

# Angel Match Program

To support early-stage New Jersey innovation companies with an additional funding source to bridge the gap experienced by companies in this stage of the business cycle. The funding will propel the creation of an entrepreneurial ecosystem that stimulates innovation and economic development, providing employment opportunities for New Jersey residents.

For more information visit  
[www.NJEDA.gov/AngelMatch/](http://www.NJEDA.gov/AngelMatch/)

## Dollar Amount & Uses

- \$100,000 - \$500,000 in the form of Convertible Notes with warrants

## Benefits

- Provides growth capital to support early-stage companies from product development towards successful, scalable commercialization
- Investments through the Angel Match Program will help stimulate business growth, additional capital investment, and creation of high-skilled jobs in New Jersey

## Program Details

- Investment in the form of Convertible Notes with warrants
- Individual Note amounts between \$100,000 - \$500,000 based on match funding and EDA analysis of company financing and operations, management team and experience, the product and target market, as well as investor type and involvement
- Note matched \$1 (EDA): \$1 (Qualified Outside Investment)
- Minimum round size of \$100,000
- Company must close external investments within 60 days of NJEDA commitment letter
- No restriction on participation in other NJEDA programs

## Financing Instrument

- Convertible Promissory Note - 10-year maturity ; 3% interest rate ; 50% warrant coverage
- Convertible - the EDA will have the right to convert its debt to equity in a future financing round raising \$1,000,000 or more under the same terms as any other investor in the round
- Repayment – 10-year maturity. No payments for first 7 years. If the Note has not converted to equity by beginning of year 8/month 85, repayment of principal plus interest payments for the remaining 3 years to full amortization
- Interest – 3% interest rate accrues and capitalizes annually
- Warrant – the EDA will receive warrants in consideration for the financing. The warrants will have a 10-year life and be on the EDA's standard warrant form. The amount of warrant coverage is 50% of the EDA's Note amount

*continued*

## Eligibility Requirements

### *Company*

- Early-stage in NJEDA targeted industries
- Structured as a C-Corporation or a LLC with Unit Structure
- Located in physical commercial office, co-working or incubator space in New Jersey
- At least 50 percent of full-time employees in New Jersey
- A minimum of 2 full-time founders / C-level executives working in New Jersey
- Company must be registered to do business in New Jersey and in good standing as certified by a valid tax clearance certificate

### *Business Model*

- Product-based
- Capital efficient and scalable - revenue growth will significantly outpace the expense growth and funding requirements
- Large, identifiable target market
- Minimum 12 months trailing sales revenue of \$100,000 from core product/ technology. Research, grants, consulting, or other any other method that could be considered service based revenue excluded

### *Outside Investment*

- Matching funds from a minimum of two investors
- Investor must be an investment entity (Angel Fund, Family Office, Investment Partnership, or LLC) or an individual member of an organized investment group. Funds raised from employees or family members will not be considered
- Matching funds from external investors must be received by the Company within 60 days of NJEDA commitment letter

### *Commitment to New Jersey*

- Company agrees to remain located with at least 50% of full-time employees in NJ for the duration of the loan

## Fees

- Application Fee: \$1000
- Modification fee: \$250 minor/ \$1000 major

Please note, all fees associated with application are non-refundable

## Contact

Please contact us at [AngelMatch@njeda.gov](mailto:AngelMatch@njeda.gov) to speak to an Innovation Officer

