

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
Project name	SELECTIVE EUROPEAN TRANSPORTATION EQUIPMENT FUND
Promoter and financial intermediary	QUAMVEST SA, ADVISORS AND PARTNERS GP SARL
Country of implementation	Regional - EU countries
Summary project description	<p>The proposed operation aims at investing in an investment vehicle, Selective European Transportation Equipment Fund ("SETEF" or the "Fund"), which will acquire exclusively freight wagons and river barges to be leased in Europe in order to support the development of a low-carbon transportation facility to connect European countries.</p> <p>SETEF is structured as a sub-fund of Advisors & Partners Selective Investment Fund S.C.A and aims to raise a total equity amount of EUR 160m. SETEF will target both new and second-hand mobile assets transactions. Approximately 60% of the expected pipeline (about 1,700 new wagons and 30 new river barges, all registered in the EU Member States) would be eligible for the EIB, whereas second-hand assets or assets not registered in the EU, will not be part of EIB eligible investments. Only incremental costs to bring the older assets up to standard can be considered as EIB eligible investments.</p> <p>On top of the equity investment brought by SETEF (from institutional investors), a EUR 240m senior debt will be raised from specialist banks, in order to finance a EUR 400 m portfolio of European freight wagons (70%) and European river-barges (30%). SETEF is expected to build a diversified portfolio of mainly non-propelled mobile assets in Europe (mainly in the EU) but some self-propelled barges will also be considered.</p> <p>Special purpose vehicles ("SPVs"), wholly owned by the Fund, will act as asset owning entities. The SPVs will be legal owners of the underlying assets, which are to be managed by the appointed Operating Companies. SETEF will be the sole beneficiary to the net performance of each of its SPVs.</p> <p>Contracted Operating Companies will be responsible for ordering and taking delivery of the wagons and barges and then lease these non-</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 [...].

propelling assets to private and public companies, mainly in the EU, for the account of SETEF: state-owned railway companies, private railway companies or operators, river transport logistics operators and industrial clients (manufacturers, etc.). The lease contracts will be in the name of the Operating Companies but for the accounts of SETEF. The average initial lease term of the portfolio is 3 to 5 years with the intention of entering into recurring contract extensions. The Operating Companies will also be responsible for maintaining these assets, (in particular as certified Entity in Charge of Maintenance for the rail rolling stock) and will be required to ensure optimal performance and reliability.

All Operating Companies will also be required to inform SETEF on all new transactions sourced. Quamvest S.A. (the "Fund Manager") and Advisors & Partners (the "Investment Advisors"), with their significant experience in rolling stock acquisition, upgrade and fleet management, can also identify investment opportunities and investment portfolios about to be available on the market.

SETEF has already signed an Asset Management Agreement with Touax Group ("Touax"), its preferred Operating Company (due to its initiator role towards the establishment of the Fund), a top 5 European rail freight wagon lessor and the biggest leasing company for bulk barges in Europe and South America, with over 100 years expertise in the inland waterway sector.

Touax has established strong relationships with a broad set of long-term creditworthy customers and third parties, and intends to maintain and develop these relationships further. TOUAX Rail Ltd and TOUAX River Barges SAS operating companies, like other envisaged operating companies, focus on maintaining a safe, high quality and reliable fleet, and as such asset maintenance and strict safety protocols form a core part of their business and strategy for the future.

The Asset Management Agreement will offer full flexibility to include further wagons and barges purchases in the future with the aim of creating a well-diversified portfolio. SETEF will decide on further portfolio acquisitions on a case-by-case basis considering the offered commercial and financial conditions as well as on other SETEF eligibility criteria.

SETEF will target small and medium sized projects. It will make equity investments in the range of EUR 5-25 m per project and aims to invest in 20-25 projects, next to strategic partners - Operating Companies.

The Fund will mostly target standard interoperable types of wagons and non-propelled barges compatible with different types of pushers. It will not target assets that have significant development or releasing risks.

The EIB will participate as a "simple investor", as the Fund will invest in transport sectors prioritised by the Bank, and allows for co-investment opportunities in small to mid-sized assets primarily in Primary and Secondary European freight rolling stock projects and to a great extent in convergence regions.

PROJECT PILLAR ASSESSMENT

Pillar 1

Contribution to EU policy	Significant
Cross-cutting objectives	
Climate Action	60.00%
EIB Cohesion Priority Regions / Economic and Social Cohesion	20.00%
EFSI	
Contribution to EFSI	100.00%
EFSI: development of transport infrastructures, and equipment and innovative technologies for transport	100.00%
Other development of transport infrastructures, and equipment and innovative technologies for transport	20.00%
TEN-T railway infrastructure and other rail projects	80.00%

Pillar 2

Quality and soundness of the project	Acceptable
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

In line with the EFSI objectives of development of transport infrastructures, and equipment and innovative technologies, the operation will support the development of fleets of freight railcars (rolling stock) and river barges in Europe with the aim to support the development of a low-carbon transportation facility to connect European countries. Equally the operation will address the objective of supporting less-developed regions and transition regions as up to 20% of the operation is expected to be deployed in Cohesion regions. The operation will thus also contribute to the Union priorities on convergence and social cohesion, helping reduce regional disparities by supporting investment. The operation will be fully accounted against the EIB's Climate Action objective. The operation also has a strong cross border content as both the river barges and the freight railcars financed by the operation will be leased to entities in various EU countries and will travel extensively cross-border, thus helping to improve the connectivity within the EU.

The operation addresses market failures linked to the underinvestment in the EU infrastructure sector by mobilising missing long term financing required to invest in asset classes (rolling stock and barges) that find it more challenging to attract private funding due to their specialised and complex nature. These market failures are typically not internalised in the investment rationale of private financiers. The consequence is, a priori, sub-optimal investment flows to the type of the project that the Fund aims to support.

As an equity fund investment, the operation falls under EIB Special Activities. The underlying equity investments to be made by the Fund are expected to be risky as they will be exposed to a range of risks, including demand, regulatory, niche nature of the EU rolling stock / barge markets, etc. The EIB would not be able to provide such type of financing support during the period in which the EU guarantee can be used, or not to the same extent, without EFSI.

The EFSI-supported investment will send a strong signal to crowd-in infrastructure investors, assisting the Fund to raise the necessary private investment share. In turn, projects supported by the Fund are expected to raise additional private financing, contributing to job creation and growth in Europe. This will be the first EIB transaction with the Promoter.

Set of indicators related to the macroeconomic environment

Regional - EU countries - Economic environment

Economic Performance

	EU 2018	EU 2018	US 2018	EU 2001-2007
GDP per capita (EUR, PPS)	30,935.11	30,935.11	43,569.11	29,363.37
GDP growth (%)	1.96	1.96	2.85	2.27
Potential GDP growth (%)	1.60	1.60	2.23	2.10
Output gap (% of potential GDP)	0.61	0.61	0.74	0.93
Unemployment Rate (%)	6.60	6.60	3.90	8.55
Unemployment Rate (%) - Y/Y change (% points)	-0.60	-0.60	-0.20	-0.25
Bank-interest rates to non-financial corporations (%)	1.26	1.26	--	3.90
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.06	-0.06	--	-0.02
Investment rate (GFCF as % of GDP) - Total	20.54	20.54	20.84	21.38
Investment rate (GFCF as % of GDP) - Public	2.85	2.85	3.30	3.05
Investment rate (GFCF as % of GDP) - Private	17.68	17.68	17.53	18.33

General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Warehousing and support activities for transportation (% of total VA)	1.66	1.63	1.62	1.63	1.63
Employment in Warehousing and support activities for transportation (% of total employment)	1.19	1.21	--	--	1.21

Rail

	2014	2015	2016	2017	EU (latest available)
Rail infrastructure investment as % of GDP	--	--	--	--	--
Passengers transport by rail (Billion passenger-kilometre)	428.20	--	--	--	428.20
Goods transport by rail (Billion tonne-kilometre)	877.73	--	--	--	877.73

- 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	06.01.2020
End of works	31.01.2030
Project investment cost [MEUR]	160.00 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	233.40 MEUR
External EFSI multiplier	5.83
External EIB (non-EFSI) multiplier	
Amount of private financing [MEUR]	120.00 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]	0.00 MEUR
Energy efficiencies realised [MWh/a]	0.00 MWh/a
Climate Action indicator	60.00% Mitigation - Transport (transversal)
Employment during construction - temporary jobs [person years]	1,600 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.