



EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	ALFASIGMA INNOVATIVE DRUGS RDI
<u>Promoter or financial intermediary</u>	ALFASIGMA SPA
<u>Country of implementation</u>	Italy
<u>Summary project description</u>	<p>The project supports Alfasigma (the Promoter) investments in pharmaceutical R&D focused on gastroenterology, rheumatology and vascular medicine, at different stages of development.</p> <p>The three therapeutic areas currently targeted by the Promoter represent a high priority for the healthcare industry, due to both increasing prevalence and demographics (increasing trend of rheumatology and vascular disorders due to an aging population and lifestyle choices). Consequently, as the healthcare burden remains high, so does the market potential for new and cost-effective treatments for those diseases. One of the Promoter's key research programs is the Velusetrag drug development for gastroparesis which, targets a patient population that still have limited effective treatment options and unmet clinical needs are significant.</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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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
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	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

This operation is in line with the EFSI objective of supporting research, development and innovation (RDI) in order to develop innovative medicines in the areas of gastroenterology, vascular medicine and rheumatology. The financing of this project supports RDI activities, which generate significant positive knowledge and technology externalities. The project addresses a sub-optimal investment situation of a privately owned pharmaceutical company without access to financial markets. The Promoter cannot obtain similar long term financing from commercial banks to cover the full investment needs due to the significant size of the investments and the inherent risk of the pharmaceutical industry for newly developed products. The Promoter is thus facing a sub-optimal investment situation whereby it needs to make strategic choices regarding the priorities within its pipeline and the development programmes to pursue. The project presents high risks such as product development periods with uncertain outcomes and is expected to be classified in the EIB Special Activities category. Due to the expected riskiness of the project, the EIB would not be able to provide such type of unsecured long term financing support during the period in which the EU guarantee can be used, or not to the same extent, without EFSI.

The EIB will be providing long-term financing and is expected to become a cornerstone long-term lender to the borrower. This will result in a quality stamp on the project that is expected to crowd-in private sector financing, to increase the commercial banks confidence in the Promoter's long-term sustainability. The Promoter has already been awarded grant financing under EU Horizon 2020.

The operation will be the first for the EIB with the Promoter.

Set of indicators related to the macroeconomic environment

Italy - Economic environment				
Economic Performance				
	IT	EU	US	IT
	2017	2017	2017	2001-2007
GDP per capita (EUR, PPS)	28,774	29,900	43,098	31,527
GDP growth (%)	0.86	2.0	1.5	1.5
Potential GDP growth (%)	0.26	1.7	2.2	1.1
Output gap (% of potential GDP)	-1.2	-0.19	-0.03	1.5
Unemployment Rate (%)	10.9	7.3	4.1	7.6
Unemployment Rate (%) - Y/Y change (% points)	-0.8	-0.9	-0.6	-0.44
Bank-interest rates to non-financial corporations (%)	1.1	1.3	2.4	3.8
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	0.05	-0.04	0.4	0.02
Investment rate (GFCF as % of GDP) - Total	17.5	20.1	19.7	21.1
Investment rate (GFCF as % of GDP) - Public	2.0	2.7	3.2	2.9
Investment rate (GFCF as % of GDP) - Private	15.5	17.3	16.5	18.2

General Sector Indicators					
	2013	2014	2015	2016	EU (latest available)
Value added in Manufacture of basic pharmaceutical products and pharmaceutical preparations (% of total)	--	--	--	--	0.7
Employment in Manufacture of basic pharmaceutical products and pharmaceutical preparations (% of total)	--	--	--	--	--

Research, development and innovation					
	2013	2014	2015	2016	EU (latest available)
Gross domestic expenditure on R&D (GERD) (% of GDP)	1.3	1.4	1.3	--	2.0
Gross domestic expenditure on R&D (GERD) distance to EU 2020 target (% of GDP)	0.22	0.15	0.2	--	0.97
Research and development expenditure - Government (% of GDP)	0.18	0.18	0.18	--	0.24
Research and development expenditure - Higher education (% of GDP)	0.37	0.39	0.38	--	0.47
Research and development expenditure - Business (% of GDP)	0.72	0.76	0.74	--	1.3
Research and development expenditure - Private non-profit sector (% of GDP)	0.04	0.04	0.04	--	0.02
Eco-innovation index (EU =100)	95.0	99.0	106.0	--	100.0

- 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

Other indicators³

Key project characteristics

	Expected at PCR	(
Start of works	01.01.2019	
End of works	31.12.2022	
Project investment cost	251.00 MEUR	
EIB/EFSI eligible investment mobilised	250.77 MEUR	
External EFSI multiplier	2.51	
External EIB (non-EFSI) multiplier		
Amount of private financing	150.77 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)	0.23 MEUR	
Energy efficiencies realised	0.00 MWh/a	
Climate Action indicator		
Employment during construction - temporary jobs	549 person years	
Employment during operation - new permanent jobs	28 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.