

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
Project name	TILT CAPITAL FUND I
Promoter and financial intermediary	TILT CAPITAL PARTNERS SAS
Country of implementation	Regional - EU countries
Summary project description	<p>TCF I is a private equity fund targeting minority stakes in SMEs from sectors related to the carbon-free energy transition. The Fund will be managed by TiLT Capital Partners SAS a newly established manager led by a team of three former M&A executives of Engie, a large French utility that was one of the first movers in many sub-sectors of the energy transition.</p> <p>The Fund will target four broad sectors within the energy transition with roughly equal allocations: (i) energy efficiency (e.g. lighting, smart buildings), (ii) flexible generation and storage (e.g. merchant renewable generation, battery storage), (iii) smart grids & data analytics (e.g. virtual power plants, power grid management), and (iv) behind-the-meter solutions (e.g. decentralised generation, demand response).</p> <p>The business models of the targeted companies will be equally split between asset developers, integrators, manufacturers and service providers, thereby providing sufficient diversification in terms of business models.</p> <p>At the end of the investment period, c. EUR 570m of capital expenditure is expected to have been mobilised as a consequence of the Fund'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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].

PROJECT PILLAR ASSESSMENT

Pillar 1

Contribution to EU policy	Significant
Cross-cutting objectives	
Climate Action	80.00%
EFSI	
Contribution to EFSI	100.00%
EFSI: Development of the energy sector in accordance with the Energy Union priorities	54.00%
Expansion of the use or supply of renewable energy	28.00%
Energy efficiency and energy savings (with a focus on reducing demand through demand side management and the refurbishment of buildings)	15.00%
Other development of the energy sector in accordance with the Energy Union priorities	11.00%
EFSI: Financial support through the EIF and the EIB to entities having up to 3 000 employees	38.00%
Provision of risk financing from seed to expansion stages for SMEs, start ups, small mid cap companies and mid cap companies, to ensure technological leadership in innovative and sustainable sectors	38.00%
EFSI: Environment and resource efficiency	8.00%
Projects and infrastructures in the field of environmental protection and management	8.00%

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 to support the development of the energy sector in accordance with the EU priorities and namely, the expansion of the use or supply of renewable energy, the operation is addressing a gap in financing of energy transition measures. Equally the operation will address the objective of supporting SMEs, specifically those active in the fields of the wider energy transition. Also the operation will support the EFSI objective of environment and resource efficiency. Up to 80% of the operation is expected to contribute to the EIB's Climate Action objective.

The operation addresses several market failures. It will help to alleviate the situation of insufficient capital available to fast-growing SMEs in sectors related to the energy transition. Equally it will help to provide strong technical expertise in the energy transition sector. These market failures are typically not internalised in the investment rationale of private financiers leading to sub-optimal investment flows to energy transition projects.

The operation will be an equity investment and as such falls under EIB Special Activities. The focus on the equity financing represents a significant risk including the risk generated by investment in not yet profitable companies as well as the risk of investment into companies targeting novel and unproven business models and technologies. 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 EIB is expected to be a first closing investor. An EIB commitment will send a positive signal to potential new institutional investors and allow the Fund Manager to reach a sustainable fund size in a timely manner. The EIB was the first investor approached by the Fund Manager since the Manager is eager to have the EIB on board, as the presence and stability of the EIB is considered as (i) a valuable asset, (ii) an endorsement by a respected European player in the relatively new energy transition segment and (iii) an element contributing positively to a balanced, stable and diversified investor base.

The EIB has provided significant advisory input into the structuring of the fund proposal and establishing a fully developed investment strategy. Following the publication of the due diligence start on the EIB's website, the promoter confirmed a step change in their fundraising efforts. The Fund Manager was even able to reopen the dialogue with potential investors who had previously declined to engage.

This will be the first operation with the promoter for the EIB.

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 (%)	1.97	1.97	2.86	2.28
Potential GDP growth (%)	1.60	1.60	2.24	2.10
Output gap (% of potential GDP)	0.62	0.62	0.74	0.93
Unemployment Rate (%)	6.60	6.60	3.90	8.56
Unemployment Rate (%) - Y/Y change (% points)	-0.60	-0.60	-0.20	-0.26
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	21.39
Investment rate (GFCF as % of GDP) - Public	2.86	2.86	3.31	3.05
Investment rate (GFCF as % of GDP) - Private	17.68	17.68	17.53	18.33

Energy

	2014	2015	2016	2017	EU (latest available)
Energy consumption from renewables (%)	16.19	16.72	17.02	17.53	17.53
Energy consumption from renewables - distance to EU 2020 target (%)	3.81	3.28	2.98	2.47	2.47
Energy dependence (%)	53.50	--	--	--	53.50
Primary energy consumption (consumption in 2005 =100)	88.10	89.40	90.00	--	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)	1,508.60	1,531.90	1,542.70	--	1,542.70
Primary energy consumption (Million Tonnes of Oil Equivalent) - distance to EU 2020 target	25.60	48.90	59.70	--	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)	1.91	1.86	1.86	1.82	1.82
Employment in Electricity, gas, steam and air conditioning supply (% of total employment)	0.56	0.54	0.54	--	0.54

SME/midcap

	2014	2015	2016	2017	EU (latest available)
Share of SMEs with Access to Finance Difficulties (%)	34.26	24.21	20.91	16.71	17.54
Availability of Private equity (Thousand euro)	42,889,723.97	51,489,734.40	52,624,980.81	67,350,185.55	67,350,185.55
Availability of Venture Capital (Thousand euro)	3,407,491.18	4,006,210.82	4,465,523.98	6,100,548.37	6,100,548.37

- 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	30.06.2020
End of works	28.06.2030
Project investment cost [MEUR]	250.00 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	307.69 MEUR
External EFSI multiplier	6.15
External EIB (non-EFSI) multiplier	
Amount of private financing [MEUR]	150.00 MEUR
Quick start (% of expenditure during 2015-2018) [%]	
Co-financing with national promotional banks [MEUR]	20.00 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	40.00% Mitigation - Renewable Energy (transversal) / 30.00% Mitigation - Energy Efficiency (transversal) / 10.00% Mitigation - Waste and Wastewater GHG reduction
Employment during construction - temporary jobs [person years]	440 person years
Employment during operation - new permanent jobs [FTE]	7 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.