

Pro FIT – early phase financing

Programme to promote research, innovation and technologies

Preparing and accompanying innovative projects with grants and loans

Who is eligible for support?

Newly established, technology-orientated companies based in Berlin. Your company is planning an innovation project (R&D anchor project) and should be no older than 12 months in order to receive financing under early phase 1, and no older than 24 months if applying for financing under early phase 2. Financing of the “anchor project” under **Pro FIT** is possible.

What is supported?

The aim of Pro FIT early phase financing is to improve financing possibilities for technology companies in the early phase of their establishment. Pro FIT early phase financing will make it easier for technology-orientated founders to set up their business infrastructure and to finance general business operations.

Funding is available for:

- Personnel expenditure (especially for executives)
- Investment expenditure
- Ongoing operating expenditure

During both early phases, financing is available for all of your company’s necessary and reasonable expenses which are neither directly linked to the “anchor project” nor incurred in conjunction with sales-related customer orders.

Note: This financing cannot be combined with support under the common task programme.

What kind of support is available?

Financing is provided, depending on the respective early phase, in the form of non-repayable grants and/or low-interest loans. In both early phases, financing is available to cover 100% of expenses eligible for support.

- **Early phase 1:** Up to 50% of expenses in early phase 1 are financed with a non-repayable grant and a loan. Early phase 1 lasts for a maximum period of 1 year. The “anchor project” must have begun before the end of early phase 1.
- **Early phase 2:** Expenses in early phase 2 are financed with a loan. Early phase 2 ends no later than on completion of the “anchor project”.

Total financing for both phases can amount to a maximum sum of EUR 500,000 with financing in early phase 1 limited to EUR 200,000.

Terms and conditions

Loans in early phase 1 are usually granted as interest-free loans. Loans in early phase 2 are low-interest loans. The loans have a term of up to 10 years. It is possible to agree to final-maturity payment and a declaration of subordination.

The loans are granted without the need to provide collateral.

Other important details

In order to receive Pro FIT early phase financing, a mentor (motivator, networker, sparring partner) is required who is committed to your company, has the necessary entrepreneurial experience and has at least a small stake in the company's financing (at least 5% of the support amount).

How can you apply?

In addition to the application form, a detailed business plan (with text and figures) must first be submitted online to Investitionsbank Berlin using the secure electronic application procedure along with a short description of the planned anchor project, the "early-phase finance planner" as well as details of the mentor for the early phase.

Based on the documents submitted and a personal presentation by the founders, the following aspects:

- technology,
- market environment,
- market launch strategy,
- budget consistency and
- team

are used by external experts to assess the matter and in order to determine whether the planned business concept is generally suitable for and worth financing. If the outcome of this examination is positive, IBB will request additional documents from the applicant in order to perform its commercial examination.

Only when the application has been received by IBB and after its approval can the early phase project begin at the applicant's own financial risk. The approval committee decides whether to grant allowances.



IBB also provides an advisory service for applications. IBB commissions external experts and specialist project sponsors for the purpose of confidential evaluation, qualification and supervision. The completeness and quality of the documents submitted strongly influence the time it takes to process and decide on the application.

Please contact us at the earliest possible date. Our customer centre will be pleased to answer detailed questions regarding the programme and assist you with your application.

Application documents can be found at: www.ibb.de/profit-fruehphase. Alternatively, you can submit your project application online using the electronic application available at: www.ibb.de/kundenportal.

Investitionsbank Berlin
Kundenberatung Wirtschaftsförderung (Business Customer Centre)
Bundesallee 210, 10719 Berlin
Telephone: +49 (0) 30 / 2125-4747
Fax: +49 (0) 30 / 2125-4329
E-mail: wirtschaft@ibb.de

FAQs regarding the ProFIT early phase financing programme

1. What is the difference between early phase 1 and early phase 2?

Early phase 1 refers to the start-up phase of a company. During this phase, the establishment of the company infrastructure and preparations for the “anchor project” are supported with grants and loans (50:50). Early phase 2 runs parallel to the “anchor project”. During this phase, loans are provided to finance further expansion of the company.

2. Is it also possible to apply for financing for early phase 1 only?

Yes.

3. How old can start-up companies be?

Only small start-up companies based in Berlin can apply for early phase 1 financing. These companies may not be older than 12 months at the time the project application is submitted.

The point in time when business operations commence is decisive for determining how old a company is. Before business operations commence, the decisive point in time is the time when the articles of association were signed and first costs (rent, salaries, etc.) were incurred at the company. If an application is submitted for early phase 2 financing only, the applicant company must be no more than 24 months old at the time the project application is received by IBB.

4. What is an “anchor project”?

Financial support is only available for small companies preparing and/or planning an innovation project. This innovation project is referred to as an “anchor project” and establishes the technology and innovation reference which is a decisive precondition for early phase financing under the **Pro FIT** programme. Financing for the “anchor project” under the Pro FIT programme is recommended but is not mandatory.

5. Which requirements apply with a view to the innovative character of an “anchor project”?

The requirements that apply to the innovative character of an “anchor project” are the same as the requirements according to No. 2 of the guidelines for programmes to promote research, innovation and technology (**Pro FIT**). The state of the art is the benchmark for evaluating the innovative character. The planned services and products must feature USPs.

6. Which terms and conditions does Pro FIT early phase financing offer for loans?

The loans granted in early phase 1 are interest free. The interest rates for loans in early phase 2 are based on KfW's terms and conditions for innovation financing and are below market conditions. Rates vary between 2% and 5% depending on the financing risk and type.

7. What kind of collateral must be furnished for redeemable funds?

Loans are granted both for early phase 1 and early phase 2 without the provision of collateral.

More FAQs can be found at: www.ibb.de/profit-fruehphase.