



EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	SPCM NEW FACILITY
<u>Promoter or financial intermediary</u>	S.P.C.M. SA
<u>Country of implementation</u>	France
<u>Summary project description</u>	<p>The project proposed comprises the promoter's continuous strategic investment programme for the period 2019 to 2022, included, supporting the company to:</p> <ul style="list-style-type: none"> - Expand its production capacity of acrylamide (AM) and polyacrylamide (PAM) to further pursue high growth markets and internal volume growth, and achieve economies of scale and better margins; - Continue the development of specific products in line with customers' needs and expand to new markets, and maintain technical leadership. <p>AM is exclusively used for the synthesis of PAM, an acrylic resin that has the unique property of being soluble in water and chemically modifiable to produce charged (ionic) polymers. These ionic polymers are especially useful as flocculants in wastewater treatment, as thickeners and suspension additives in papermaking to improve sheet formation and paper strength, at separating metals from residues in various mineral processing and metallurgical operations and rehydrating and storing water in soils due to their superabsorbent properties.</p> <p>The investment project includes the following components:</p> <ul style="list-style-type: none"> - Construction of a new greenfield AM and PAM production plant, with a capacity of 100 000 tonnes per year based on the company's proprietary enzymatic-based biocatalyst technology and; - The company's R&D programme for the next four years (2019 to 2022) with a focus on the development of new product formulations and related production technology.

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 the 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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].

	<p>The company's innovative investments in the production site in Andrézieux to implement first full-scale commercial production lines for:</p> <ul style="list-style-type: none">• The bio-synthesis of 100 000 tonnes per year of acrylamide using a new in-house developed enzyme in a first-of-a-kind large scale reactor (double of currently available, and world's largest reaction vessel for this product),• The production of 60 000 tonnes per year PAM in a first-of-a-kind large scale (double of currently available, and world's largest reaction vessel for this product), more efficient and cost-effective reactor and,• The production of PAM products for new niche market (e.g. cosmetics and agriculture). <p>Location and implementation timetable: The project will be implemented in France, with the new PAM facility being located in (Dunkirk, cohesion area in the North department – Hauts-de-France region) and the research, development and innovation conducted and deployed in Andrézieux (Loire department – Auvergne-Rhône-Alpes region).</p> <p>The R&D programme will cover projects conducted over the period 2019 up until and including 2022. The innovation projects will be implemented over the same time period. Construction of the new facility in Dunkirk will start in 2019. Considering site preparations and implementation of utilities and buildings, the actual production lines will be installed in 2020 with start-up of production expected in 2021.</p>
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PROJECT PILLAR ASSESSMENT

Pillar 1

Contribution to EU policy	Significant
Cross-cutting objectives	
EIB Cohesion Priority Regions / Economic and Social Cohesion	56.00%
EFSI	
Contribution to EFSI	100.00%
EFSI: Research, development and innovation	44.00%
Projects that are in line with Horizon 2020	37.00%
Other research, development and innovation	7.00%
EFSI: Less-developed regions and transition regions	56.00%
Less-developed regions and transition regions as listed respectively in Annex I and Annex II of Commission Implementing Decision 2014/99/EU	56.00%

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 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

The operation addresses a number of EU objectives. Firstly it will contribute to the support EU research objectives under the Horizon 2020 programme. The RDI investments will drive productivity, competitiveness and environmental performance of the promoter's highly specialized production. This will in turn allow to i) aid to make waste water treatment, mineral processing and agricultural activities more efficient and less resource-intensive as well as ii) tackle key societal challenges related to clean water, scarce resources and soil quality conservation. Also, up to 56% of the investment will be made in Cohesion regions and hence will contribute to EU Cohesion Policy, helping to foster convergence and social cohesion with an expected significant employment effect. Also the operation will help to support a global European leader, whose R&D is located in Europe, in a specialty chemical market segment.

The project addresses the market failure related to financing technological development and innovation. The financing of this project supports RDI activities, which generate significant positive knowledge, technology and environmental externalities, through the creation of innovative processes and products and through skills development and upgrading. The combination of the promoter's (i) inherently risky RDI activities, (ii) its exposure to feedstock volatility and (iii) the capital intensive nature of chemical activities, results in an above average operational and financial risk profile, creating a sub-optimal investment situation.

The project presents higher risk than normally accepted by the EIB for this type of operation and is expected to be classified under EIB's Special Activities category, in particular due to sub-investment grade credit rating, high volatility of feedstock, the unsecured structure, as well as longer tenor than existing debts. 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 with an unsecured structure and is expected to become a key lender to the promoter. This will result in a quality stamp on the project that is expected to crowd-in private sector financing for the promoters future investment programmes. EIB financing is expected to increase the finance providers' confidence in the operation and confirm their own engagement in the financing.

The promoter will be a new counterpart for the EIB.

Set of indicators related to the macroeconomic environment

France - Economic environment				
Economic Performance				
	FR	EU	US	FR
	2018	2018	2018	2001-2007
GDP per capita (EUR, PPP)	30,910	29,440	42,615	30,572
GDP growth (%)	1.2	1.9	1.6	1.9
Potential GDP growth (%)	1.1	1.3	2.1	1.8
Output gap (% of potential GDP)	-1.3	-0.76	-0.03	1.9
Unemployment Rate (%)	10.1	8.2	4.7	8.5
Unemployment Rate (%) - Y/Y change (% points)	-0.1	-0.8	-0.3	-0.19
Bank-interest rates to non-financial corporations (%)	1.2	1.4	1.8	3.5
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.19	-0.21	-1.4	0
Investment rate (GFCF as % of GDP) - Total	21.9	19.7	19.6	21.7
Investment rate (GFCF as % of GDP) - Public	3.4	2.7	3.4	3.9
Investment rate (GFCF as % of GDP) - Private	18.4	17.0	16.2	17.8

General Sector Indicators					
	2013	2014	2016	2018	EU (latest available)
Value added in Manufacture of chemicals and chemical products (% of total)	--	--	--	--	1
Employment in Manufacture of chemicals and chemical products (% of total)	--	--	--	--	--

Research, development and Innovation					
	2013	2014	2016	2018	EU (latest available)
Gross domestic expenditure on R&D (GERD) (% of GDP)	2.2	2.2	2.2	--	2.0
Gross domestic expenditure on R&D (GERD) distance to EU 2020 target (% of GDP)	0.76	0.76	0.77	--	0.97
Research and development expenditure - Government (% of GDP)	0.29	0.29	0.29	--	0.24
Research and development expenditure - Higher education (% of GDP)	0.47	0.46	0.46	--	0.47
Research and development expenditure - Business (% of GDP)	1.5	1.5	1.5	--	1.3
Research and development expenditure - Private non-profit sector (% of GDP)	0.03	0.03	0.03	--	0.02
Eco-innovation index (EU =100)	108.0	112.0	115.0	--	100.0

- Country average for "GDP per capita (EUR, PPP)" 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

Other indicators³

Key project characteristics

	Expected at PCR
Start of works	01.01.2019
End of works	31.12.2022
Project investment cost	375.31 MEUR
EIB/EFSI eligible investment mobilised	333.60 MEUR
External EFSI multiplier	1.85
External EIB (non-EFSI) multiplier	
Amount of private financing	195.31 MEUR
Quick start (% of expenditure during 2015-2018)	
Co-financing with national promotional banks	0.00 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	
Employment during construction - temporary jobs	328 person years
Employment during operation - new permanent jobs	200 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.