

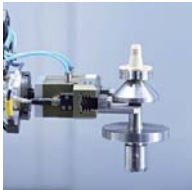


ECONOMIC DEVELOPMENT IN RHINELAND-PALATINATE

ISB SERVICES FOR INVESTORS



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THE ISB – A POWERFUL PARTNER IN RHINELAND-PALATINATE

The State of Rhineland-Palatinate (Rheinland-Pfalz) is an attractive location for companies. This is the result not only of its convenient geographical location in the middle of Europe, but in particular of its effective economic development network that provides optimal support to companies through all phases of their development.

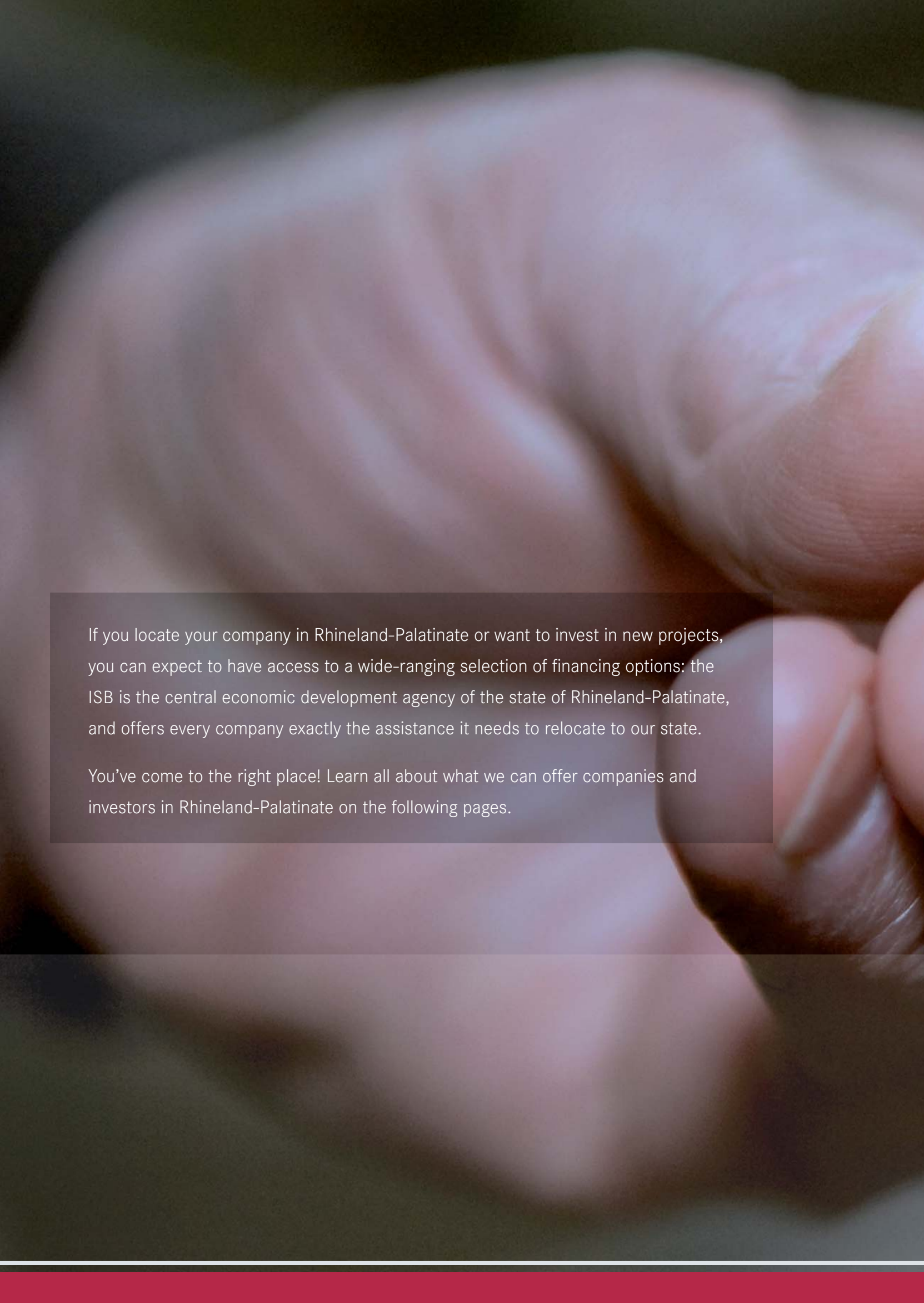


Dr. Ulrich Link, Ulrich Dexheimer

Innovation, the future, growth: entrepreneurial spirit is manifested in investments. They promote the survival and growth of companies, as well as generating jobs in the region.

The Investment and Economic Development Bank of Rhineland-Pfalz (Investitions- und Strukturbank Rheinland-Pfalz, ISB) supports your investments with custom-tailored financing. Whether you are looking to move your company to Rhineland-Palatinate or plan to invest in an existing enterprise, we offer comprehensive advice and assistance, and can put together an individualized financing package for you from a combination of low-interest loans, loan guarantees, equity investments, and subsidies.

This brochure offers you a first glimpse at the possibilities we offer for economic development. Feel free to contact us for additional information!



If you locate your company in Rhineland-Palatinate or want to invest in new projects, you can expect to have access to a wide-ranging selection of financing options: the ISB is the central economic development agency of the state of Rhineland-Palatinate, and offers every company exactly the assistance it needs to relocate to our state.

You've come to the right place! Learn all about what we can offer companies and investors in Rhineland-Palatinate on the following pages.

Chemicals, pharmaceuticals, automotive, energy and environmental technology, metalworking, mechanical engineering, and food products: the economy of Rhineland-Palatinate offers a robust and healthy mixture of industries.

ONE-STOP
ASSISTANCE
– WHAT DOES
THAT MEAN
FOR ME?

OUR SERVICES

As a competition-neutral partner in the financial market we work together with any bank with which a client has a standing relationship. The relationship banking principle has two distinct advantages for businesses and investors: Filing applications is made as simple as possible, and at the same time you profit from our favourable refinancing opportunities.

What does “one-stop” mean?

But the scope of services we offer is even broader. “One-stop assistance” means that we not only offer our own programs, but can also incorporate funds from the German federal government and the EU into the financing packages. We work in cooperation with the federal economic development agencies of the KfW, the Landwirtschaftliche Rentenbank (LR), and the European Investment Bank (EIB), whose offerings are in some cases closely coordinated with our programs. What we offer is not in competition with what is offered by these institutions, but supplements them. The same is true with regard to EU aid: thus, for example, we provide funds for subsidizing individual companies, regions, and technologies, as well as venture capital funding, that is co-financed by the European Regional Development Fund (ERDF).

Rhineland-Palatinate –

an attractive location for your company

As a partner, we inform potential investors about the economy and infrastructure in the state, put together individual site packages, and answer any questions about Rhineland-Palatinate as a center of economic activity, as well as queries related to trade promotion and cooperation. We act as a “pilot” for investors and companies newly arrived in our region: we find contact persons offering land parcels and properties, make contact with permitting authorities, and support you every step of the way toward successfully locating your firm here. The statewide location finder, available online at www.locationfinder.rlp.de, is an important instrument in finding the right location for you. In this way, we offer a smooth process for finding and deciding on a location, then setting up your business here. This service is provided at no cost to you.

We also support companies from Rhineland-Palatinate in matters of promoting foreign trade and cooperation. This is carried out in close cooperation with our partners – the Ministry for Economic Affairs, the state’s Chambers of Commerce, and the Foreign Trade Chambers and Rhineland-Palatinate contact offices overseas. ■

“One-stop assistance” also means that the ISB not only offers its own programs, but can also integrate funds from the German federal government and the EU into its financing packages.




THIS IS THE ISB

The ISB is the Investment and Economic Development Bank for the Federal State of Rhineland-Palatinate, located in the state capital of Mainz. Our focus is on promoting economic development and housing in our region – for the people who live here and for all who come here as entrepreneurs and investors.

Rhineland-Palatinate is located in the southwest of the Federal Republic of Germany, and has some four million residents. Its largest cities are Kaiserslautern, Koblenz, Ludwigshafen, Mainz and Trier.

One focus of our work is promoting the development of small and medium-sized enterprises (SMEs) through means such as low-interest loans, loan guarantees, equity investments, and subsidies. ■



Rhineland-Palatinate is a state in which small and medium-sized enterprises play an especially important role – we at the ISB are reliable partners for such SMEs in particular. We offer SMEs comprehensive financing possibilities, aid in attracting new companies, and offer investors the possibility of finding attractive commercial properties, business partners, and skilled employees in Rhineland-Palatinate.

99,7% of all companies in Rhineland-Palatinate are SMEs, i.e. companies with annual revenues of less than 50 million Euros. In other words, SMEs are the motor that drives the economy of Rhineland-Palatinate, and they provide stable jobs for 70,5% of all employees subject to social insurance contributions.

WE OFFER YOU:
ADVICE
SERVICE
FINANCING
FUNDING

FUNDING OPPORTUNITIES FOR ENTREPRENEURS AND INVESTORS

You want to take over an existing company? You're looking to invest in real estate or machinery? You're planning to start a company, launch innovations, hire employees? Whether you want to relocate your firm to Rhineland-Palatinate or invest in an existing company: before you make your decision, you should understand all your options.

Grants
Investments

If you would like to set up a new business location in one of the economic development regions of the state of Rhineland-Palatinate receiving assistance or would like to expand your existing business location, then we can offer you support – and what is more, with a financial grant which does not need to be repaid. Such financial resources are available as part of regional economic development programs, and you can apply for them directly through us. We can tell you which regions are eligible for such aid, and what level of financial subsidy you can expect.

Innovations

You want to bring your innovation to market? You're developing a product that's not yet on the market in the EU? In that case, our "InnoTop" grant program may be for you. With this program, the state promotes

research and development projects leading to new products or production methods. If you first want to evaluate the fundamental technical feasibility of your idea, we can provide you the financial means for a feasibility study. Personnel and material costs and research and development costs are also eligible for subsidies; in some cases, grants can cover more than half the costs.

Applying for assistance is easy and saves time. We're happy to invite you for a preliminary discussion at no charge to you; all we need from you is a brief project sketch.

Advice
And even if you want to consult with external experts, we can assist you: we can provide financial assistance for strategic planning and market development, image promotion, and product optimization through grant programs for advising and consulting. In this way, we can take on up to 50% of your total advising costs.

Loans
In many cases, a company's need for financing goes well beyond what can be provided as a grant. Do you need a loan to realize your planned investment or company establishment? The ISB offers various loan

programs with attractive conditions for borrowers – for projects requiring long-term financing which can be expected to result in lasting economic success and the creation and safeguarding of jobs.

In this way, industrial companies and professional firms can apply for loans from various ISB programs to assist SMEs in making investments. For investments contributing to climate and environmental protection, the RLP efficiency credit is available. For financing operating resources and inventories, we can offer the RLP operating resource loan. Whatever your plans may be – talk to us!

The loans are generally applied for and handled via applicants' local bank; under certain conditions, a release from liability is possible.

Equity investment

Rapidly growing companies in particular are often faced with the challenge of maintaining their equity ratio. For such companies, the ISB can provide equity capital in the form of direct equity investment and/or mezzanine capital through various subsidiary companies. Such equity investment does not restrict the entrepreneurial freedom of the company. A further advantage: in economic terms, the mezzanine capital is also considered

part of the company's equity capital, thus increasing the company's creditworthiness in the eyes of banks, and the company's own collateral is available for securing additional financing.

Another focus of the ISB's equity investment activities is the financing of technology-oriented startup companies. With some 130 companies currently receiving financing, we play a leading role in this field in Rhineland-Palatinate, have strong connections with all startup initiatives in Rhineland-Palatinate, and have excellent contacts to other investors, such as business angels and the high-tech startup fund.

Loan guarantees

A loan guarantee from the ISB provides the security your project needs if you're unable to supply sufficient collateral yourself. We're able to provide your local bank with our own loan guarantees, as well as loan guarantees from the Rhineland-Palatinate state loan guarantee program. Furthermore, we are able to offer corresponding guarantees from the Bürgschaftsbank Rheinland-Pfalz GmbH through our network. ■

A person's hands are holding a dark-colored smartphone. The background is a blurred outdoor scene with sunlight creating a bokeh effect. Overlaid on the image is a semi-transparent world map with a network of white dots and lines connecting them, suggesting global connectivity. A dark grey rectangular box with rounded corners is positioned in the lower-left quadrant, containing white text.

If you want to relocate your company to our region, acquire an existing firm or start a new one, you've come to the right place with the ISB. We offer a comprehensive array of assistance for entrepreneurs coming to Rhineland-Palatinate, and this service is free of charge for you.



YOU WANT
TO ESTABLISH YOUR
COMPANY HERE?
LET US
HELP YOU!

OUR SERVICE FOR INVESTORS

If you're new to our region, you'll have lots of questions. We can help you quickly and easily find the right answers so you can successfully realize your plans – here with us in Rhineland-Palatinate.

Foreign investment service

Properties, land parcels, permits: We at ISB see ourselves as “pilots” for investors and entrepreneurs from abroad who take an interest in our state. We can advise you, arrange contact persons for pieces of land and real estate and support you with all the steps required to get successfully set up. Over and above this we can create contacts for you at the institutional level.

Location finder

If you're looking for a commercial property in Rhineland-Palatinate, the “location finder” on our Internet platform is just the place for you. Some 600 properties in Rhineland-Palatinate are offered here online; you can search by size and location, but also based on criteria such as zoning types, road, rail, and air connections, distance from commercial zones, and many others. The properties are offered by the municipalities of Rhineland-Palatinate.

All these offers can be found at www.locationfinder.rlp.de.



www.locationfinder.rlp.de

Business succession

Thousands of entrepreneurs in Germany are looking for a suitable successor – someone who will keep their company going once they hand over the reins and retire.

If you're interested in taking over a company in Rhineland-Palatinate, talk to us: we at the ISB can help you with such a takeover, with loans, loan guarantees, or equity investment.

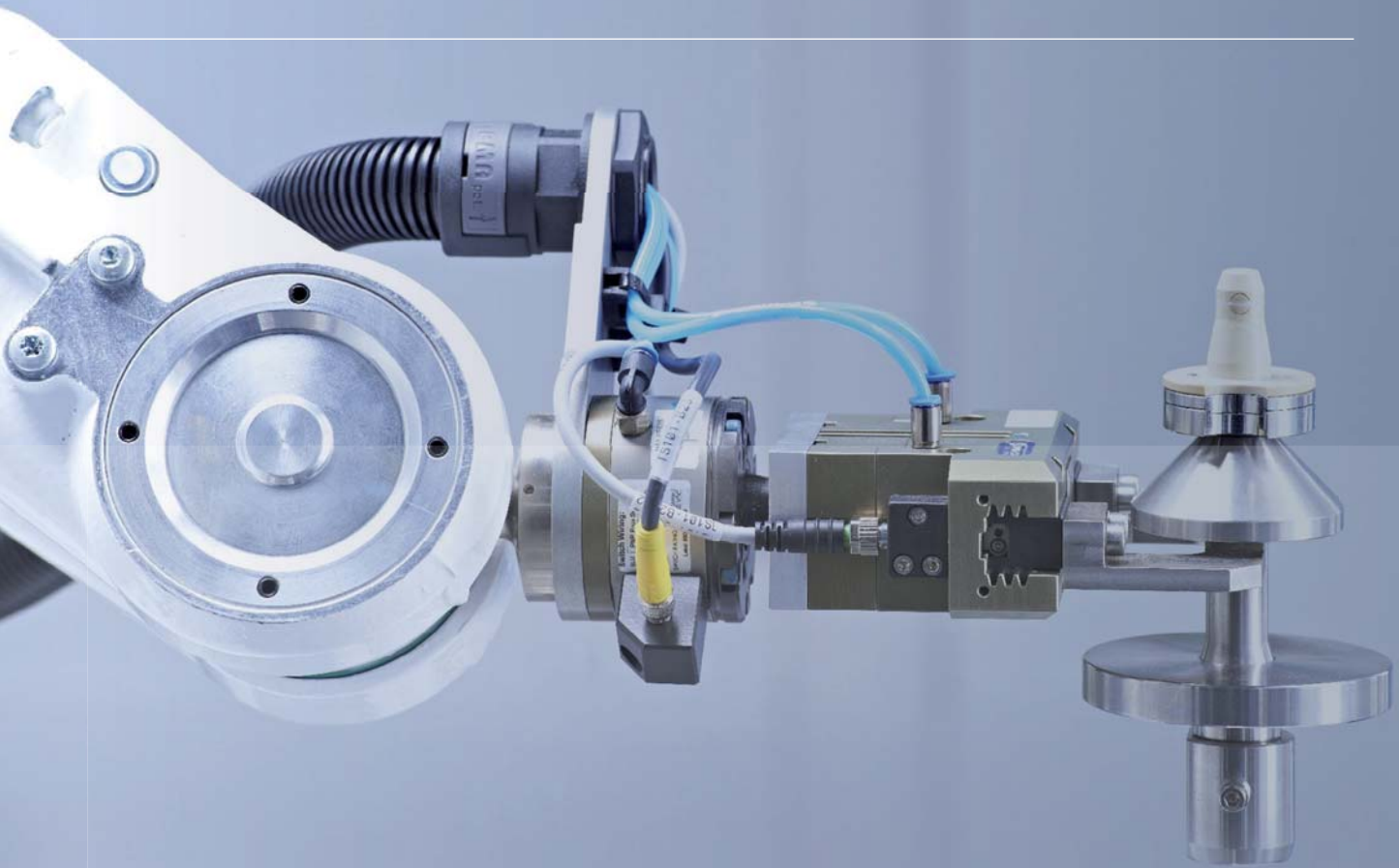
Welcome Center

Starting at a new location can bring with it many challenges, both professionally and personally. What permits and qualifications are needed? How do I find a place to live? Where will my children go to school, and what public agencies and officials do I need to talk to? Where can I find language courses? With their "Welcome Centers", the Chambers of Industry and Commerce of Rhineland-Palatinate offer a wide range of support for people relocating to Germany from abroad. Contact them for more information!

Further information can be found at
<http://welcomecenter.rlp.de/de/english/> ■



<http://welcomecenter.rlp.de/de/english/>



WHO CAN APPLY

FOR LOAN ASSISTANCE?

HOW LONG IS

THE PROCESSING
TIME?

FREQUENTLY ASKED QUESTIONS

What industries can the ISB provide assistance to?

As a general matter, all industries are eligible to receive support. Individual programs may have certain restrictions.

Who can apply for loan assistance from the ISB?

Small and midsize enterprises from the commercial economy (skilled workers, trade and commerce and other service-sector companies) and also natural persons who rent out or lease commercial property can obtain funding loans, provided the company headquarters or the site of the investment is located in Rhineland-Palatinate.

Is the choice of legal form of the company relevant for the granting of financial aid?

In principle, no. Whether financial aid is offered does not depend on the legal form under which an existing or newly established business is conducted.

Can I still apply for financial aid if my project is already underway?

The various aid programs require that an application be made prior to the start of the project.

Does the possible aid depend on the size of the company?

Some aid programs offered by the ISB are designed for small and medium-sized enterprises (SMEs) in accordance with the definition used by the EU. Small enterprises by this definition are those employing up to 50 persons and with annual revenues or a balance sheet total of no more than 10 million Euros. Medium-sized enterprises are companies with up to 250 employees and annual revenues of not more than 50 million Euros, or a balance sheet total of not more than 43 million Euros.

Some other programs offered by the ISB can benefit larger or “mid-cap” companies. “Mid-cap” companies are companies employing more than 250 but fewer than 3,000 people.

Can different ISB aid programs be combined with one another, or with programs offered by other development agencies and institutions?

As a general rule, the various aid programs offered by the ISB can be combined with one another and with those offered by other development agencies and institutions.

How long is the processing time for applications for financial aid?

We already offer a service guarantee for applicants for many of our programs. This means that a decision will be made regarding the aid applied for within a set number of bank working days after the application documents have been submitted in full. These service guarantees are for periods of five to ten bank working days, depending on the program.

What is exemption from liability?

Exemption from liability means that the ISB (*Investment and Economic Development Bank of Rheinland-Pfalz*) proportionately accepts a share of the open-ended credit risk. The size of the exemption from liability possible is given in each respective loans program. The borrowers however remain obliged for the full extent of their repayment. Through exemption from liability the default risk of the relationship local bank is reduced, so that with insufficient collateral they should rather be prepared to accept a corresponding risk for granting the loan.

Indication: Exemptions from liability cannot be combined with ISB surety programs or with other financial assistance programs exempted from liability. ■

If you have further questions:

Talk to us!

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- Or online > www.isb.rlp.de
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YOU'VE COME
TO THE RIGHT
PLACE!

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RESEARCH AND DEVELOPMENT (INNOTOP)

The InnoTop program provides an opportunity for companies to apply for non-repayable financial assistance to carry out research and development work. Eligible for subsidy is the research and development of new products and/or production methods that advance the state of the technological art within the EU, the realization of which is associated with technical risks, and which require prototyping and testing before commercial application. The expected results after completion of the R&D project must also support the conclusion that the product or method will be commercially successful for the applicant firm in the medium term. The InnoTop program is subdivided into modules with independent application variants. This makes it possible for financial assistance to be granted for the development process of new products or production methods, from first considerations concerning the fundamental feasibility of the idea (funding module: feasibility study) through to the conclusion of prototype testing (funding module: R&D projects).

Who receives funding?

Eligible for assistance are small and medium-sized enterprises (SMEs) in Rhineland-Palatinate, which, in accordance with the current definition, employ fewer than 250 people and have annual revenues of less than 50 million Euros. Large companies can also receive assistance if budgetary pressures allow, provided that the project is also of significant importance to the state of Rhineland-Palatinate, or can be expected to have a major economic impact for the state.

The amount of the possible supplemental grants are dependent on the size of the company, cooperation between companies, and the involvement of research institutions; a maximum of 80 % of the costs eligible for subsidization may be covered by the state.

Where can I apply?

Applications are filed electronically (client portal) directly with the Investitions- und Strukturbank Rheinland-Pfalz (ISB). To submit an application, application documents with legally valid signatures must be submitted. Prior to submitting their application, applicants may take advantage of a free, non-binding informational discussion. In preparation for such a talk, a brief project sketch with information about the company, the project, and an estimate of the expected costs is required.

What can receive funding support?

Eligible for financial assistance are expenditures for employees participating in the R&D project, overhead costs, material costs for the production and testing of prototypes, and expenditures for third-party services (e.g. costs for external assistance from universities or other institutions, specialized services, expenses incurred to secure intellectual property protections, etc.).

How is funding provided?

The non-repayable grant is limited to an amount of 37,500 Euros for feasibility studies and 500,000 Euros for R&D projects. The subsidy rate is dependent on the amount of the eligible expenditures, the technological excellence of the project, and the size of the company. For R&D projects in the area of industrial research, the starting subsidy rate may be up to 50 % (excluding supplemental amounts), and for experimental development projects, as much as 25 %.

FURTHER INFORMATION

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REGIONAL SUPPORT

– ECONOMIC DEVELOPMENT AREAS OF THE JOINT PROJECT “DEVELOPMENT OF THE REGIONAL ECONOMIC STRUCTURE” –

Investment intentions from companies in structurally weak regions of the state of Rhineland-Palatinate are supported in the context of economic support programs. Here we offer support for economic development areas in the context of the Joint Project “Development of the Regional Economic Structure” (so-called GRW regions).

Who receives funding?

Assistance is available to manufacturing companies and certain artisanal trades and service providers (including tourist enterprises).

For small and medium-sized enterprises (SMEs), the following are eligible for assistance:

- construction of new business premises
- expansion of existing business premises.
- diversification of the production of an existing production site to include products not previously produced
- fundamental change to the entire production process of existing production site

For large companies, initial investments on behalf of new economic activities in the region in question are eligible for support.

The provision of assistance is generally predicated on the securing of existing jobs and the creation of new, permanent positions in future.

What can receive funding support?

Eligible for financing are investments in fixed assets (construction costs, machinery/fittings) used by the owner for productive purposes, as well as certain intangible assets. Not eligible for assistance are investments made for purchasing real estate, motor vehicles, aircraft, ships, second-hand fixed assets, replacement investments, company-created assets, and fixed assets not remaining exclusively within the physical location of the premises eligible for assistance, as well as rented or leased assets or those acquired through a lease to own program. Only planned investments to be completed within a maximum period of 36 months are eligible for subsidies.

How is funding provided?

Financing is made in the form of a (non-repayable) contribution to an investment in the amount of the relevant maximum contribution rate.

Depending on the size of the company and location of the investment, the contribution may total 10 % to 30 % of the costs eligible for subsidies.

For investments with a total volume of more than 10 million Euros, a co-financing contribution of 5% of the amount exceeding 10 million Euros is provided.

Application process

The application for funding must have been received by the ISB prior to the start of the investment (this is the binding written or oral conclusion of a contract for goods or services attributable to the realization of the investment). Entering a contract for a loan or concluding a financing agreement for financing the intended project or also the commencement of payment of personal contributions can be also be considered as the start of an investment.

An investment project should only be commenced once written confirmation has been received from the approving authorities that a project is eligible for assistance.

Once an application has been made, it is completed through the provision of supplementary information by the investor and expert opinions from the relevant chambers of commerce and industry (IHK, HWK) and/or the Agentur für Arbeit [Federal Labor Office].

The investment project must commence not later

FURTHER INFORMATION

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REGIONAL SUPPORT

– ECONOMIC DEVELOPMENT AREAS OF THE STATE –

Investment intentions from companies in structurally weak regions of the state of Rhineland-Palatinate are supported in the context of economic support programs. State development regions offer options for companies to receive assistance.

Who receive fundings?

Assistance is available to manufacturing companies and certain artisanal trades and service providers. Providers of accommodations, restaurants, and campsites cannot receive assistance through this program.

For small and medium-sized enterprises (SMEs), the following are eligible for assistance:

- construction of new business premises
- expansion of existing business premises.

The provision of assistance is predicated on the securing of existing jobs and the creation of new, permanent positions in future.

What can receive funding support?

Eligible for financing are investments in fixed assets (construction costs, machinery/fittings) used by the owner for productive purposes, as well as certain intangible assets. Not eligible for assistance are investments made for purchasing real estate, motor vehicles, aircraft, ships, second-hand fixed assets, replacement investments, company-created assets, and fixed assets not remaining exclusively within the physical location of the premises eligible for assistance, as well as rented or leased assets or those acquired through a lease to own program. Only planned investments to be completed within a maximum period of 36 months are eligible for subsidies.

How is funding provided?

Financing is made in the form of a (non-repayable) contribution to an investment in the amount of the relevant maximum contribution rate. Depending on the size of the company, the contribution may total 10 % to 20 % of the costs eligible for subsidies.

For investments with a total volume of more than 10 million Euros, a co-financing contribution of 5% of the amount exceeding 10 million Euros is provided. The minimum contribution at the time of approval is 20,000 Euros (costs eligible for subsidies totaling at least 100,000 Euros for medium sized enterprises, or at least 200,000 Euros for large enterprises).

Application process

The application for funding must have been received by the ISB prior to the start of the investment (this is the binding written or oral conclusion of a contract for goods or services attributable to the realization of the investment), **and written confirmation must have been issued by the ISB that the conditions for subsidization have been fulfilled, subject to a detailed review**, prior to the start of the investment. Entering a contract for a loan or concluding a financing agreement for financing the intended project or also the commencement of payment of personal contributions can be also be considered as the start of an investment.

Once an application has been filed, the ISB requests expert opinions from the relevant chambers of commerce and industry (IHK, HWK) and the Agentur für Arbeit [Federal Labor Office].

The investment project must commence not later than three months after the application is filed.

FURTHER INFORMATION

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ISB FUNDING PROGRAM FOR MEDIUM-SIZED COMPANIES BUSINESS LOAN FOR RHINELAND-PALATINATE

– WITH AN OPTIONAL ISB RELEASE FROM LIABILITY FOR THE CREDIT INSTITUTE CARRYING IT OUT –

The reduced interest ISB business loan for Rhineland-Palatinate is directed by the KfW business loan. The Investment and Economic Development Bank of Rheinland-Pfalz (ISB) additionally reduces the cost of KfW loans, which are already favorable as it is.

Who receives funding?

- Businesses in industry (handicraft, trade and commerce and other service industries) in accordance with the respectively valid EU definition for small and medium-sized enterprises (SMEs) as well as self-employed people who have been active in the marketplace for at least five years.
- natural persons who rent out or lease commercial premises

Restructuring cases and businesses in difficulties cannot receive funding support in accordance with EU guidelines.

What can receive funding support?

- Investments
- additional working capital requirements

Conversion of debt or re-financing of projects which have already been completed are excluded, as are follow-up financing and prolongations.

How is funding provided?

The loan is granted by the ISB to the local bank for passing on to the final borrower. The form and the extent of asset backing are agreed in the context of the loan transaction between the applicant and their local bank.

Maximum loan:

- 2 million Euros for investment loans
- 500,000 Euros for loans for working capital

100 % of the expenses of this loan can be financed through taking the EU Law on Subsidies into consideration.

100 % of the payment of the loan is made.

The local bank determines the rate of interest for the final borrower based on a pricing class on the foundation of the KfW risk-adjusted interest system. This is given from taking the economic conditions of the borrower (credit rating) and securities provided for the loan into consideration.

Variations of the period of validity (maximum grace periods in years are set in brackets):

- Investment loan:
up to 5 (1), up to 10 (2) and up to 20 (3) years
- Working capital loan:
2 (2) years and up to 5 (1) years

At the time of making the application the investment project may not yet have commenced.

Release from Liability

The loan is issued in the context of investment financing with a 50% release from liability for the local bank. In this way the risk of granting the loan is shared between the local bank and the ISB

Maximum loan:

- 250,000 Euros for investment loans

The exemption from liability does not represent a security in the sense of a loan guarantee.

FURTHER INFORMATION

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ISB FUNDING PROGRAM FOR MEDIUM-SIZED COMPANIES ERP START-UP LOANS IN RHINELAND-PALATINATE

– WITH AN OPTIONAL ISB RELEASE FROM LIABILITY FOR THE CREDIT INSTITUTE CARRYING IT OUT –

The reduced interest ERP Start-up loan for Rhineland-Palatinate is directed by the KfW Start-up Loan-Universal. The Investment and Economic Development Bank of Rheinland-Pfalz (ISB) additionally reduces the cost of KfW loans, which are already favorable as it is.

Who receives funding?

- Founders of businesses in commercial industry and in self-employed fields
- Business in commercial enterprise (handicraft, trade and commerce and other service industries) in accordance with the respectively valid EU definition for small and medium-sized enterprises (SME) as well as self-employed people up to five years after starting their business.

Restructuring cases and businesses in difficulties cannot receive funding support in accordance with EU guidelines.

What can receive funding support?

- Investments
- additional working capital requirements

Conversion of debt or re-financing old projects which have already been completed are excluded, as are follow-up financing and prolongations.

How is funding provided?

The loan is granted by the ISB to the local bank for forwarding to the final borrower. The form and the extent of asset backing are agreed in the context of the loan transaction between the applicant and their local bank.

Maximum loan:

- 2 million Euros for investment loans
- 500,000 Euros for loans for working capital

100 % of the expenses of this loan can be financed through taking the EU Law on Subsidies into consideration.

100 % of the payment of the loan is made.

The local bank determines the rate of interest for the final borrower on the basis of a pricing class on the foundation of the KfW's risk-adjusted interest system. This is given by considering the economic conditions of the borrower (credit rating) and the securities provided for the loan.

Variations of the period of validity (maximum grace periods in years are set in brackets):

- Investment loan:
up to 5 (1), up to 10 (2) and up to 20 (3) years
- Working capital loan:
up to 5 (1) years

At the time of making the application the investment project may not yet have commenced.

Release from Liability

The loan can be issued to businesses which have already been active in the market for at least three years in the context of investment financing with a 50% exemption from liability for the local bank. In this way the risk of granting the loan is shared between the local bank and the ISB

Maximum loan:

- 250,000 Euros for investment loans

The exemption from liability does not represent a

FURTHER INFORMATION

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RLP WORKING CAPITAL LOAN

This program offered by the Investitions- und Strukturbank Rheinland-Pfalz (ISB) is intended to help assure the long-term availability of working capital for companies, and thus to create and secure jobs in Rhineland-Palatinate. Low-interest loans are available, in cooperation with the European Investment Bank (EIB).

Who receives funding?

Business in industry (handicraft, trade and commerce and other service industries) in accordance with the respectively valid EU definition for small and medium-sized enterprises (SMEs), as well as MidCap companies and self-employed people.

Restructuring cases and businesses in difficulties cannot receive funding support in accordance with EU guidelines

What can receive funding support?

- medium and long-term working capital requirements
- inventories

Conversion of debt or re-financing old projects which have already been completed are excluded, as are follow-up financing and prolongations.

How is funding provided?

The loan is granted by the ISB to the local bank for passing on to the final borrower. The form and the extent of asset backing are agreed in the context of the loan transaction between the applicant and their local bank.

Maximum loan amount: 5 million Euros

100 % of the expenses of this loan can be financed through taking the EU Law on Subsidies into consideration

100 % of the payment of the loan is made.

The local bank determines the rate of interest for the final borrower based on a pricing class on the foundation of the KfW risk-adjusted interest system. This is given from taking the economic conditions of the borrower (credit rating) and securities provided for the loan into consideration.

Loan terms: 3 to 10 years, with no more than a one-year grace period.

Repayment options:

- equal quarterly installments
- quarterly annuity
- lump sum at the end of the loan term

The project may not have commenced at the time the application is submitted.

Where can I apply?

The application is submitted to the ISB by the borrower's local bank.

FURTHER INFORMATION

www.isb.rlp.de
isb-marketing@isb.rlp.de
ISB Advice Center
+49 6131 6172-1220



ISB - SYNDICATED FINANCING „STANDARD“ FOR SMALL AND MEDIUM-SIZED ENTERPRISES IN RHINELAND-PALATINATE

Planned investment projects with important structural policies in Rhineland-Palatinate should be funded via the participation of the Investitions- und Strukturbank Rheinland-Pfalz (ISB) (Investment and Economic Development Bank of Rheinland-Pfalz) in a credit consortium. A particular structural effect is above all present where the intended project is suitable for improving the economic structure or em-ployment situation in Rhineland-Palatinate. In this way with a consortium loan a contribution to creating and maintaining competitive businesses and future-oriented jobs is achieved.

Requirements For Borrowers

The borrower's business premises must be in Rhineland-Palatinate. The yearly turnover of the business taking the loan should fundamentally not exceed the sum of 500 million Euros.

The credit rating and risk analysis by both the consortium manager as well as by the ISB must justify a commitment. The rating carried out by the consortium manager must at least correspond to a „BB“ level of assessment by Standard & Poor .

Consortium loans for restructuring cases or for businesses in difficulties are excluded.

Form of a Consortium Loan

The period of validity for a consortium loan is generally up to 10 years. With construction projects the term is 20 years.

The „Standard“consortium loan should cover the loan requirements of small and midsize businesses with loans from 250,000 Euros up to 1,000,000 Euros.

The consortium loan can be used for financing investments as well as also for financing working capital and can also be used to represent the framework of a surety.

Form and Requirements for a Credit Consortium

The ISB will fundamentally only participate in an internal consortium and is only available as a consortium partner. The ISB will not accept a leadership role in the consortium. The ISB's share in the financing for a consortium may not exceed 50 %.

FURTHER INFORMATION

www.isb.rlp.de
isb-marketing@isb.rlp.de
ISB Advice Center
+49 6131 6172-1220



LOAN GUARANTEES

By extending loan guarantees, the state of Rheinland-Pfalz together with the Investitions- und Strukturbank Rheinland-Pfalz (ISB) and the Bürgschaftsbank Rheinland-Pfalz GmbH supports companies in financing projects in Rhineland-Palatinate that are economically eligible to receive assistance and for which the company is unable to furnish sufficient collateral or security. These guarantees, which are issued to banks, insurers, and building societies, ensure repayment of a certain maximum percentage of the loan, and serve as security for capital investment and working capital loans and guarantee credits.

Who receives funding?

Existing business in industry, artisans and tradesmen, members of the free professions, and founders of new companies.

What can receive funding support?

Loan guarantees may be extended for capital investment loans or for working capital loans (cash/guarantee credit).

How is funding provided?

The loan guarantee rate is

- a maximum of 80 % for capital investment loans
- a maximum of 60 % for working capital loans
- a maximum of 70 % for guaranteed lines of credit

The loan guarantee is issued to the borrower's local bank.

Maximum Bürgschaftsbank loan guarantee:

- up to 1.25 million Euros

Maximum ISB loan guarantee:

- from 1.25 million Euros to 3.5 million Euros
- (for amounts above 3.5 million Euros, the state loan guarantee program applies.)

For assumption of a loan guarantee, a one-time processing fee and an ongoing guarantee fee are charged in accordance with the general guarantee terms.

The term of the guarantee is generally 10 to 15 years, or generally from 6 to 8 years for working capital loans and guarantee credits. The term may not exceed 15 years (or 23 years for construction measures for company purposes).

Where can I apply?

Depending on the amount of the loan guarantee requested, application is made by the borrower's local bank to the ISB or the Bürgschaftsbank Rheinland-Pfalz.

For assumption of a loan guarantee, a one-time processing fee and an ongoing guarantee fee are charged in accordance with the general guarantee terms (see Table of Terms at www.isb.rlp.de or www.bb-rlp.de).

The term of the guarantee is generally 10 to 15 years, or from 6 to 8 years for working capital loans and guaranteed lines of credit. The term may not exceed 15 years (or 23 years for construction measures for company purposes).

How do I apply?

Depending on the amount of the loan guarantee requested, application is made by the borrower's regular business back to the ISB or the Bürgschaftsbank Rheinland-Pfalz.

FURTHER INFORMATION

www.isb.rlp.de
isb-marketing@isb.rlp.de
ISB Advice Center
+49 6131 6172-1220



VENTURE CAPITAL (EQUITY INVESTMENT)

The Investitions- und Strukturbank Rheinland-Pfalz (ISB) provides equity capital to companies in Rhineland-Palatinate through various subsidiaries (investment funds) in the form of direct investment (acquisition of company shares) and/or silent investments. This equity investment serves to strengthen the effective equity of the applicant company.

Who receives funding?

Small and medium-sized enterprises (SMEs) according to the applicable EU definition for SMEs with business premises in Rhineland-Palatinate. In order to receive equity investment from the "Innovationsfonds Rheinland-Pfalz", the company must have been established within the 5 years preceding the data of the application. Companies applying for equity investment funding should have an innovative business model with strong growth prospects.

What can receive funding support?

The development and/or market launch of an innovative or technology-oriented product/method or service for which patent protection may be applied for. Pure distribution companies cannot be financed with venture capital. Specifically, research and development costs, market launch costs, and investment in capital goods are eligible for financing.

How is funding provided?

The investment can be made as a public investment through the purchase of company shares, or as a typical silent investment. Financing is often provided as a combination of public and silent investment. The equity investment is made as part of

a specific project financing package; the limit of such investment during an initial round of financing is 500,000 EUR, and is oriented on the financing contributions made by the shareholders or other investors.

For a silent investment, fixed compensation and earnings-based compensation shall be paid, to be individually agreed on the basis of the company rating assessment performed. The term of a silent investment shall be for a period of 5 to 10 years. For the purchase of an equity stake in the company, a purchase price will be negotiated with the company on the basis of a company valuation. A processing fee, generally 1 % of the total investment volume, is payable with the application.

How do I apply?

Applications are submitted directly to the ISB. Before applying, it is recommended that a consultation be held with the relevant ISB department in order to clarify directly the requirements for an application and details of the process. Employees of the equity investment department would be happy to provide initial information by phone.

FURTHER INFORMATION

www.isb.rlp.de
isb-marketing@isb.rlp.de
ISB Advice Center
+49 6131 6172-1220



TRADE FAIR SUBSIDY

The trade fair subsidy represents a grant (not repayable) toward costs incurred by participating in export-oriented trade fairs and product presentations.

Who receives funding?

Small and medium-sized enterprises (SMEs) in accordance with the respectively valid EU definition for SMEs with registered offices or business premises in Rhineland-Palatinate, including agricultural enterprises and members of the free professions. Businesses in which public monies directly or indirectly hold a majority are excluded from receiving funding support.

What is funded?

The costs of participating in export-oriented trade fairs, insofar as the trade fair is listed in the Internet database maintained by the Association of the German Trade Fair Industry. (www.auma.de/en), or has been recognized as eligible for grant aid by the state of Rhineland-Palatinate. Products are presented by the employees of the company applying for assistance.

How is funding provided?

Assistance is granted in the form of a financial subsidy. This consists of a basic amount dependent on the location of the event plus an additional contribution toward the cost of the rented display space.

The basic amount and additional contribution together may not exceed 50 % of the total costs for participation in the event, and may also not exceed 5,000 EUR.

Where can I apply?

Applications are submitted to the ISB. Only applications that have been submitted to the ISB by the day preceding the start of the trade fair can be taken into consideration.

FURTHER INFORMATION

www.isb.rlp.de
isb-marketing@isb.rlp.de
ISB Advice Center
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