

Press Release

Düsseldorf/Münster, September 1, 2022

NRW.BANK steps up funding for start-ups again

After the NRW.Start-up akut COVID-19 aid programme, the bank launches the new NRW.SeedCon convertible loan for young companies

In order to support young, innovative companies in North Rhine-Westphalia even more than before, NRW.BANK today launched a new convertible loan: **NRW.SeedCon**. At the same time, the bank draws a positive conclusion of the **NRW.Start-up akut** convertible loan, which ended in the middle of the year. It provided 270 financings with a volume of around 52 million euros via this COVID-19 aid programme.

Mona Neubaur, Minister of Economic Affairs, Industry, Climate Action and Energy of the State of North Rhine-Westphalia: "The predecessor programme has shown that there is a great need for a financing programme for very young start-ups even beyond the COVID-19 pandemic. I very much welcome the fact that we, as the state of North Rhine-Westphalia, continue to support founders in their first steps with the new NRW.SeedCon programme and thereby further strengthen the start-up landscape. This is the only way for innovative ideas to grow and for young companies to develop smart solutions for the challenges facing the economy and climate protection."

"Especially in the very early stages of their business, start-ups still find it difficult to attract private investors. Our new convertible loan closes precisely this financing gap," explains Michael Stölting, member of the Managing Board of NRW.BANK. "Our mission as a promotional bank is to provide every promising business idea in North Rhine-Westphalia with the right financing."

Under NRW.BANK's new convertible loan programme, companies that are no older than three years receive between 50,000 and 200,000 euros. Interest and principal payments are due at the end of the term. This brings the advantage that during the seven-year term of the loan, companies are not burdened with interest and principal payments.

The convertible loans granted via NRW.SeedCon are subordinated and borrowers do not have to provide collateral. This is why the loans are considered near-equity funding. Another special feature of convertible loans: under certain conditions,

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the lender can convert the loan into a stake in the start-up, in which case the loan does not have to be repaid.

For more information, visit www.nrwbank.de/seedcon

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About NRW.BANK

NRW.BANK is the promotional bank of North Rhine-Westphalia (NRW). Its mission is to support its owner – the state of North Rhine-Westphalia – in the completion of its structural and economic policy tasks. In its three promotional fields “Economy”, “Housing” and “Infrastructure/Municipalities”, NRW.BANK uses a wide range of promotion tools – from low-interest promotion loans to equity financing to advisory services. It cooperates with all banks and savings banks based in NRW on a competition-neutral basis. NRW.BANK takes into account the existing offers by the Federal Government, the North Rhine-Westphalian government and the European Union in the arrangement of its promotion.