Financing Principles of the Brandenburg Ministry of Economy, Energy, Climate Protection, and Europe for the Brandenburg Future Tech Fund

1 Purpose and Legal Basis

1.1 Through the Future Tech Fund Brandenburg (BFB STEP), the State of Brandenburg shall support the strengthening of the competitiveness of both start-ups and established small and medium-sized enterprises (SMEs)[1] in the start-up, early-stage, and growth phases that have their headquarters or permanent establishment in the State of Brandenburg or that intend to establish a permanent establishment in the State of Brandenburg, by acquiring equity stakes and/or making equity-like investments.

The BFB STEP shall serve as a lever to generate private capital. The aim is to preserve or strengthen business potential in order to foster growth in Brandenburg.

The BFB STEP shall aim to make the European Union more resilient and sustainable by financing SMEs with an innovative focus on strategic sectors and critical technologies.

1.2 Support shall be provided in accordance with these financing principles as well as with the State of Brandenburg's program for the European Regional Development Fund and the Just Transition Fund for 2021–2027 (ERDF/JTF Program BB 21|27), including:

- Regulation (EU) 2021/1058 of the European Parliament and of the Council of June 24, 2021, on the European Regional Development Fund and the Cohesion Fund (ERDF Regulation) (OJ L 231, June 30, 2021, p. 60);
- Regulation (EU) 2021/1060 of the European Parliament and of the Council of June 24, 2021, laying down common provisions for the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund, and the European Maritime, Fisheries and Aquaculture Fund, as well as budgetary provisions for these funds and for the Asylum, Migration, and Integration Fund, the Internal Security Fund, and the Instrument for Financial Support for Border Management and Visa Policy (Umbrella Regulation) (OJ L 231, June 30, 2021, p. 159);
- Regulation (EU) 2024/795 of the European Parliament and of the Council of February 29, 2024, establishing the "Strategic Technologies for Europe" platform (STEP) (OJ L 2024/795 of March 20, 2024), as amended by Regulation (EU) 2025/2653 of the European Parliament and of the Council of December 19, 2025 (OJ L 2025/2653, December 22, 2025), hereinafter referred to as the STEP Regulation;
- Regulation (EU) 2021/1056 of the European Parliament and of the Council of June 24, 2021, establishing the Just Transition Fund (JTF Regulation) (OJ L 231, June 30, 2021, p. 1) as amended from time to time.

1.3 Start-up and early-stage financing as defined in Section 2.1 of these Funding Principles shall constitute aid within the meaning of Article 107(1) of the Treaty on the Functioning of the European Union (TFEU), which, pursuant to Article 22 of the Commission's General Block Exemption

[1] "Small and medium-sized enterprises" or "SMEs" as defined in these financing principles are enterprises that meet the requirements of Article 2(1) of Annex 1 to the General Block Exemption Regulation (Commission Regulation (EU) No. 651/2014 of June 17, 2014 (OJ L 187, June 26, 2014, p. 1), as amended.)

Regulation (EU) No. 651/2014 of June 17, 2014 (OJ L 187, June 26, 2014, p. 1), as amended (hereinafter "GBER"), shall be compatible with the internal market and shall be exempt from the notification requirement under Article 108(3) TFEU.

1.4 There is no legal entitlement to financing. The Investitionsbank des Landes Brandenburg (ILB) shall decide on the allocation of equity investments and/or equity-like investments.

1.5 When financing projects with funds from the European Structural Funds, the cross-cutting principles—gender equality, non-discrimination, and the promotion of sustainable development—as set forth in Article 9 of Regulation (EU) 2021/1060 shall be taken into account.

Accordingly, the following aspects in particular shall be taken into account and promoted during the preparation, implementation, monitoring, evaluation, and reporting of the measure:

a) gender equality, gender mainstreaming, and the integration of a gender perspective,

b) non-discrimination on the grounds of gender, ethnic origin, religion or belief, disability, age, or sexual orientation, as well as, in particular, accessibility for people with disabilities, and

c) the principle of sustainable development, which takes into account the United Nations Sustainable Development Goals, the Paris Agreement, and the principle of 'do no significant harm'.

1.6 The contribution to the consideration/implementation of the cross-cutting principles shall be confirmed in writing by the SMEs when submitting the documents. A tool in the form of an information sheet shall be provided to the SMEs by the ILB.

2 Scope of Financing

2.1 Start-up and Early-Stage Financing

The BFB STEP shall provide support unlisted small enterprises[2] (SE) during the startup and early stages through financing via open equity investments or equity-like investments (e.g. subordinated loans), with the option to combine these instruments in accordance with the General Block Exemption Regulation (exempted aid).

2.1.1 Financing falling within the scope of Article 1, paragraphs 2 through 5, of the GBER shall be excluded from financing under Section 2.1. For the purposes of applying Article 22 of the GBER, the exception for undertakings in difficulty as defined in Article 2, paragraph 18, of the GBER shall apply.

2.1.2 Enterprises that have not complied with a recovery order based on a previous Commission decision declaring aid granted by the same Member State to be unlawful and incompatible with the internal market shall be excluded from financing

[2] "Small enterprises" or "SE" for the purposes of these financing principles are enterprises that meet the conditions set forth in Article 2(2) of Annex 1 to the General Block Exemption Regulation (Commission Regulation (EU) No. 651/2014 of June 17, 2014 (OJ L 187, June 26, 2014, p. 1), as amended.)

2.2 Start-Up, Early-Stage, and Growth Financing (Not Constituting State Aid)

The BFB STEP shall support SMEs that are in the start-up and early stages or in the expansion phase (growth and expansion phase). Financing shall be provided on market terms (Market Investor Test[3] or EU Reference Interest Rate Communication[4]) through the acquisition of equity stakes and/or equity-like investments and shall not constitute state aid.

2.3 Mezzanine Financing (Not Constituting State Aid)

The BFB STEP shall support established SMEs in the commercial sector in the form of subordinated loans, taking into account developments in the money and capital markets and in accordance with the EU Reference Rate Communication[5], and shall not constitute state aid.

3 Target Companies

3.1 Start-up and Early-Stage Financing

Target companies are technology-oriented, unlisted SMEs that were registered in the commercial register no more than five years previously, have not yet distributed profits, were not formed through a merger, and have not taken over the operations of another company.

3.2 Start-up, Early-Stage, and Growth Financing

Target companies are technology- and growth-oriented SMEs.

3.3 Mezzanine Financing

Target companies are established SMEs in the commercial sector that have been in business for at least two years and report annual revenue of at least EUR 300,000.

4 Financing Requirements

4.1 The BFB STEP program shall be aimed at SMEs with their headquarters or a permanent establishment in the state of Brandenburg or that intend to establish a permanent establishment in the state of Brandenburg.

4.2. The BFB STEP shall provide financing for the financial needs of SMEs that manufacture or develop critical technologies in the STEP technology sectors as defined in the currently valid version of the regulation, or that play a significant role in the related value chains.

4.3 The sectors covered by the STEP Regulation are:

— Digital technologies and technology-intensive innovations;

— Environmentally-friendly and resource-efficient technologies;

— Biotechnologies;

— Defense technologies

[3] In accordance with the Guidelines on State Aid to Promote Risk Finance (2021/C 508/01).

[4] Commission Communication on the revision of the method for setting reference and discount rates (2008/C 14/06)

[5] Commission Communication on the revision of the method for setting reference and discount rates (2008/C 14/06)

The technologies listed above are considered critical if they meet at least one of the conditions specified in the STEP Regulation[6].

4.4 The BFB STEP shall support SMEs in making investments in tangible and intangible assets as well as in working capital. Investments to be financed shall not have been specifically finalized or fully implemented at the time the BFB STEP makes its investment decision.

4.5 SMEs with promising exit or repayment opportunities shall be sought.

4.6 At the time of the final financing disbursement, the SMEs shall have their registered office, or at least one permanent establishment or branch office in the State of Brandenburg.

4.7 The relocation of permanent establishments within the Member State or to another EU Member State shall not supported (exclusion of relocation investments from financing).

4.8 SMEs that receive financing from the BFB STEP program shall be obligated to inform the public thereof and to carry out communication measures. The information sheet titled "Transparency and Communication in the 2021–2027 Funding Period," available on the website www.ilb.de, shall be reviewed by the SME, and such review shall be confirmed in writing. Further information on this topic can be found on the website efre.brandenburg.de/kommunikation.

5. Type and Amount of Financing

5.1 Start-up and Early-Stage Financing

5.1.1 Financing shall be provided through equity investments and/or equity-like investments.

- Open equity stakes in the share capital shall not exceed 49 percent.
- Equity-like investments shall be guided by market requirements.

5.1.2 Financing shall be provided depending on the target region and capital requirements in amounts of up to EUR 500,000 or up to EUR 750,000[7]. For small and innovative[8] companies, the maximum amount shall be EUR 1,500,000.

5.1.3 Follow-on financing shall be possible, provided that the total amount does not exceed the maximum limits.

5.1.4 Personal collateral and guarantees from the shareholders shall not be required to be furnished. A private co-investment shall not be required, but shall be permitted.

5.1.5 The grant shall not exceed the maximum allowable aid intensity or the maximum allowable aid amount under the State aid regulations of the European Union when combining different forms of support. Reference shall be made to the cumulation provisions of Article 8 of the GBER.

5.1.6 Information on each individual grant exceeding EUR 100,000 shall be published on the European Commission's detailed state aid website. (https://webgate.ec.europa.eu/competition/transparency/public?lang=de).

---

6 Further details are explained in a fact sheet
7 Article 22(3)(c) of the GBER.
8 In accordance with the provisions of Article 2(80) of the GBER and Article 22(5) of the GBER.

5.2. Start-up, Early-Stage, and Growth Financing

5.2.1 Funding shall be provided through equity investments and/or equity-like investments. The BFB STEP's stake in the share capital may not exceed 49 percent.

5.2.2 An equity investment may only be made if the investment is made by public and private investors under the same conditions—pari passu—(Market Investor Test)[9] . The private investors' share shall amount to at least 30 percent.

5.2.3 Equity-like investments in the form of subordinated loans may also be made without private co-financing if they are in accordance with the EU Reference Rate Communication[10]. The market conformity of the calculation method[11] shall be ensured.

5.2.4 The investment amount per portfolio company shall not be less than EUR 300,000. The maximum total investment per SME shall be capped at EUR 6,000,000. The total amount per undertaking may be drawn down over the course of multiple financing rounds.

5.3 Mezzanine Financing

5.3.1 Financing shall be provided through the issuance of subordinated loans. The term of the subordinated loans shall be up to ten years, with flexible structuring of the grace period. One hundred percent of the funds shall be disbursed, with the aim of defining milestones for the disbursements.

5.3.2 The applicable interest rate for the subordinated loans shall be determined taking into account developments in the money and capital markets and in accordance with the EU Reference Rate Communication[12]. The market conformity of the calculation method[13] shall be ensured.

5.3.3 Depending on capital requirements, the subordinated loans shall amount to up to EUR 3,000,000. The minimum loan amount shall be set at EUR 100,000.

5.3.4 No collateral shall be required for the subordinated loan.

6. Procedure

6.1 Application Process

SMEs shall submit at least the following documents to the ILB:

- Business plan
- Documents describing the business model
- Financial metrics (e.g., annual financial statements)

The ILB shall be entitled to request additional documents to supplement and validate the application.

The ILB shall conduct its review based on standard banking and business management criteria.

---

9 In accordance with the Guidelines on State Aid to Promote Risk Finance (2021/C 508/01).
10 Commission Communication on the revision of the method for setting reference and discount rates (2008/C 14/06).
11 Commission Decision on N708/2009 of September 15, 2010.
12 Commission Communication on the revision of the method for setting reference and discount rates (2008/C 14/06).
13 Commission Decision on N708/2009 dated September 15, 2010.

6.2 Disbursement Procedure

Disbursements from the BFB STEP program shall be made on the basis of a contract with the SME. Requests for funds may be made informally.

The review of the disbursement shall be based on the disbursement requirements and shall refer—where applicable—to

- contracts,
- total financing,
- milestones,
- other factors.

6.3 Review of the Use of Funds

The ILB shall verify that funds are used for their intended purposes based on relevant reports from the SMEs, in particular

- quarterly statements from the accounting systems (e.g. totals and balances reports),
- annual financial statements.

7. Relevance to Subsidies

Pursuant to the Brandenburg Subsidy Act of 11 November 1996 (GVBl. I p. 306), Sections 2 through 6 of the Federal Subsidy Act of 29 July 1976 (BGBl. I p. 2034, 2037) shall apply to benefits under state law that constitute subsidies within the meaning of Section 264 of the German Criminal Code (StGB). The ILB shall clarify to the SME in an appropriate manner that financing under the BFB STEP constitutes a subsidy within the meaning of Section 264 of the Criminal Code (StGB). Facts that are relevant to the subsidy within the meaning of Section 264 of the Criminal Code (StGB) shall be designated to the SMEs as subsidy-relevant during the application and approval procedure.

8. Validity

8.1 Entry into Force

These funding principles shall enter into force on the day following their publication in the Official Gazette of Brandenburg.

8.2 Expiration

The Financing Principles for financing under Section 2.1—Start-up and Early-Stage Financing—shall expire on June 30, 2027.

The financing principles for financing under Section 2.2—startup, early-stage, and growth financing—and under Section 2.3—mezzanine financing—shall expire on October 31, 2030.

Published in the Official Gazette on: October 21, 2026