

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	DRAEGERWERK MEDICAL TECHNOLOGY RDI II - COVID19
<u>Promoter and financial intermediary</u>	DRAEGERWERK AG & CO KGAA
<u>Country of implementation</u>	Germany
<u>Summary project description</u>	<p>The project concerns the promoter's corporate R&D programme in its Medical Division, with a particular focus on connected health devices. This follows the trend of therapy automation in hospitals through diagnostic and therapeutic assistance systems. Over the past years, Dräger has successfully implemented several innovation projects that support its strategic objective of improving acute care. This project is the framework for different initiatives and innovations which involve all product areas and business units of the Medical Division. The following application areas have been selected as R&D focus topics of the project:</p> <ol style="list-style-type: none"> 1) Alarm management and distribution; 2) Remote view and control; 3) Protective ventilation; 4) Cybersecurity and data protection. <p>Since the outbreak of COVID-19, the relevance and demand for these capabilities has significantly increased. By utilising the new, open medical device communication standard, Dräger will not only enable new clinical applications, but also be open for collaborations with other medtech providers to create solutions which help hospitals improve clinical outcomes while managing the increasing complexity and costs of acute care.</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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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
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	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".

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 supporting projects in line with Horizon 2020, the operation supports the continuing development of European medical equipment technology and know-how. The operation supports the development of connected medical devices, which is especially relevant in the context of the Covid-19 medical crisis as the promoter specialises in the manufacturing of anaesthesia and ventilation machines.

The financing of this project supports medical and RDI activities, which generate significant positive knowledge and technology through the creation of innovative processes, products or services and through skills development and upgrading and improves medical treatment. The operation addresses market failures in the financing of RDI in the medical sector. The borrower is a relatively small sized company, competing on a global scale against large US conglomerates. The borrower is thus facing a sub-optimal investment situation where its lack of access to financing prevents it from deploying the investment project under the scale and timeline that would be appropriate.

The operation falls under the EIB Special Activities category. This is in particular due to the large size and long tenor of the financing provided the R&D intensive nature of the operation as well as the volatile and highly competitive nature of the markets in which the borrower operates. 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 envisaged EIB financing is expected to result in a quality stamp on the project providing comfort and a positive signalling effect to the market. The financing provided by the EIB with the support of EFSI will enable the promoter to attract additional long-term financing.

Set of indicators related to the macroeconomic environment

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	33,490.42
GDP growth (%)	1.43	1.97	2.86	1.40
Potential GDP growth (%)	1.63	1.60	2.24	1.32
Output gap (% of potential GDP)	0.69	0.62	0.74	-0.17
Unemployment Rate (%)	3.30	6.60	3.90	9.43
Unemployment Rate (%) - Y/Y change (% points)	-0.30	-0.60	-0.20	0.06
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	2.33	2.86	3.31	2.05
Investment rate (GFCF as % of GDP) - Private	18.44	17.68	17.53	17.87

General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Manufacture of furniture; other manufacturing (% of total VA)	0.88	0.88	0.86	--	0.72
Employment in Manufacture of furniture; other manufacturing (% of total employment)	0.95	0.94	0.94	--	0.92

Research, development and innovation

	2014	2015	2016	2017	EU (latest available)
Gross domestic expenditure on R&D (GERD) (% of GDP)	2.87	2.91	2.92	3.02	2.06
Gross domestic expenditure on R&D (GERD) distance to EU 2020 target (% of GDP)	0.13	0.09	0.08	-0.02	0.94
Research and development expenditure - Government (% of GDP)	0.42	0.41	0.40	0.41	0.23
Research and development expenditure - Higher education (% of GDP)	0.51	0.50	0.53	0.52	0.45
Research and development expenditure - Business (% of GDP)	1.94	2.00	1.99	2.09	1.36
Research and development expenditure - Private non-profit sector (% of GDP)	--	--	--	--	0.02
Eco-innovation index (EU =100)	135.00	132.00	135.00	139.00	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	01.01.2021
End of works	31.12.2023
Project investment cost [MEUR]	224.60 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	224.60 MEUR
External EFSI multiplier	2.25
External EIB (non-EFSI) multiplier	
Amount of private financing [MEUR]	124.60 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]	2,400 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.