



EFSI Operation Scoreboard¹

| PROJECT PRESENTATION | |
|--|---|
| <u>Project name</u> | ULMA RDI & CONVERGENCE |
| <u>Promoter or financial intermediary</u> | ULMA INVERSIONES SC |
| <u>Country of implementation</u> | Poland, Spain |
| <u>Summary project description</u> | <p>The promoter is dedicated to the manufacture, marketing and servicing of industrialized systems of formwork, shoring and scaffolding for building construction, civil engineering and restoration. It is one of the leading manufacturers of scaffolding platforms and has a large international presence. The project covers the promoter's investments in research, development, advanced manufacturing technologies and the expansion of existing rental fleet in the cohesion regions of Poland and Spain. The investments are expected to strengthen the innovativeness and competitive advantage of ULMA Construction, to support the sustainable growth of its sales, long-term profitability and cash-flow generation capacity.</p> <p>The construction industry is continuously evolving with new industry trends and, to remain competitive, a portion of the project relates to the promoter's research in the areas of improved safety, Building Information Modelling, the Internet of Things, modular solutions and solutions for high-rise buildings.</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 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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].

PROJECT PILLAR ASSESSMENT

Pillar 1

| Contribution to EU policy | Significant |
|---|-------------|
| Cross-cutting objectives | |
| EIB Cohesion Priority Regions / Economic and Social Cohesion | 75.89% |
| EFSI | |
| Contribution to EFSI | 100.00% |
| EFSI: Research, development and innovation | 24.11% |
| Knowledge and technology transfer | 24.11% |
| EFSI: Less-developed regions and transition regions | 75.89% |
| Less-developed regions and transition regions as listed respectively in Annex I and Annex II of Commission Implementing Decision 2014/99/EU | 75.89% |

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 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 objectives of supporting research, development and innovation (RDI), the operation supports investment in RDI activities in the construction sector, in particular in the field of manufacturing and marketing of industrialized systems of formwork, shoring and scaffolding. The borrower is an industrial cooperative group composed of eight cooperatives active primarily in construction, packaging, piping and handling across all continents. As the operation also supports investments in manufacturing equipment most of which will be deployed in Cohesion regions of Poland and Spain, it also helps to achieve the EU cohesion policy objectives and strengthens EU's economic, social and territorial cohesion.

The financing of RDI projects supports the generation of significant positive knowledge, technology, and/or environmental externalities through the creation of innovative products and through skills development and upgrading. In particular, research and development activities will help the group to increase competitiveness and productivity. The industries in which the group operates, in particular construction and piping, are cyclical as they are strongly driven by the demand in volatile end markets/sectors and oil prices, respectively, which makes raising debt financing challenging, leading to a sub-optimal investment situation.

The operation will be risky and categorized as EIB Special Activities. This is mainly due to the high risk inherent with financing RDI activity in the construction sector, the cyclicity of the business segment, the long tenor of the loan, as well as the unsecured format of the financing. Without the support of EFSI, the EIB could not provide financial support to the promoter to the same extent.

The proposed long-term EIB loan will provide a strong signalling effect to the group's existing bank lenders as it indicates the Bank's confidence in the group's strategy. The fact that EIB loan due to its long tenor will be effectively subordinated to most of the promoters' other financing facilities is also expected to provide a positive signal to existing and potential future commercial financiers. Over the medium term, the EIB/EFSI loan's contribution to further diversifying the group's funding structure are expected to catalyse crowding-in of additional long-term financing providers to the group, thus benefiting the promoter's overall debt structure and increasing the group's financial prospects, allowing it to advance with other major investment projects in the future.

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

Set of indicators related to the macroeconomic environment

Poland - Economic environment

Economic Performance

| | PL 2017 | EU 2017 | US 2017 | PL 2001-2007 |
|---|------------|------------|------------|-----------------|
| GDP per capita (EUR, PPS) | 20,886 | 29,900 | 43,098 | 14,694 |
| GDP growth (%) | 3.0 | 2.0 | 1.5 | 3.7 |
| Potential GDP growth (%) | 3.2 | 1.7 | 2.2 | 3.8 |
| Output gap (% of potential GDP) | 0.73 | -0.19 | -0.03 | -2.2 |
| Unemployment Rate (%) | 4.3 | 7.3 | 4.1 | 16.3 |
| Unemployment Rate (%) - Y/Y change (% points) | -1.1 | -0.9 | -0.6 | -1.2 |
| Bank-interest rates to non-financial corporations (%) | 3.8 | 1.3 | 2.4 | 6.3 |
| Bank-interest rates to non-financial corporations (%) - Y/Y change (% points) | 0.12 | -0.04 | 0.4 | 0.47 |
| Investment rate (GFCF as % of GDP) - Total | 17.7 | 20.1 | 19.7 | 19.6 |
| Investment rate (GFCF as % of GDP) - Public | 3.7 | 2.7 | 3.2 | 3.3 |
| Investment rate (GFCF as % of GDP) - Private | 14.0 | 17.3 | 16.5 | 16.3 |

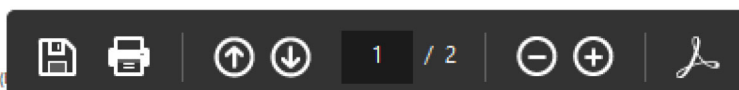
General Sector Indicators

| | 2013 | 2014 | 2015 | 2016 | EU (latest available) |
|---|------|------|------|------|-----------------------|
| Value added in Manufacture of furniture; other manufacturing (% of total) | - | - | - | - | 0.7 |
| Employment in Manufacture of furniture; other manufacturing (% of total) | - | - | - | - | 0.9 |

Research, development and Innovation

| | 2013 | 2014 | 2015 | 2016 | EU (latest available) |
|--|------|------|------|------|-----------------------|
| Gross domestic expenditure on R&D (GERD) (% of GDP) | 0.87 | 0.94 | 1 | - | 2.0 |
| Gross domestic expenditure on R&D (GERD) distance to EU 2020 target (% of GDP) | 0.83 | 0.76 | 0.7 | - | 0.97 |
| Research and development expenditure - Government (% of GDP) | 0.23 | 0.23 | 0.25 | - | 0.24 |
| Research and development expenditure - Higher education (% of GDP) | 0.25 | 0.27 | 0.29 | - | 0.47 |
| Research and development expenditure - Business (% of GDP) | 0.38 | 0.44 | 0.47 | - | 1.3 |
| Research and development expenditure - Private non-profit sector (% of GDP) | 0 | 0 | 0 | - | 0.02 |
| Eco-Innovation Index (EU =100) | 42.0 | 63.0 | 59.0 | - | 100.0 |

- Country average for "GDP per capita (EUR, PPS)"
 - EU value for "Bank-interest rates to non-financial corporations (%)"
 - The EU value is displayed as the value in the year that corresponds to the latest value of the indicator in a particular country and 2007



Spain - Economic environment

Economic Performance

| | ES 2017 | EU 2017 | US 2017 | ES 2001-2007 |
|---|------------|------------|------------|-----------------|
| GDP per capita (EUR, PPS) | 27,557 | 29,900 | 43,098 | 28,706 |
| GDP growth (%) | 3.3 | 2.0 | 1.5 | 3.8 |
| Potential GDP growth (%) | 0.98 | 1.7 | 2.2 | 3.6 |
| Output gap (% of potential GDP) | -0.24 | -0.19 | -0.03 | 2.9 |
| Unemployment Rate (%) | 16.5 | 7.3 | 4.1 | 10.0 |
| Unemployment Rate (%) - Y/Y change (% points) | -2.0 | -0.9 | -0.6 | -0.34 |
| Bank-interest rates to non-financial corporations (%) | 1.6 | 1.3 | 2.4 | 3.8 |
| Bank-interest rates to non-financial corporations (%) - Y/Y change (% points) | 0 | -0.04 | 0.4 | -0.05 |
| Investment rate (GFCF as % of GDP) - Total | 20.6 | 20.1 | 19.7 | 28.7 |
| Investment rate (GFCF as % of GDP) - Public | 2.0 | 2.7 | 3.2 | 4.1 |
| Investment rate (GFCF as % of GDP) - Private | 18.6 | 17.3 | 16.5 | 24.6 |

General Sector Indicators

| | 2013 | 2014 | 2015 | 2016 | EU (latest available) |
|---|------|------|------|------|-----------------------|
| Value added in Manufacture of furniture; other manufacturing (% of total) | -- | -- | -- | -- | 0.7 |
| Employment in Manufacture of furniture; other manufacturing (% of total) | -- | -- | -- | -- | -- |

Research, development and Innovation


| | 2013 | 2014 | 2015 | 2016 | EU (latest available) |
|--|-------|-------|-------|------|-----------------------|
| Gross domestic expenditure on R&D (GERD) (% of GDP) | 1.3 | 1.2 | 1.2 | -- | 2.0 |
| Gross domestic expenditure on R&D (GERD) distance to EU 2020 target (% of GDP) | 0.73 | 0.76 | 0.78 | -- | 0.97 |
| Research and development expenditure - Government (% of GDP) | 0.24 | 0.23 | 0.23 | -- | 0.24 |
| Research and development expenditure - Higher education (% of GDP) | 0.36 | 0.35 | 0.34 | -- | 0.47 |
| Research and development expenditure - Business (% of GDP) | 0.67 | 0.65 | 0.64 | -- | 1.3 |
| Research and development expenditure - Private non-profit sector (% of GDP) | 0 | 0 | 0 | -- | 0.02 |
| Eco-innovation Index (EU =100) | 110.0 | 107.0 | 106.0 | -- | 100.0 |

- Country average for "GDP per capita"
 - EU value for "Bank-interest rates to n
 - The EU value is displayed as the val





2 / 2



2007

Other indicators³

Key project characteristics

| | Expected at PCR |
|---|------------------------|
| Start of works | 01.01.2018 |
| End of works | 31.12.2021 |
| Project investment cost | 65.13 MEUR |
| EIB/EFSI eligible investment mobilised | 65.13 MEUR |
| External EFSI multiplier | 2.51 |
| External EIB (non-EFSI) multiplier | |
| Amount of private financing | 39.13 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 | 343 person years |
| Employment during operation - new permanent jobs | 26 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.