

Corona Matching Facility (CMF)

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The aim of the CMF is to provide German startups with needed liquidity as quickly and efficiently as possible in order to bridge liquidity problems caused by the coronavirus crisis. Financing rounds by companies of accredited private VC fund managers (GPs) are matched by public CMF capital. GPs can choose to match financing rounds of either i) existing portfolio companies or ii) both existing portfolio companies and new initial investments.

Co-investment and trust framework agreement (CTFA)

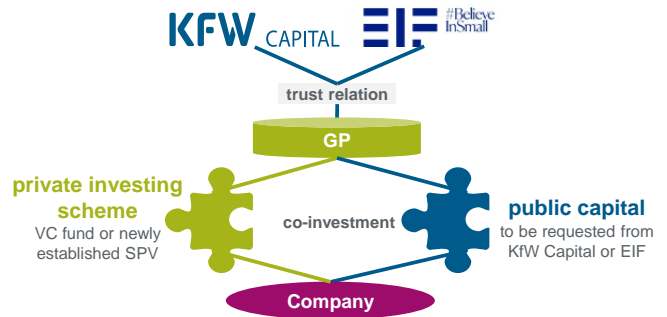
The accredited GP acts as fiduciary of federal funds under a co-investment and trust framework agreement (CTFA) between the GP and KfW Capital / EIF ("CMF institutions").

Criteria for CMF eligibility

Investing schemes are either current VC funds or newly established SPVs.

To qualify for CMF, an eligible GP must meet the following criteria:

- i. European VC fund manager
- ii. Independent VC fund manager (no CVC)
- iii. Successful check by KfW Capital / EIF



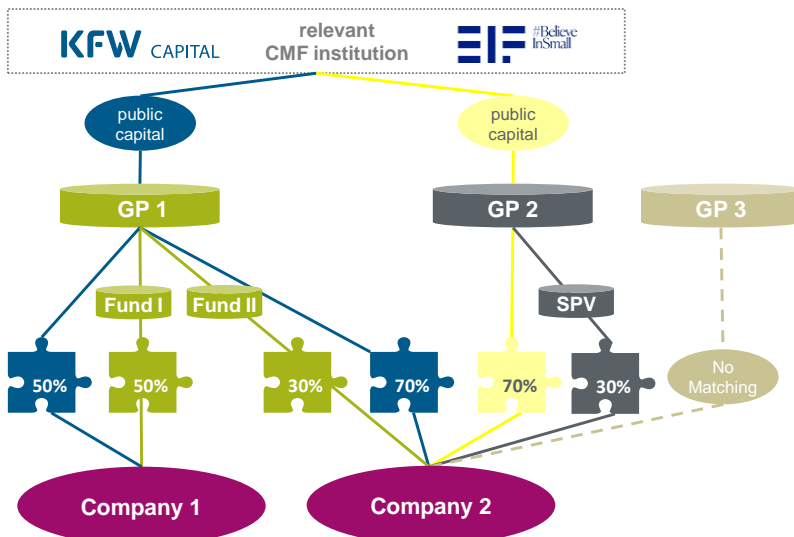
Eligible investing schemes/funds

Successful fund KYC & governance check & standard market terms	Portfolio companies / new investments closely related to Germany
Closed-end funds and fund currency according to KfW Capital / EIF portfolio guidelines	Financing round documentation incl. shareholder resolution
Private investors > 50% of fund volume and no single majority shareholder	No financial or strategic majority investor
Newly established SPVs: – No other GPs / VC funds as investors – State aid conformity	No financial difficulties as of 31 Dec. 2019 Duty to offer all relevant companies of accredited investing schemes to CMF (current and new investments)

Eligible portfolio companies

VC Matching Process

Funds invested by accredited GPs are usually matched on a **pari passu basis with 50% CMF-funds** – the matching ratio. Per investing scheme the GP may also decide on a lower or higher matching ratio for each current and new investment separately. The **maximum selectable matching ratio is 70%** and the matching ratio for new investments may not be higher than for legacy portfolio companies. It should be noted that the **CMF share per financing round may not exceed 50%**. But if additional investors without CMF matching participate in the financing round, the GP's matching ratio may be increased up to 70% until a maximum of 50% of CMF capital is invested in the financing round. State aid rules have to be respected.



Instruments

- Flexible financing instrument**
... equity or quasi equity (e.g. convertible loan)
- GP as fiduciary**
... acts in its own name on behalf of KfW Capital/EIF
- Exit / Repayment**
... GP determines type and time of the exit (exit, conversion, repayment)

Terms

- Standardised CTAs, No fee, no carry**
Application processing and signing of financing documents **until 31 Dec. 2020**
Retroactive inclusion of CMF funds from 02 April 2020 (if meeting pari-passu requirements)

Responsibilities of CMF institutions

- GPs already in the
- KfW Capital portfolio: VC-Matching@kfw.de
 - EIF portfolio : German-CMF@eif.org
 - KfW Capital & EIF portfolio: KfW Capital or EIF
 - neither portfolio: KfW Capital or EIF

Please apply to one institution only.

KfW Capital and EIF reserve the right to transfer applications within institutions.

Application Process

1. GPs contacts the relevant CMF institution (see above)
2. CMF institution issues application form and NDA to GP
3. GP returns completed documents to the CMF institution
4. CMF institution issues FAQs and CTFA to GP
5. CMF institution conducts first eligibility screening
6. CMF institution requests further documents to conduct GP accreditation
7. GP and CMF Institution sign the standardised CTFA
8. GP concludes financing round agreements and submits capital calls to CMF institution

Disclaimer: This information on the Corona Matching Facility (CMF) was provided by KfW Capital GmbH & Co. KG and the EIF for information purposes only. The information is subject to possible changes, especially updates and additions, and does not constitute an offer or a request for accreditation for the CMF. Recipients of this information who intend to become accredited for the CMF and sign a CTFA should make their decision exclusively on the basis of the final CTFA to be created. The information in the CTFA may differ from the information contained herein. Therefore, neither the accuracy nor the completeness of the information contained herein should be relied upon. Please note in particular that interested parties must make their own legal and tax assessment.