

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
Project name	IM2 SOLAR DEVELOPER FINANCE
Promoter and financial intermediary	IM2 ENERGIA SOLAR SL
Country of implementation	Spain
Summary project description	<p>The Project consists of a loan to a NewCo holding company, which will build and own a pipeline of ca. 220 MW solar PV projects in Spain. The projects' pipeline will be bundled in sub-portfolios of 10-70MW capacities, held and implemented by different Special Purpose Vehicles (SPVs), 100% owned by the NewCo.</p> <p>The NewCo will be funded by the Investment Loan provided by the Bank, accounting for up to 30% of NewCo's total financing, and by equity provided by im2 Energia Solar SL (the "Promoter"). Each SPV's financing plan will rely, for up to 55%, on long-term senior debt lines provided by commercial lenders (Bankia or others national acceptable commercial lenders) while the remainder will be provided by the NewCo through equity and shareholder loans.</p> <p>The Promoter will take all development risk as the NewCo will become owner of each sub-portfolio only once it has reached a "ready to build" status, defined through a list of agreed conditions precedent.</p> <p>The operation would contribute to the EU 2030 renewable energy ("RE") objectives by supporting investments in RE electricity generation capacity located in Spain.</p> <p>The projects are outside the Spanish renewable energy auction scheme and will therefore not benefit from any public subsidy. The electricity produced will be sold to the grid at market price exposing the projects to merchant risk.</p> <p>At the end of the investment period, EUR 185m of capital expenditures (of which ca. EUR 167m is EIB eligible) is expected to be mobilised as a result of the Bank's involvement.</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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].

The proposed structure constitutes a possible breakthrough as the EIB will invest in a holding structure that will provide the necessary equity to a portfolio of projects. If successful, this structure could also be deployed in other countries within the EU with other energy developers as it addresses the current financing gap related to the lack of equity for small and medium size developers in the current renewable energy market where feed-in tariff are gradually less and less utilized.

PROJECT PILLAR ASSESSMENT

Pillar 1

Contribution to EU policy		High
Cross-cutting objectives		
Climate Action		100.00%
EIB Cohesion Priority Regions / Economic and Social Cohesion		95.00%
EFSI		
Contribution to EFSI		100.00%
EFSI: Development of the energy sector in accordance with the Energy Union priorities		50.00%
Expansion of the use or supply of renewable energy		50.00%
EFSI: Less-developed regions and transition regions		50.00%
Less-developed regions and transition regions as listed respectively in Annex I and Annex II of Commission Implementing Decision 2014/99/EU		50.00%

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 developing the energy sector in accordance with the Energy Union priorities, the operation will expand the use and supply of renewable energy in Spain by enabling the development of 15 solar Photovoltaic (PV) plants. The operation will contribute to EIB's climate action objectives, as it will help achieving the Spanish 2020 targets for Renewable Energy as well as the EU-wide 2030 target of 32% final energy consumption coming from RE sources as laid out in the new RE Directive. As the Project will be located in less developed and transition regions such as Extremadura and Andalucia, eligible under the EU Cohesion Policy, the operation will also contribute to the Union priorities on convergence and social cohesion.

The Project addresses market failures and sub-optimal investment situation in the renewable energy sector in Spain created by years of underinvestment. Uncertainties associated with new regulatory framework introducing a shift from schemes based on feed-in tariffs to those based on reasonable return on investment schemes, exposing energy providers to electricity price risk, create a funding gap in terms of equity financing, particularly for projects developed by small independent developers. Thanks to EFSI, the EIB will contribute to filling this gap and will support the evolution of the Spanish renewable energy market towards a market based on competition.

The loan is expected to fall under Special Activities. The solar projects will not benefit from any public subsidy. Revenues to the Project will originate exclusively through to the sale of energy to the grid and will consequently assume market risk. In addition, having features of equity investments, one of which being its subordination to the senior debt, the EIB loan is considered a quasi-equity product. Given the above, it could not have been provided by the EIB during the period in which the EU guarantee can be used, or not to the same extent, without EFSI.

Being the first EIB solar PV investment in Spain assuming market risk, the operation entails important signalling effect for private sector investor interested in this project as well as other RE investments.

The EIB has played an active role in advising the promoter on the structure of the operation as it will be the first operation for the Bank with the promoter.

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

Energy

	2014	2015	2016	2017	EU (latest available)
Energy consumption from renewables (%)	16.12	16.21	17.35	17.51	17.52
Energy consumption from renewables - distance to EU 2020 target (%)	3.87	3.78	2.64	2.48	2.47
Energy dependence (%)	72.90	--	--	--	53.50
Primary energy consumption (consumption in 2005 =100)	82.90	86.20	86.30	--	90.00
Energy intensity of the Economy (kg of oil equivalent per 1 000 EUR)	--	--	--	--	141.83
Primary energy consumption (Million Tonnes of Oil Equivalent)	112.60	117.10	117.20	--	1,542.70
Primary energy consumption (Million Tonnes of Oil Equivalent) - distance to EU 2020 target	-7.20	-2.70	-2.60	--	59.70

General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Electricity, gas, steam and air conditioning supply (% of total VA)	2.52	2.59	2.51	2.62	1.81
Employment in Electricity, gas, steam and air conditioning supply (% of total employment)	0.31	0.29	0.29	0.28	0.53

- 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	01.01.2020
End of works	31.12.2022
Project investment cost [MEUR]	185.00 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	166.50 MEUR
External EFSI multiplier	6.43
External EIB (non-EFSI) multiplier	
Amount of private financing [MEUR]	159.10 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]	420,000.00 MWh/a
Climate Action indicator	100.00% Mitigation - Renewable Energy (transversal)
Employment during construction - temporary jobs [person years]	400 person years
Employment during operation - new permanent jobs [FTE]	20 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.