

ETHIQUE • PARROTD OG • ESTABLISHED BRANDS



THE MATTS · PARROTD OG

Case study · 01

Parrotdog

"Did we want a big daddy investor, or a crowd who'd drink beer with us?"

Three Matts brewing in a flat in 2011. Credit cards funded the first batches. By 2016, growth meant a choice: take institutional money, or turn the crowd into shareholders.

They chose the crowd. A day-by-day plan went on the wall. The raise was built to win, or lose, fast.

\$1.2m

MINIMUM HIT · 12 HOURS

\$2m

TOTAL RAISED · 2 DAYS

796

NEW SHAREHOLDERS

FOUR GUIDING PRINCIPLES

How they turned a crowd into a smashing raise.

01

Have fun

A standout pitch video that reflected the brand and their sense of humour. Being themselves was a must.

02

Build anticipation

Grew an investor newsletter from 800 to 4,000. Released the offer document a week early. Secured mainstream media before launch day.

03

Gain respect

A well-written, professionally designed information memorandum. Plus an in-person investment evening for serious prospects.

04

Go live

Hit the \$1.2m minimum in 12 hours. \$2m inside two days. Personalised bar handles for anyone investing \$2k+.



BRIANNE WEST · ETHIQUE

Case study · 02

Ethique

A science student's kitchen, an idea about plastic, and two crowdfunds that changed the company.

Brianne West was 24 when she started making solid shampoos from her kitchen in Christchurch. Her first raise in 2015 was fully crowd based. It helped her move into a factory and rebrand from Sorbet to Ethique.

The 2017 round was 50% crowd/50% angel, and funded global expansion, working capital, and R&D.

WHAT IT BROUGHT THEM

A crowd that kept showing up, *and a 48x exit.*

10m

PLASTIC BOTTLES PREVENTED by 2020
(THE GOAL WAS 1m)

22

COUNTRIES · 2020

8,000

RETAILERS

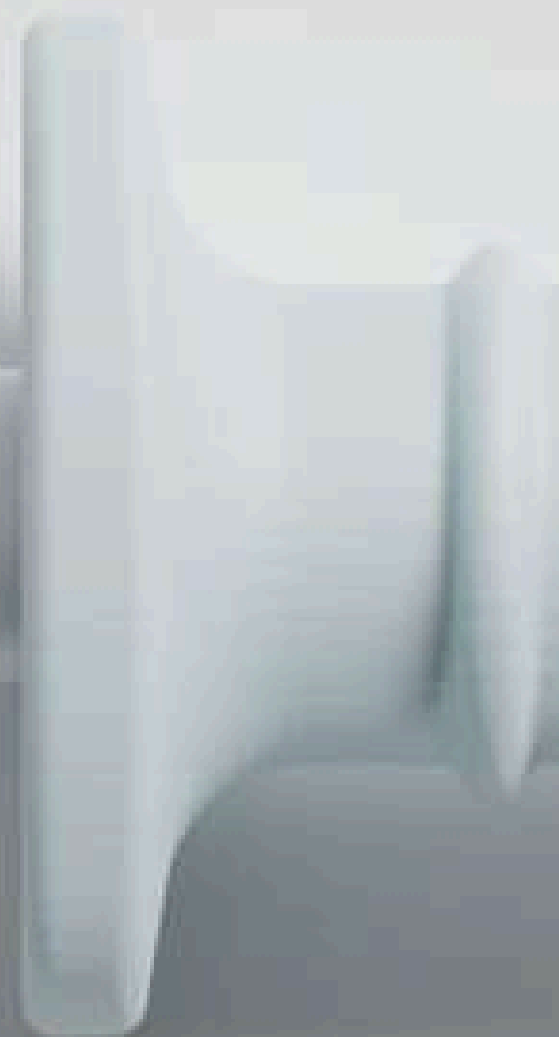
48x

CROWD INVESTOR RETURN

"We have a purpose and a story people resonate with. It's a fun product, everybody uses it, and it's not hard to explain."

Brianne built her crowd on Facebook and at markets first. Every campaign delivered more than it promised, which made the next one easier.

BRIANNE WEST · FOUNDER, ETHIQUE



+DoseBuddy.



SASHA • DOSEBUDDY

Case study · 03

DoseBuddy

Sasha's "syringe that doesn't suck" hit its goal in 3 hours, and kept going.

Late nights with a sick child, a syringe with rubbed-off numbers, and the question every parent has had: *why isn't this better?*

Sasha stopped waiting for someone else to solve this, and hired Tune Design to help. She bootstrapped → Kiwibank loan for prototyping → rewards crowdfunding for the first production run. Pure marketing, with some cash attached.

THE PLAYBOOK

How she got *4,000 people* on a waitlist.



- 01 Klaviyo + embed**, A simple sign-up form on the website with a video explaining how DoseBuddy came to be.
- 02 Meta lead forms**, Native lead ads, so signing up took seconds without leaving the app.
- 03 Organic, two weeks out**, TikTok, Instagram, Facebook. Personal channels alongside the brand ones.
- 04 The raw origin story**, Sleepless nights, rubbed-off numbers, a real problem worth fixing.
- 05 Diary-style emails**, Personal updates, not polished automation. 4,000 people came along for the ride.

THE LESSON

People don't pledge to products. They pledge to *people*.

Parents pledged. Grandparents pledged. People nowhere near the target market pledged.

No glossy "perfect parent" ads. Sasha leaned into the messy reality: sick kids, sleepless nights, and the need for tools that actually work.

She kept communicating *after* hitting her goal. She set stretch targets, explained where the extra money would go, ran a prezzy-card competition for early pledgers.

THE TAKEAWAYS

Share the raw origin, not the polished one.

Build the waitlist before the campaign.

Let personality lead the product.

Keep talking, win or lose.

THE FUNDING FILES PODCAST → SASHA'S EPISODE

Build on the *land.*

Written by Anna Guenther & Jacky Laverty with thanks to every founder who shared their story, and to Chris Thomas (Duncan Cotterill) and Jeremy Moon (Icebreaker) for their time.

Interested in learning more about crowdfunding?

Email us on contact@pledgeme.co.nz.

Interested in learning more about how different companies have funded their journeys?

Listen to *The Funding Files* on Spotify, Apple, or wherever you get your podcasts.

