

Healthcare industry BW

New financing conditions from High-Tech Gründerfonds

High-Tech Gründerfonds (HTGF) is raising its seed investment to €600k and lowering interest rates by 4%. This is in response to changing requirements in the start-up and venture capital scene, as well as current interest rate trends. The package of measures will be effective from January 1, 2016.

Since 2005, High-Tech Gründerfonds (HTGF) has been financing young technology start-ups that aim to take promising research outcomes to commercialization: from cleantech and robotics to developing active pharmaceutical ingredients, and from chemistry to software. Launched as a public-private partnership, the fund has already financed more than 420 start-ups. The investment terms can be quite flexible if private investors decide to invest in start-ups with the same investment contributions as HTGF. However, if HTGF is the biggest investor, HTGF participates with the HTGF standard conditions. Today, HTGF announced a change of these financing conditions for new investments:

- The maximum seed investment amount will be raised from €500k to €600k. Additionally, the maximum amount of shares that HTGF will obtain will be 15% (HTGF standard conditions case), with up to €1.4m being available for subsequent rounds for every invested start-up.
- The interest rate of the subordinated loans will be reduced from 10% to 6%, and interest payments will be deferred for 4 years to preserve the start-up's liquidity.
- The founders' financial contributions will be adjusted to a uniform 10% of the initial HTGF seed investment across all old and new federal states. Investors (business angels, private, and public investors) may provide half of this amount.

HTGF has set itself the task to stimulate the high-tech start-up market. Even if it means taking greater risks, these changed conditions are intended to send a message to the venture capital scene. It's precisely in sectors such as life sciences or mechanical engineering that the capital requirement is high right from the start. As commented by Dr. Michael Brandkamp and Dr. Alex von Frankenberg, High-Tech Gründerfonds Managing Directors: "We believe that a change to the financing conditions is necessary in order to continue offering attractive conditions in line with market requirements. The aim of increasing seed investment is to safeguard companies' liquidity in the first 12 to 18 months."

Press release

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Further information

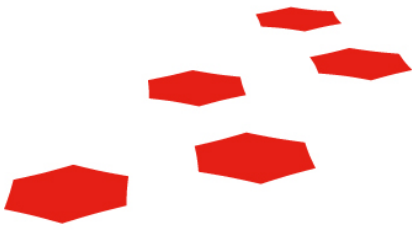
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