

	Emergency Relief / Grants	Liquidity Support <i>IMPORTANT NOTE: Applications must be submitted directly to companies' main bank.</i>	Stabilisation Measures	Support Package for Start-ups
<b>FEDERAL GOVT</b>	<p><b>Corona Interim Aid</b></p> <p>The extent of the economic impact of the pandemic has meant that many businesses are still experiencing a serious decline in revenues. The issue of ensuring their continued existence is therefore still acute. On 12 June 2020, the German Federal Government therefore agreed on the framework for a cross-sectoral interim aid programme to provide additional support to companies affected by significant decreases in revenue. This interim aid programme is an intersectoral grant programme with a runtime of three months (June to August 2020) and a maximum volume of 25 billion Euros. <i>For information on obtaining support:</i> </p>	<p><b>KfW Fast-track Loans 2020</b> </p> <ul style="list-style-type: none"> <li>Subsidised loans for purchases and running costs for <b>businesses with more than 10 employees</b> which have been trading at least since January 2019</li> <li>Max. loan amount: up to 25% of 2019 annual turnover                             <ul style="list-style-type: none"> <li>Businesses with up to 50 employees can receive max. 500,000 Euros</li> <li>Businesses with more than 50 employees can receive max. 800,000 Euros</li> </ul> </li> <li>Current interest rate is 3.00 % p.a.</li> <li>Up to 10 years for repayment, no repayment for 2 years</li> <li>100% risk assumption by KfW, i.e. 100 percent release from liability</li> </ul> <p><b>KfW Special Programme 2020</b> </p> <ul style="list-style-type: none"> <li>Special programme for the ERP Start-up Loan-Universal (for young companies &lt; 5 years) and the KfW Entrepreneur Loan (companies older &gt; 5 years)</li> <li>Loans of up to 1 bn. Euros (max. loan amount is limited; s. KfW budget)</li> <li>Interest rate of 1 - 1.46 % for SMEs and 2 - 2.12 % for bigger companies.</li> <li>90 percent release from liability for SMEs if they have existed for 3 years</li> <li>80 percent release from liability possible for larger companies</li> </ul>	<p><b>Economic Stabilisation Fund</b> </p> <p>The ESF aims to stabilise real-economy companies if their demise would have a significant impact on Germany as an industrial location or on the labour market in Germany. The goal is to remove liquidity shortages, support refinancing on the capital markets and, above all, strengthen the capital base of companies. Companies which met at least two out of three of the following criteria in the last two fiscal years prior to 1.1.2020 for which they filed an annual financial statement are entitled to apply: balance sheet total of more than 43 million Euros; turnover of more than 50 million Euros; average annual number of employees was more than 249.</p>	<p><b>Measures of the Federal Government</b>  The Federal Government is offering a support package which rests on two pillars:</p> <p><b>Pillar 1: Corona Matching Facility:</b> Additional public funding is made available to venture capital funds through the Corona Matching Facility to ensure that venture capital funds will continue to be able to provide start-ups with sufficient funding.</p> <p><b>Pillar 2 for start-ups and small companies:</b> see the Mezzanine Participation Programme. The programme is currently still in preparation.</p>
<b>STATE OF BW</b>	<p>As the Federal Government has explicitly excluded the cost of living and entrepreneurs' salaries from costs eligible for federal funding, the Federal Corona Interim Aid programme will be topped up – as already occurred with the Corona Emergency Relief – by the state of BW funding fictive entrepreneurs' salaries of up to 1180 Euros per month, depending on the individual decrease in turnover. <i>For more information:</i> </p> <p><b>Corona Stabilisation Support for the Hotel and Catering Sector</b></p> <p>Businesses, social institutions and self-employed persons working in the hotel and catering sector whose livelihoods are directly threatened by the coronavirus pandemic and who are in dire financial straits will be supported by a one-off, non-repayable stabilisation grant. The</p>	<p><i>In BW, a number of established funding instruments from L-Bank and the Bürgschaftsbank are additionally available. Important note: All subsidised loans from L-Bank can be accompanied by guarantees provided by the Bürgschaftsbank or by L-Bank (s. below).</i></p> <p><b>Liquidity Loans Plus and Liquidity Loans from L-Bank</b> </p> <ul style="list-style-type: none"> <li>Covers liquidity needs</li> <li>For self-employed professionals and commercial businesses (max. 500 employees)</li> <li>Loan amount: 10,000 to 5 million Euros (higher amounts possible)</li> <li>Interest rate (depends on the duration and the risk-adjusted interest rate class) 1.0 – 7.4 % (debit interest)</li> <li>Duration: 4, 5, 6, 8 or 10 years  no repayment in the years 0 to 2</li> <li>In the version Liquidity Loan Plus with a repayment bonus currently amounting to 10% of the loan amount, maximally 300,000 Euros</li> </ul> <p><b>Start-up financing (for young businesses &lt; 5 years) and growth financing (businesses &gt; 5 years)</b> </p> <ul style="list-style-type: none"> <li>Provides financing for investment purchases, warehouses or operating materials</li> <li>Loan amounts of up to 5 million Euros</li> <li>Interest rate (depends on the duration and the risk-adjusted interest rate class) 1.0 – 7.4 % (debit interest)</li> <li>Duration: 5, 8, 10, 15 or 20 years  no repayment in the years 0 to 3</li> </ul>	<p><b>Investment Fund BW</b> </p> <p>On 12 May 2020, the government of BW agreed on a framework concept for a Baden-Württemberg Investment Fund.</p> <p>The aim of the investment fund is to strengthen the equity capital of small and medium-sized businesses (with more than 50 and fewer than 250 employees), improve their creditworthiness, make sure that they remain solvent in future and thereby ensure their continued existence beyond the end of the current crisis. To do this, the state of BW will provide companies with equity capital for a limited period of time or employ equity-type financial instruments to complement other programmes.</p> <p>Setting up the fund will take some time because of the required legal framework.</p>	<p><b>Start-up BW Pro-Tect</b>  Support for crisis-stricken start-ups which have already successfully completed their first round of financing and are not older than 5 years. The support is provided in the form of convertible loans and can be used to cover an initial capital requirement of up to 200,000 Euros, of which 80 percent is financed by the state of BW and 20 percent must be provided by private co-investors.</p> <p><b>Mezzanine Participation Programme</b></p> <p>The state of BW will provide a total of 50 million Euros. This can be used to generate financing of up to 250 million Euros.</p> <p>L-Bank will allocate funds to accredited financial intermediaries which pass them on in the form of</p>

stabilisation grant is available for a period of three months and amounts to:

- up to 3000 Euros for the business, and
- up to a further 2000 Euros for every employee based on equivalent full-time working hours.

The amount of the stabilisation grant is limited to a documented liquidity shortage during the funding period.

*For more information:* 

#### **Guarantees**

If a company's main bank is unable to provide an affected company with a liquidity loan/operating materials loan to temporarily bridge a gap in liquidity because of insufficient collateral, then Bürgschaftsbank can provide a guarantee for up to 100 percent or L-Bank can provide a guarantee for up to 90 percent of the risk or liability.

- Bürgschaftsbank Baden-Württemberg provides guarantees for up to 2.5 million Euros. From 15 July 2020, companies with up to 10 employees can apply for immediate guarantees for loans of up to 250,000 Euros.
- L-Bank is responsible for guarantees between 2.5 and 20 million Euros.
- L-Bank handles guarantees backed by the state of Baden-Württemberg of more than 20 million Euros.

convertible loans, subordinated loans and silent partnerships and even direct investments in selected cases. The Federal Government will bear 70 percent, the state of BW will bear 20 percent and the remaining 10 percent will be borne by the financial company which has acted as the intermediary and implemented the partnership or finance transaction.