

EFSI Operation Scoreboard¹

| PROJECT PRESENTATION | |
|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Project name</u> | OTTOBOCK RESEARCH PROGRAMME |
| <u>Promoter and financial intermediary</u> | OTTOBOCK SE UND CO KGAA |
| <u>Country of implementation</u> | Austria, Germany |
| <u>Summary project description</u> | <p>The promoter is a medical technology company and the project concerns the company's research and development (R&D) in the area of orthopaedics. The focus is on the development of:</p> <ol style="list-style-type: none"> 1) mechatronic solutions for the auto-adaptive control of prosthetic components; 2) related advanced materials (e.g. carbon-fibre-based artificial foot); and 3) Osseo integration (connecting the prosthesis systems to the long bone via implants). |

¹ This Scoreboard of indicators reflects the information presented to the EFSI Investment Committee (IC) for its decision on the use of the EU guarantee for this operation. Therefore, the document does not take into account possible developments that could have occurred after this decision.

Parts of this document that fall under the exceptions for disclosure defined by the EIB Group Transparency Policy, notably under articles 5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].

PROJECT PILLAR ASSESSMENT

Pillar 1

| Contribution to EU policy | Significant |
|---------------------------------------------|-------------|
| EFSI | |
| Contribution to EFSI | 100.00% |
| EFSI: Research, development and innovation | 100.00% |
| Projects that are in line with Horizon 2020 | 100.00% |

Pillar 2

| Quality and soundness of the project | Excellent |
|--------------------------------------|-----------|
| 1. Growth | [...] |
| 2. Promoter capabilities | [...] |
| 3. Sustainability | [...] |
| 4. Employment | [...] |

This pillar evaluates the quality and soundness of the operation. This pillar is composed of up to four indicators, as relevant, among which:

- (i) "Growth" i.e. for example and where relevant the economic rate of return ('ERR'), which considers the project's socioeconomic costs and benefits, including its spillover effects;
- (ii) "Promoter capabilities" i.e. the capacity of the promoter/intermediary to implement the project and create the expected impact at the [final] beneficiary level;
- (iii) "Sustainability" i.e. environmental and social sustainability²;
- (iv) "Employment" i.e. the project's direct employment effect;
- (v) "Increasing access to finance and improving financing conditions including for final beneficiaries".

Pillar 3

| EIB Technical and financial contribution to the project | Moderate |
|---------------------------------------------------------|----------|
| 1. Financial contribution | [...] |
| 2. Financial facilitation | [...] |
| 3. Advice | [...] |

This pillar measures the EIB's particular contribution to the project and its financing scheme in the form of financial and non-financial benefits which go beyond what commercial players would normally be able to offer. This dimension of value added is assessed through up to three indicators:

- (i) "Financial Contribution" i.e. improving the counterpart's funding terms compared to market sources of finance (interest rate reduction and/or longer lending tenor);
- (ii) "Financial Facilitation" i.e. helping to attract private financiers (for example through positive signaling effects), promoting synergies in co-financing with other public sources of funds including National Promotional Banks or EU financial instruments;
- (iii) "Technical Contribution and Advice" i.e. providing advice with a view to optimizing the financing package (financial structuring), or technical advisory services in the form of expert input / knowledge transfer - provided in-house by the EIB or in the form of assignments to external consultants - to facilitate the preparation or implementation of a project.

² For additional information on the EIB's assessment of the project's environmental and social aspects, please refer to the project's Environmental and Social Data Sheet (ESDS) published on the EIB website.

Pillar 4 - Complementary indicators

Additionality

This operation is in line with the EFSI objective of supporting research, development and innovation (RDI) in line with Horizon 2020, in order to develop new products in the area of Prosthetics, Orthotics and Human Mobility. The project will enable the borrower to retain its leading knowledge and long-term competitiveness in the Medtech sector and thereby contribute to Europe's R&D, competitiveness and economic growth helping maintain highly skilled staff engaged in R&D activities in Europe.

The financing of this project addresses a market failure by supporting RDI activities, which generate significant positive knowledge and technology externalities. Since there is limited information available to the investors about the positive societal and economic externalities that the Medtech sector and its RDI efforts generate, the industry's access to risk capital in support of innovation is constrained. The Project addresses an increased need of investments of a privately owned Medtech company stemming from the inherent and perceived investment risks associated with RDI activities in this market. The Medtech market currently experiences a rapid change prompted by mounting demand for technological advances that in turn require a high level of investments in high risk R&D.

The project is expected to be classified under the EIB Special Activities category, in particular due to the long tenor of the unsecured loan and the uncertainty of outcomes of the R&D investments. As such, the EIB would not be able to provide such type of unsecured long-term financing support during the period in which the EU guarantee can be used, or not to the same extent, without EFSI.

The financing provided by the EIB with the support of EFSI is expected to result in a quality stamp on the operation. By increasing commercial banks' confidence in the promoter's long-term sustainability and its future research and development plans, the EIB intervention is expected to crowd-in private sector financing.

The operation will be the first for the EIB with the borrower.

Set of indicators related to the macroeconomic environment

Austria - Economic environment

Economic Performance

| | AT 2018 | EU 2018 | US 2018 | AT 2001-2007 |
|-------------------------------------------------------------------------------|------------|------------|------------|-----------------|
| GDP per capita (EUR, PPS) | 39,299.90 | 30,935.11 | 43,569.11 | 37,529.55 |
| GDP growth (%) | 2.72 | 1.96 | 2.85 | 2.28 |
| Potential GDP growth (%) | 1.79 | 1.60 | 2.23 | 2.19 |
| Output gap (% of potential GDP) | 0.99 | 0.61 | 0.74 | 0.04 |
| Unemployment Rate (%) | 4.60 | 6.60 | 3.90 | 4.92 |
| Unemployment Rate (%) - Y/Y change (% points) | -0.80 | -0.60 | -0.20 | 0.08 |
| Bank-interest rates to non-financial corporations (%) | 1.24 | 1.26 | -- | 3.89 |
| Bank-interest rates to non-financial corporations (%) - Y/Y change (% points) | -0.14 | -0.06 | -- | -0.21 |
| Investment rate (GFCF as % of GDP) - Total | 23.89 | 20.54 | 20.84 | 23.51 |
| Investment rate (GFCF as % of GDP) - Public | 2.97 | 2.85 | 3.30 | 2.67 |
| Investment rate (GFCF as % of GDP) - Private | 20.91 | 17.68 | 17.53 | 20.84 |

Research, development and innovation

| | 2014 | 2015 | 2016 | 2017 | EU (latest available) |
|--------------------------------------------------------------------------------|--------|--------|------|------|-----------------------|
| Gross domestic expenditure on R&D (GERD) (% of GDP) | 3.06 | 3.07 | -- | -- | 2.03 |
| Gross domestic expenditure on R&D (GERD) distance to EU 2020 target (% of GDP) | 0.70 | 0.69 | -- | -- | 0.97 |
| Research and development expenditure - Government (% of GDP) | 0.14 | 0.14 | -- | -- | 0.24 |
| Research and development expenditure - Higher education (% of GDP) | 0.74 | 0.75 | -- | -- | 0.47 |
| Research and development expenditure - Business (% of GDP) | 2.16 | 2.18 | -- | -- | 1.30 |
| Research and development expenditure - Private non-profit sector (% of GDP) | 0.01 | 0.01 | -- | -- | 0.02 |
| Eco-innovation index (EU =100) | 106.00 | 108.00 | -- | -- | 100.00 |

Germany - Economic environment

Economic Performance

| | DE 2018 | EU 2018 | US 2018 | DE 2001-2007 |
|-------------------------------------------------------------------------------|------------|------------|------------|-----------------|
| GDP per capita (EUR, PPS) | 37,956.14 | 30,935.11 | 43,569.11 | 33,490.41 |
| GDP growth (%) | 1.42 | 1.96 | 2.85 | 1.40 |
| Potential GDP growth (%) | 1.62 | 1.60 | 2.23 | 1.31 |
| Output gap (% of potential GDP) | 0.68 | 0.61 | 0.74 | -0.17 |
| Unemployment Rate (%) | 3.30 | 6.60 | 3.90 | 9.42 |
| Unemployment Rate (%) - Y/Y change (% points) | -0.30 | -0.60 | -0.20 | 0.05 |
| Bank-interest rates to non-financial corporations (%) | 1.02 | 1.26 | -- | 4.11 |
| Bank-interest rates to non-financial corporations (%) - Y/Y change (% points) | -0.13 | -0.06 | -- | -0.04 |

| | | | | |
|----------------------------------------------|-------|-------|-------|-------|
| Investment rate (GFCF as % of GDP) - Total | 20.77 | 20.54 | 20.84 | 19.91 |
| Investment rate (GFCF as % of GDP) - Public | 2.32 | 2.85 | 3.30 | 2.04 |
| Investment rate (GFCF as % of GDP) - Private | 18.44 | 17.68 | 17.53 | 17.86 |

Research, development and innovation

| | 2014 | 2015 | 2016 | 2017 | EU (latest available) |
|--------------------------------------------------------------------------------|--------|--------|------|------|-----------------------|
| Gross domestic expenditure on R&D (GERD) (% of GDP) | 2.89 | 2.87 | -- | -- | 2.03 |
| Gross domestic expenditure on R&D (GERD) distance to EU 2020 target (% of GDP) | 0.11 | 0.13 | -- | -- | 0.97 |
| Research and development expenditure - Government (% of GDP) | 0.43 | 0.43 | -- | -- | 0.24 |
| Research and development expenditure - Higher education (% of GDP) | 0.51 | 0.50 | -- | -- | 0.47 |
| Research and development expenditure - Business (% of GDP) | 1.95 | 1.95 | -- | -- | 1.30 |
| Research and development expenditure - Private non-profit sector (% of GDP) | -- | -- | -- | -- | 0.02 |
| Eco-innovation index (EU =100) | 134.00 | 129.00 | -- | -- | 100.00 |

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms

- EU value for "Bank-interest rates to non-financial cooperations" corresponds to Euro Area average; Country average is the simple average between 2003 and 2007

- The EU value is displayed as the value in the year that corresponds to the latest value of the indicator in a particular country

Other indicators³

| Key project characteristics | Expected value at PCR |
|----------------------------------------------------------------------------------------------------|-----------------------|
| Start of works | 01.01.2019 |
| End of works | 31.12.2022 |
| Project investment cost [MEUR] | 228.90 MEUR |
| EIB/EFSI eligible investment mobilised [MEUR] | 228.90 MEUR |
| External EFSI multiplier | 2.29 |
| External EIB (non-EFSI) multiplier | |
| Amount of private financing [MEUR] | 128.90 MEUR |
| Quick start (% of expenditure during 2015-2018) [%] | |
| Co-financing with national promotional banks [MEUR] | 0.00 MEUR |
| Co-financing with structural funds (ESIF) [MEUR] | 0.00 MEUR |
| Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc) [MEUR] | |
| Energy efficiencies realised [MWh/a] | 0.00 MWh/a |
| Climate Action indicator | |
| Employment during construction - temporary jobs [person years] | 1,880 person years |
| Employment during operation - new permanent jobs [FTE] | 0 FTE |

³ For additional information on the EIB's assessment of the project's environmental and social aspects, please refer to the project's Environmental and Social Data Sheet (ESDS) published on the EIB website. The abbreviation PCR stands for Project Completion Report. If applicable, a difference between the amount of Project investment costs and EIB/EFSI eligible investment mobilized might derive from the fluctuation of the underlying exchange rate.