

VideoPlaza raises €420k seed funding

Swedish VC firm Creandum invests €420k together with business angels Henrik Torstensson and Magnus Hultman in the online video advertising startup VideoPlaza. This seed round investment will prepare the company for international expansion.

One of the top Swedish VC firms, Creandum, makes an early investment in the Swedish online video advertising startup VideoPlaza AB. Together with the business angels Henrik Torstensson (with background in Stardoll and Tradedoubler) and Magnus Hultman (background in Omniture), they invest €420k.

“Only during the last year, the consumption of online video has increased with 115% in Sweden and the market is literally exploding. We believe that the team behind VideoPlaza has the energy and the ability to attract good people required to become successful, even outside of Sweden. Hence, an early investment like this is strictly logical for us”, says Fredrik Cassel at Creandum.

The money will be used to build an organisation that can handle rapid growth and international expansion without losing the good level of service that VideoPlaza’s customers have experienced so far.

Since it’s incorporation last fall, VideoPlaza has rapidly developed a dedicated advertising solution for publishers of online video. The product was launched in March on Kanal5.se, the website of Sweden’s third largest TV-station, and only one month later, Kanal5 announced their online video service as profitable. During the summer, two additional major Swedish media companies have signed for the company’s advertising solution. The details are still unofficial.

“We have a really hectic six months behind us, and I’m happy with what we have achieved. We have managed to help our customer’s to turn their businesses profitable and getting Creandum and the angels aboard further validates that we’re heading in just the right direction”, says Sorosh Tavakoli, founder and CEO of VideoPlaza.

“With the support of our investors, we can now raise our ambitions even higher and build a product and an organisation that can handle international expansion.”

Already, VideoPlaza has recruited three new employees in order to increase the development pace and during this fall, sales efforts will be made outside Sweden.

“We are really confident in our product and are looking forward to get it out there. The business of online video is still not near it’s full commercial potential, we want to help it get there”, says Mr. Tavakoli.

About VideoPlaza

VideoPlaza AB was founded in the autumn of 2007 by Sorosh Tavakoli, Dante Buhay and Alfred Ruth. The company helps online video publishers to monetize their content by supplying a stand-alone advertising solution for streaming video. VideoPlaza's solution maximizes the ad inventory without being obtrusive to the end user paving the way for increased revenues. So far, three major Swedish media companies have chosen VideoPlaza technology. www.videoplaza.se

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About Creandum

Creandum is a Nordic venture capital firm investing in early-stage technology companies. The firm has 120 million Euros under management and is today the fastest growing independent partnership of its kind in the Nordic region. www.creandum.com

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