

EFSI Operation Scoreboard¹

| PROJECT PRESENTATION | |
|---|---|
| <u>Project name</u> | INGETEAM ENERGY SOLUTIONS RDI |
| <u>Promoter and financial intermediary</u> | INGETEAM SA |
| <u>Country of implementation</u> | Spain |
| <u>Summary project description</u> | <p>Ingeteam specialises in power and control electronics (inverters, frequency converters, controllers and protections), electrical engineering and automation projects. Its range of products includes generators, electric motors, submersible motors and pumps. Ingeteam develops its products, systems and services for many different sectors, such as for example wind, photovoltaic and hydro power generation, metal and mineral processing, mining, marine, rail traction, water treatment, e-vehicle charging, power grids. Ingeteam has its roots in engineering. The orientation towards customers and projects has been complemented over the time by generic product development but also by an increasing scope of basic research topics, which is today considered mandatory to keep pace with (often larger) international competitors. Basic research is also seen as an important element for the development of products that would be ahead of competition.</p> <p>The new project will play an essential part for Ingeteam's business strategy, re-focused on energy transition, energy storage, electromobility, offshore wind and Industry 4.0, and for the company's competitiveness globally.</p> <p>The project consists of Ingeteam's planned activities, investments and expenditures in RDI for the period 2019-2022, covering research and development in the areas of renewable power generation, electrical storage, smart grids, power transmission and electronics carried out at the promoter's existing facilities located in Spain.</p> |

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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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 |
|--|-------------|
| Cross-cutting objectives | |
| Climate Action | 43.10% |
| EIB Cohesion Priority Regions / Economic and Social Cohesion | 3.00% |
| EFSI | |
| Contribution to EFSI | 100.00% |
| EFSI: Research, development and innovation | 70.00% |
| Projects that are in line with Horizon 2020 | 70.00% |
| EFSI: Development of the energy sector in accordance with the Energy Union priorities | 25.00% |
| Development and modernization of energy infrastructure (in particular interconnections, smart grids at distribution level, energy storage and synchronisation of networks) | 25.00% |
| EFSI: development of transport infrastructures, and equipment and innovative technologies for transport | 5.00% |
| Other development of transport infrastructures, and equipment and innovative technologies for transport | 5.00% |

Pillar 2

| Quality and soundness of the project | Good |
|--------------------------------------|-------|
| 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".

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 3

| EIB Technical and financial contribution to the project | Significant |
|--|--------------------|
| 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.

Pillar 4 - Complementary indicators

Additionality

In line with the EFSI objective of modernizing energy infrastructure and supporting research, development and innovation (RDI) under the scope of the Horizon 2020 programme the operation will allow the promoter to execute high quality Research and Development (R&D) activities in the areas of renewable power generation, electrical storage, smart grids, power transmission and electronics. The project will enable the promoter to retain its leading knowledge and long-term competitiveness in its business sector and thereby contributing to Europe's R&D, competitiveness and economic growth, as well as to help 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 given that it focuses on developing solutions for more sustainable energy generation, transmission, distribution and consumption. The operation will also contribute to the Climate Action objectives of the EIB.

The promoter is a privately owned company developing and offering a wide range of electrical equipment products mainly to the renewable energy sector with high added value contributing to meeting global challenge of more efficient production and utilisation of energy. It is challenging for the promoter to obtain similar long term financing from commercial banks to cover the full investment needs due to the significant project size, the long cycle of the investments and the inherent risk of the underlying RDI activities. The promoter is thus facing a sub-optimal investment situation whereby it needs to make strategic choices regarding the priorities within its pipeline and the development programmes to pursue.

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. Therefore, the EIB operation is expected to increase commercial banks' confidence in the promoter's long-term sustainability and its future research and development plans.

Set of indicators related to the macroeconomic environment

Spain - Economic environment

Economic Performance

| | ES 2018 | EU 2018 | US 2018 | ES 2001-2007 |
|---|-----------|-----------|-----------|--------------|
| GDP per capita (EUR, PPS) | 28,497.70 | 30,935.11 | 43,569.11 | 29,209.95 |
| GDP growth (%) | 2.58 | 1.96 | 2.85 | 3.55 |
| Potential GDP growth (%) | 1.16 | 1.60 | 2.23 | 3.58 |
| Output gap (% of potential GDP) | 0.87 | 0.61 | 0.74 | 2.74 |
| Unemployment Rate (%) | 14.40 | 6.60 | 3.90 | 9.98 |
| Unemployment Rate (%) - Y/Y change (% points) | -2.10 | -0.60 | -0.20 | -0.34 |
| Bank-interest rates to non-financial corporations (%) | 1.69 | 1.26 | -- | 3.78 |
| Bank-interest rates to non-financial corporations (%) - Y/Y change (% points) | 0.13 | -0.06 | -- | -0.04 |
| Investment rate (GFCF as % of GDP) - Total | 21.21 | 20.54 | 20.84 | 28.71 |
| Investment rate (GFCF as % of GDP) - Public | 2.10 | 2.85 | 3.30 | 4.14 |
| Investment rate (GFCF as % of GDP) - Private | 19.11 | 17.68 | 17.53 | 24.57 |

General Sector Indicators

| | 2014 | 2015 | 2016 | 2017 | EU (latest available) |
|---|------|------|------|------|-----------------------|
| Value added in Manufacture of electrical equipment (% of total) | -- | -- | -- | -- | 0.8 |
| Employment in Manufacture of electrical equipment (% of total) | -- | -- | -- | -- | 0.7 |

Research, development and innovation

| | 2014 | 2015 | 2016 | 2017 | EU (latest available) |
|--|--------|--------|------|------|-----------------------|
| Gross domestic expenditure on R&D (GERD) (% of GDP) | 1.24 | 1.22 | -- | -- | 2.03 |
| Gross domestic expenditure on R&D (GERD) distance to EU 2020 target (% of GDP) | 0.76 | 0.78 | -- | -- | 0.97 |
| Research and development expenditure - Government (% of GDP) | 0.23 | 0.23 | -- | -- | 0.24 |
| Research and development expenditure - Higher education (% of GDP) | 0.35 | 0.34 | -- | -- | 0.47 |
| Research and development expenditure - Business (% of GDP) | 0.65 | 0.64 | -- | -- | 1.30 |
| Research and development expenditure - Private non-profit sector (% of GDP) | 0.00 | 0.00 | -- | -- | 0.02 |
| Eco-innovation index (EU =100) | 107.00 | 106.00 | -- | -- | 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] | 143.10 MEUR |
| EIB/EFSI eligible investment mobilised [MEUR] | 143.10 MEUR |
| External EFSI multiplier | 2.04 |
| External EIB (non-EFSI) multiplier | |
| Amount of private financing [MEUR] | 73.10 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 | 43.10% Mitigation - RDI (transversal) |
| Employment during construction - temporary jobs [person years] | 1,719 person years |
| Employment during operation - new permanent jobs [FTE] | 378 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.