

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	MYTILINEOS SA - AGIOS NIKOLAOS POWER PLANT
<u>Promoter and financial intermediary</u>	MYTILINEOS SA
<u>Country of implementation</u>	Greece
<u>Summary project description</u>	<p>The promoter operates three diversified business activities: (i) Metallurgy, (ii) Power & Gas and (iii) Engineering, Procurement and Construction. The proposed project relates to the Promoter's Power & Gas Unit and comprises the design, construction, operation and maintenance of an 826 Megawatt electrical ("MWe") Combined Cycle Gas Turbine ("CCGT").</p> <p>The CCGT power plant will be located at the Aluminium of Greece Agios Nikolaos industrial and energy complex located north of Athens (Viotia). This is an EU Transition Region (Central Greece). The implementation period is from September 2019 to Q1 2022.</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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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		High
Cross-cutting objectives		
EIB Cohesion Priority Regions / Economic and Social Cohesion		100.00%
EFSI		
Contribution to EFSI		100.00%
EFSI: Development of the energy sector in accordance with the Energy Union priorities		100.00%
Other development of the energy sector in accordance with the Energy Union priorities		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		Low
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 objective of developing the energy sector in accordance with EU priorities, in particular concerning security and reliability of electricity supply, the proposed operation will support a private company in Greece to implement a combined cycle gas turbine power plant (CCGT) using state-of-the-art gas-fired technology with a relatively low residual environmental impact. The project will contribute to restoring capacity adequacy in Greece, which is expected to degrade in the medium-term, given that all lignite plants in the country are progressively closed, as per the Greek Government's most recently announced objective. Additionally, it will provide much needed flexibility to the power system to cope with an increasing share of intermittent renewable energy sources (RES). Equally, the operation will address the EU objective of supporting less-developed regions and transition regions as it will be implemented in a cohesion region. The operation will thus also contribute to the Union priorities on convergence and social cohesion, helping reduce regional disparities by supporting investment.

The project addresses several market failures in the Greek energy market. Conventional power generation projects contribute towards increasing security of supply, which can be considered as a public good, by reducing the risk of blackouts, in particular given that future peak usage is expected to exceed available generation capacities. The project benefits from state-of-the-art technology for CCGT plants, and is expected to be the most efficient gas power plant in Greece (ca. 63% net efficiency at full load). The project will meet the need for new firm electricity generation capacity in Greece to ensure reliability of supply in a context of early retirement of all lignite plants in the country and satisfying growing electricity demand in the interconnected system (as more islands are being connected), and backing up a growing capacity of intermittent renewables with flexible electricity generation. Furthermore, this modern gas-fired technology will contribute to the production of electricity with significantly lower CO₂ emissions compared to the current fossil-fuel based alternative (lignite). By supporting a new private market player, the project also contributes to market competition and business efficiency. It also represents an important step contributing to the ongoing liberalisation process of the Greek electricity market.

Overall, these market failures are typically not fully internalised in the investment rationale of private financiers. This, combined with constrained long-term commercial lending in Greece, lead to a sub-optimal investment situation for private borrowers investing in long term assets contributing to energy security.

The operation falls under EIB Special Activities, in particular due to the unsecured nature and long tenor of the loan. 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 EIB will be a key lender to the project. This will result in a quality stamp on the project proposal, and is expected to crowd-in further private sector financing. EIB financing is expected to increase other lenders' confidence in the company and the project.

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

Set of indicators related to the macroeconomic environment

Greece - Economic environment

Economic Performance

	GR 2018	EU 2018	US 2018	GR 2001-2007
GDP per capita (EUR, PPS)	20,846.64	30,935.11	43,569.11	26,491.57
GDP growth (%)	1.93	1.96	2.85	4.06
Potential GDP growth (%)	-0.77	1.60	2.23	3.47
Output gap (% of potential GDP)	-6.39	0.61	0.74	2.64
Unemployment Rate (%)	18.50	6.60	3.90	9.64
Unemployment Rate (%) - Y/Y change (% points)	-2.40	-0.60	-0.20	-0.37
Bank-interest rates to non-financial corporations (%)	3.46	1.26	--	4.57
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.90	-0.06	--	-0.22
Investment rate (GFCF as % of GDP) - Total	11.07	20.54	20.84	24.08
Investment rate (GFCF as % of GDP) - Public	3.03	2.85	3.30	5.35
Investment rate (GFCF as % of GDP) - Private	8.04	17.68	17.53	18.72

Energy

	2014	2015	2016	2017	EU (latest available)
Energy consumption from renewables (%)	15.36	15.38	15.08	16.95	17.52
Energy consumption from renewables - distance to EU 2020 target (%)	2.63	2.61	2.91	1.04	2.47
Energy dependence (%)	66.20	--	--	--	53.50
Primary energy consumption (consumption in 2005 =100)	77.20	77.50	76.80	--	90.00
Energy intensity of the Economy (kg of oil equivalent per 1 000 EUR)	--	--	--	--	141.83
Primary energy consumption (Million Tonnes of Oil Equivalent)	23.70	23.70	23.50	--	1,542.70
Primary energy consumption (Million Tonnes of Oil Equivalent) - distance to EU 2020 target	-1.00	-1.00	-1.20	--	59.70

General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Electricity, gas, steam and air conditioning supply (% of total VA)	2.18	2.21	2.04	2.03	1.81
Employment in Electricity, gas, steam and air conditioning supply (% of total employment)	0.43	0.42	0.45	0.45	0.53

- 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	01.09.2019
End of works	31.03.2022
Project investment cost [MEUR]	321.87 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	318.30 MEUR
External EFSI multiplier	2.55
External EIB (non-EFSI) multiplier	
Amount of private financing [MEUR]	196.87 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]	1,400 person years
Employment during operation - new permanent jobs [FTE]	25 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.