



EFSI Operation Scoreboard¹

<u>PROJECT PRESENTATION</u>	
<u>Project name</u>	ERICSSON 5G
<u>Promoter and financial intermediary</u>	Telefonaktiebolaget LM Ericsson
<u>Country of implementation</u>	Regional – EU Countries
<u>Summary project description</u>	The technologies that will support the fifth generation of mobile telecommunications systems (5G) and the definition of the official standards are currently being developed. The promoter is one of the key contributors to these developments worldwide and in strong competition, in particular with Chinese equipment suppliers. The project concerns the RDI investments by the promoter to develop hardware and software for the Radio Access Network (RAN), the core network, advanced analytics and data exposure functions to enable autonomous networks and an ecosystem in 5G.

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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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	23.00%
EIB Cohesion Priority Regions / Economic and Social Cohesion	4.80%
EFSI	
Contribution to EFSI	100.00%
EFSI: Research, development and innovation	97.00%
Projects that are in line with Horizon 2020	97.00%
EFSI: Development and deployment of information and communication technologies	3.00%
Digital content - cybersecurity and network protection infrastructures	3.00%

Pillar 2

Quality and soundness of the project	Excellent
1. Growth	[...]
2. Promoter capabilities	[...]
3. Sustainability	[...]
4. Employment	[...]

This pillar evaluates the quality and soundness of the operation. This pillar is composed of four indicators which include:

- (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.

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 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 objective of supporting the development of research, development and innovation as well as cybersecurity and network protection, the operation will support the transition to 5G mobile technology network and thus contribute to the EU Gigabit society targets. The project is expected to have a significant and far-reaching impact on the digitalisation of the European economies and promotion of the Digital Single Market by enabling the launch of new applications and usage of mobile broadband not achievable with today's technology.

The financing of this project supports RDI activities, which generate significant positive knowledge, technology and/or environmental externalities, through the creation of innovative processes, products or services and through skills development and upgrading.

The project presents high risk and is expected to be classified under the EIB Special Activities category, in particular due to the unsecured structure and long tenor. The company is currently undergoing a turnaround phase in a highly competitive environment. The financing of RDI of a novel technology is also inherently risky. Due to the expected riskiness of the operation, the loan could not have been provided to the same extent by the EIB without EFSI support.

The EIB will be providing long term financing via an unsecured structure. The EIB lending will be seen as a quality stamp to the company and its 5G RDI initiative. As such this is expected to crowd-in private sector financing and improve the borrower's diversification of borrowing sources. EIB financing is expected to increase the commercial lenders' confidence in the company and confirm their own engagement in the financing. The EIB financing is also expected to crowd-in lending from two Nordic NPBs, the Nordic Investment Bank and the Swedish Export Credit Corporation.

Set of indicators related to the macroeconomic environment

Ireland - Economic environment

Economic Performance

	IE 2016	EU 2016	US 2016	IE 2001-2007
GDP per capita (EUR, PPS)	52,943	29,440	42,615	37,478
GDP growth (%)	5.2	1.9	1.6	5.4
Potential GDP growth (%)	5.0	1.3	2.1	5.2
Output gap (% of potential GDP)	1.8	-0.75	-0.03	2.1
Unemployment Rate (%)	6.9	8.2	4.7	4.6
Unemployment Rate (%) - Y/Y change (% points)	-2.0	-0.8	-0.3	0.19
Bank-interest rates to non-financial corporations (%)	2.4	1.4	1.8	4.9
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.12	-0.21	-1.4	0.16
Investment rate (GFCF as % of GDP) - Total	29.3	19.7	19.6	27.0
Investment rate (GFCF as % of GDP) - Public	1.8	2.7	3.4	3.9
Investment rate (GFCF as % of GDP) - Private	27.5	17.0	16.2	23.1

General Sector Indicators

	2013	2014	2015	2016	EU (latest available)
Value added in Manufacture of computer, electronic and optical products (% of total)	--	--	--	--	0.7
Employment in Manufacture of computer, electronic and optical products (% of total)	--	--	--	--	--

Information and communications technology

	2013	2014	2015	2016	EU (latest available)
The Digital Economy and Society Index (DESI) (composite index)	--	46.5	51.2	54.8	52.3
Fixed broadband subscriptions (lines) per 100 people	26.2	27.5	28.4	28.9	32.7
Fixed broadband Next Generation Access (NGA) coverage/availability (% of households)	54.0	0.71	0.8	--	0.71
Mobile broadband subscriptions per 100 population	67.5	81.8	96.4	95.6	83.9
Internet bandwidth (kb/s per user)	20.0	20.0	16.0	--	--

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms

- EU value for "Bank-interest rates to non-financial corporations" 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

Regional - EU countries - Economic environment
Economic Performance

	EU	EU	US	EU
	2016	2016	2016	2001-2007
GDP per capita (EUR, PPS)	29,440	29,440	42,615	28,710
GDP growth (%)	1.9	1.9	1.6	2.3
Potential GDP growth (%)	1.3	1.3	2.1	2.1
Output gap (% of potential GDP)	-0.75	-0.75	-0.03	1.0
Unemployment Rate (%)	8.2	8.2	4.7	8.5
Unemployment Rate (%) - Y/Y change (% points)	-0.0	-0.0	-0.3	-0.26
Bank-interest rates to non-financial corporations (%)	1.4	1.4	1.8	3.9
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.21	-0.21	-1.4	-0.02
Investment rate (GFCF as % of GDP) - Total	19.7	19.7	19.6	21.4
Investment rate (GFCF as % of GDP) - Public	2.7	2.7	3.4	3.1
Investment rate (GFCF as % of GDP) - Private	17.0	17.0	16.2	18.3

General Sector Indicators

	2013	2014	2015	2016	EU (latest available)
Value added in Manufacture of computer, electronic and optical products (% of total)	--	--	--	--	0.7
Employment in Manufacture of computer, electronic and optical products (% of total)	--	--	--	--	0.6

Information and communications technology

	2013	2014	2015	2016	EU (latest available)
The Digital Economy and Society Index (DESI) (composite index)	--	43.2	46.3	49.4	52.3
Fixed broadband subscriptions (lines) per 100 people	29.8	31.0	32.2	32.7	32.7
Fixed broadband Next Generation Access (NGA) coverage/availability (% of households)	61.9	0.68	0.71	--	0.71
Mobile broadband subscriptions per 100 population	63.7	72.0	80.7	83.9	83.9
Internet bandwidth (kb/s per user)	--	--	--	--	--

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms
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- The EU value is displayed as the value in the year that corresponds to the latest value of the indicator in a particular country

Spain - Economic environment

Economic Performance

	ES	EU	US	ES
	2016	2016	2016	2001-2007
GDP per capita (EUR, PPS)	28,818	29,440	42,615	28,582
GDP growth (%)	3.2	1.9	1.6	3.6
Potential GDP growth (%)	0.39	1.3	2.1	3.6
Output gap (% of potential GDP)	-1.8	-0.75	-0.03	2.9
Unemployment Rate (%)	18.4	8.2	4.7	10.0
Unemployment Rate (%) - Y/Y change (% points)	-2.3	-0.8	-0.3	-0.33
Bank-interest rates to non-financial corporations (%)	1.6	1.4	1.8	3.8
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.41	-0.21	-1.4	-0.05
Investment rate (GFCF as % of GDP) - Total	19.9	19.7	19.6	28.7
Investment rate (GFCF as % of GDP) - Public	1.9	2.7	3.4	4.1
Investment rate (GFCF as % of GDP) - Private	18.0	17.0	16.2	24.6

General Sector Indicators

	2013	2014	2015	2016	EU (latest available)
Value added in Manufacture of computer, electronic and optical products (% of total)	--	--	--	--	0.7
Employment in Manufacture of computer, electronic and optical products (% of total)	--	--	--	--	0.6

Information and communications technology

	2013	2014	2015	2016	EU (latest available)
The Digital Economy and Society Index (DESI) (composite index)	--	43.0	48.0	50.5	52.3
Fixed broadband subscriptions (lines) per 100 people	26.1	27.6	28.8	29.2	32.7
Fixed broadband Next Generation Access (NGA) coverage/availability (% of households)	64.9	0.73	0.77	--	0.71
Mobile broadband subscriptions per 100 population	67.5	78.1	83.2	86.3	83.9
Internet bandwidth (kb/s per user)	26.0	28.0	27.0	--	--

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms

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- The EU value is displayed as the value in the year that corresponds to the latest value of the indicator in a particular country

Sweden - Economic environment

Economic Performance

	SE	EU	US	SE
	2016	2016	2016	2001-2007
GDP per capita (EUR, PPS)	36,573	29,440	42,615	34,122
GDP growth (%)	3.3	1.9	1.6	3.0
Potential GDP growth (%)	2.7	1.3	2.1	2.8
Output gap (% of potential GDP)	0.2	-0.75	-0.03	0.59
Unemployment Rate (%)	6.9	8.2	4.7	6.7
Unemployment Rate (%) - Y/Y change (% points)	-0.3	-0.8	-0.3	0.10
Bank-interest rates to non-financial corporations (%)	1.2	1.4	1.8	3.6
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.14	-0.21	-1.4	1.3
Investment rate (GFCF as % of GDP) - Total	24.2	19.7	19.6	22.3
Investment rate (GFCF as % of GDP) - Public	4.4	2.7	3.4	4.2
Investment rate (GFCF as % of GDP) - Private	19.8	17.0	16.2	18.1

General Sector Indicators

	2013	2014	2015	2016	EU (latest available)
Value added in Manufacture of computer, electronic and optical products (% of total)	--	--	--	--	0.7
Employment in Manufacture of computer, electronic and optical products (% of total)	--	--	--	--	--

Information and communications technology

	2013	2014	2015	2016	EU (latest available)
The Digital Economy and Society Index (DESI) (composite index)	--	61.2	64.1	64.7	52.3
Fixed broadband subscriptions (lines) per 100 people	33.0	33.1	36.1	36.2	32.7
Fixed broadband Next Generation Access (NGA) coverage/availability (% of households)	71.2	0.76	0.76	--	0.71
Mobile broadband subscriptions per 100 population	109.3	111.4	120.1	119.8	83.9
Internet bandwidth (kb/s per user)	7.0	6.0	5.0	--	--

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms
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- 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 at PCR
Start of works	01.01.2018
End of works	31.12.2020
Project investment cost	1,450.90 MEUR
EIB/EFSI eligible investment mobilised	1,450.90 MEUR
External EFSI multiplier	2.90
External EIB (non-EFSI) multiplier	
Amount of private financing	650.90 MEUR
Quick start (% of expenditure during 2015-2018)	28.00 %
Co-financing with national promotional banks	300.00 MEUR
Co-financing with structural funds (ESIF)	0.00 MEUR
Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc)	
Energy efficiencies realised	0.00 MWh/a
Climate Action indicator	23.00% Mitigation - RDI (transversal)
Employment during construction - temporary jobs	10,774 person years
Employment during operation - new permanent jobs	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.