

Overview of state-aid measures under the Ukraine Protective Shield (Germany)

9 May 2022

Type of aid	Eligibility	Terms	Where to apply
KfW loan programme (KfW UBR)	Recipients must prove that they are affected by the Russian war on Ukraine, e.g. through: <ul style="list-style-type: none"> - loss in turnover due to reduction in sales in Ukraine, Russia or Belarus (10% of the turnover was made in Ukraine, Russia or Belarus in the last three years) - loss of production capacities in Ukraine, Russia or Belarus - loss of production capacities due to lack of raw materials - closure of production sites in Russia, Ukraine or Belarus - exposure to increased energy prices (3% of turnover) 	1. Up to EUR 100m for loan-on-loan facilities provided by KfW through private banks with 80% of loan amount gov't guaranteed to medium-sized companies/ 70% to large-sized companies and limited to: <ul style="list-style-type: none"> o 15% of average three-year annual turnover, or o 50% of energy costs (LTM), or o actual liquidity forecast for the next 12 mths (medium-sized companies)/ 6 mths (large-sized companies) Further terms: <ul style="list-style-type: none"> o Maturity max. 6 years o Grace period of up to 2 years o Discounted interest rate 	KfW-Sonderprogramm UBR 2022 KfW

		<p>2. Direct participations of KfW in syndicated loans (from EUR 25m)</p> <ul style="list-style-type: none"> ○ In addition to the conditions above the company has not been in financial difficulties on 31 December 2021 (in accordance with Art. 2 Nr. 18 Regulation (EU) No 651/2014) ○ KfW's risk coverage can be a maximum of 70% of the financing. 	
Guarantee programme	Same as above	<ul style="list-style-type: none"> - Large scale guarantee programme starting from a guarantee amount of EUR 50m (EUR 20m in underdeveloped regions) - Normal guarantee program at the guarantee banks of the federal states for small and medium-sized companies with guarantee amounts of up to 2.5m - Guarantee of up-to 80% of loan amounts (in individual cases up to 90% possible) 	<p>Guarantee banks (<i>Bürgschaftsbanken</i>) of the federal states</p> <p>(Mitglieder - Verband Deutscher Bürgschaftsbanken (ermoglicher.de))</p>
Federal subsidy programme*	<ul style="list-style-type: none"> - Recipients who can prove that they are significantly affected by energy price inflation, i.e. there was a cost increase LTM of more than 100% - Recipient must be part of an energy intense sector pursuant to the KUEBLL Guidelines or part of the highest energy 	<ul style="list-style-type: none"> - Coverage of 30% of additional costs above the 100% threshold / up-to EUR 2m for recipients listed in the KUEBLL Guidelines and which can prove at least 3% of energy procurement costs - Coverage of up-to 50% of additional costs above the 100% threshold / up-to EUR 25m 	tbc

* Based on preliminary information. Details not final. Subject to update and changes.

	<p>intense sectors listed in the appendix to the TCF</p> <ul style="list-style-type: none"> - Eligibility from February – September 2022 	<p>for recipients listed in the KUEBLL Guidelines and which can prove an operational loss due to energy price inflation</p> <ul style="list-style-type: none"> - Coverage of up-to 70% of additional costs above the 100% threshold / up-to EUR 50m for recipients part of sector listed in appendix to the TCF and which can prove an operational loss due to energy price inflation - One-of reduction of subsidy levels of 10% in July 2022 	
Equity and hybrid capital measures*	<ul style="list-style-type: none"> - See KfW loan programme above - In addition economic failure of recipients must have significant adverse effects for the national economy - Recipient must not have been already in financial difficulties - Documented going-concern prognosis of recipient necessary 	<ul style="list-style-type: none"> - KfW acting as agent and on the instructions of the Federal Government - Subordinated loans or silent participations to bridge liquidity shortfalls 	tbc
Safeguards to margining in futures trading	<ul style="list-style-type: none"> - Recipients must be subject to high margining in futures trading on the energy markets - Recipients needs to have production facilities or branch in Germany 	<ul style="list-style-type: none"> - KfW acting as agent and on the instructions of the Federal Government - Recipient’s management needs to waive its bonus entitlements - No availability for speculative positions - Margin premium applies 	tbc

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	<ul style="list-style-type: none">- Trading in gas or electricity at EEX or ICE Europe All available credit lines must be exhausted and no further liquidity must be available- Recipient must fulfil credit scoring requirements		
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