



## EFSI Operation Scoreboard<sup>1</sup>

<b>PROJECT PRESENTATION</b>	
<b><u>Project name</u></b>	TIKEHAU DIRECT LENDING
<b><u>Promoter or financial intermediary</u></b>	TIKEHAU INVESTMENT MANAGEMENT
<b><u>Country of implementation</u></b>	France, Italy, Spain, UK, Netherlands, Belgium, Luxembourg, Regional – EU Countries
<b><u>Summary project description</u></b>	<p>The proposed operation consists of an equity participation in the unlevered compartment of Tikehau Investment II S.C.S. SICAV-SIF (the "Fund"), also named Tikehau Direct lending IV ("TDL IV") for marketing purpose.</p> <p>The Fund is managed by Tikehau Investment Management S.A.S ("Tikehau" or the "Fund Manager"), a management company incorporated and existing under the laws of France, authorised and supervised by the French supervisory authority, the <i>Autorité des Marchés Financiers</i>. Tikehau General Partner II S. á r. l. is the General Partner ("G.P.") of the Fund.</p> <p>This non-diversified mid-market loan fund will follow a non-granular strategy and adopt a generalist approach in terms of sectors, offering debt financings targeting European mid-sized companies mainly under the form of first-lien debt instruments.</p> <p>Unlike syndicated loans which involve multiple parties, private debt instruments, such as those provided by the Fund, involve a limited number of parties for the borrower, i.e. a sole arranger and a sole lender most of the time. This confers a high degree of flexibility in the management of the debt facility (both at disbursement and reimbursement phases). Loan funds, such as TDL IV, are therefore not competing but rather complementing the traditional banking market.</p> <p>It has been clearly stated by the Fund Manager that EIB's participation will be essential in achieving the best shareholding structure for the Fund and also enhancing the Fund's image amongst potential final beneficiaries.</p> <p>It should be noted that the proposed investment could not be replicated via other instruments such as loans provided by commercial banks. Banks do not typically have the capacity of putting in place such higher risk / tailored financing package, nor carrying out the equity type due diligence that loan funds do.</p> <p>The two proposed loan funds are relevant pilots for this new product line contemplated by the Bank given their strong reputation, proven capabilities and impact on the sector.</p>

<sup>1</sup> 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
<b>EFSI</b>	
Contribution to EFSI	100.00%
EFSI: Financial support through the EIF and the EIB to entities having up to 3 000 employees	100.00%
Provision of working capital and investment	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 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 sustainability<sup>2</sup>;*
- (iv) "Employment" i.e. the project's direct employment effect.*

### 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 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.*

<sup>2</sup> 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, consisting of an investment in an established pan-European Fund, will contribute to the EFSI objective of supporting SMEs and Mid-caps (defined as companies with less than 3000 employees).

This operation is addressing the current sub-optimal investment situation in the form of a lack of financing offerings and credit availability for selected groups of mid-market companies in the European Union. These companies still face difficulties in mobilising sufficient financing in their growth path to become EU's future large corporates. These difficulties have arisen from a financing gap due to the withdrawal of traditional debt providers. Since the 2009 financial crisis, there has been a supply/demand imbalance in the European debt markets, as the deleveraging trend on the supply side no longer satisfied the sustained demand for debt. The effect of this financing gap has translated into the inability of many Mid-Caps to finance upfront growth capital expenses and re-emerge from a stagnant stage. This makes access to external financing a mandatory condition for the completion of any major investments.

This operation is addressing this market gap by fostering alternative/non-banking debt financing extended to mid-market companies, thus contributing inter alia to the Capital Markets Union. The operation promotes the loan fund business, in general an innovative financial instrument which stands as of today as a growing (but still underdeveloped in Europe) alternative channel for enterprises to access customised/tailor-made financing under competitive terms and conditions. The present operation is supporting a loan fund with a strong track record, proven deployment capabilities and a sound expertise in assessing risk, arranging and monitoring transactions.

As an equity-type investment by the EIB in a loan fund, the operation falls under EIB Special Activity risk category and could not have been undertaken by the EIB absent of EFSI. The operation carries a number of risks, in particular the fact that the Fund will ultimately invest in bespoke financing structures, including typically longer grace period and bullet repayments, to facilitate capital expenditures without undue pressure on the company's cash flows, whereas banks continue to provide senior facilities, revolving credit facilities and a number of ancillary services.

The EIB investment through EFSI should create a signalling effect to attract a group of potential new private and public investors, including among others national promotional banks, thus helping the Fund to reach its target size. The EIB involvement also reinforces the Fund Manager's commitment to its environmental, social and governance principles through an alignment with EIB policy in this field.

The operation will ultimately accelerate investment overall Europe undertaken by the supported companies, boosting employment and economic growth.

## Set of indicators related to the macroeconomic environment

### Belgium - Economic environment

#### Economic Performance

	BE 2016	EU 2016	US 2016	BE 2001-2007
GDP per capita (EUR, PPS)	34,665	29,440	42,615	35,138
GDP growth (%)	1.2	1.9	1.6	2.1
Potential GDP growth (%)	1.3	1.3	2.1	2.0
Output gap (% of potential GDP)	-0.59	-0.75	-0.03	0.76
Unemployment Rate (%)	7.0	8.2	4.7	7.9
Unemployment Rate (%) - Y/Y change (% points)	-1.6	-0.8	-0.3	0.09
Bank-interest rates to non-financial corporations (%)	1.5	1.4	1.8	4.3
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.08	-0.21	-1.4	-0.34
Investment rate (GFCF as % of GDP) - Total	23.0	19.7	19.6	21.8
Investment rate (GFCF as % of GDP) - Public	2.3	2.7	3.4	2.1
Investment rate (GFCF as % of GDP) - Private	20.7	17.0	16.2	19.7

#### SME/midcap

	2013	2014	2015	2016	EU (latest available)
Share of SMEs with Access to Finance Difficulties (%)	24.2	17.0	20.6	14.8	20.9
Availability of Private equity (Thousand euro)	848,286	1,058,648	1,691,584	1,172,882	50,091,574
Availability of Venture Capital (Thousand euro)	104,991	112,800	67,920	118,188	4,035,807

### France - Economic environment

#### Economic Performance

	FR 2016	EU 2016	US 2016	FR 2001-2007
GDP per capita (EUR, PPS)	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	-0.75	-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

#### SME/midcap

	2013	2014	2015	2016	EU (latest available)
Share of SMEs with Access to Finance Difficulties (%)	24.2	22.6	21.2	13.4	20.9
Availability of Private equity (Thousand euro)	8,902,096	10,753,230	11,899,567	12,456,799	50,091,574
Availability of Venture Capital (Thousand euro)	639,937	570,907	796,020	816,630	4,035,807

## Italy - Economic environment

### Economic Performance

	IT 2016	EU 2016	US 2016	IT 2001-2007
GDP per capita (EUR, PPS)	28,097	29,440	42,615	31,501
GDP growth (%)	0.88	1.9	1.6	1.2
Potential GDP growth (%)	-0.33	1.3	2.1	1.1
Output gap (% of potential GDP)	-1.7	-0.75	-0.03	1.3
Unemployment Rate (%)	11.8	8.2	4.7	7.6
Unemployment Rate (%) - Y/Y change (% points)	0.2	-0.8	-0.3	-0.44
Bank-interest rates to non-financial corporations (%)	1.1	1.4	1.8	3.8
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.33	-0.21	-1.4	0.02
Investment rate (GFCF as % of GDP) - Total	17.0	19.7	19.6	21.1
Investment rate (GFCF as % of GDP) - Public	2.1	2.7	3.4	2.9
Investment rate (GFCF as % of GDP) - Private	14.9	17.0	16.2	18.2

### SME/midcap

	2013	2014	2015	2016	EU (latest available)
Share of SMEs with Access to Finance Difficulties (%)	44.1	45.5	26.5	24.4	20.9
Availability of Private equity (Thousand euro)	3,106,978	2,865,297	3,115,079	5,793,285	50,091,574
Availability of Venture Capital (Thousand euro)	75,044	39,922	71,744	87,547	4,035,807

## Luxembourg - Economic environment

### Economic Performance

	LU 2016	EU 2016	US 2016	LU 2001-2007
GDP per capita (EUR, PPS)	79,420	29,440	42,615	72,931
GDP growth (%)	4.2	1.9	1.6	4.0
Potential GDP growth (%)	3.0	1.3	2.1	4.1
Output gap (% of potential GDP)	-0.97	-0.75	-0.03	1.9
Unemployment Rate (%)	6.2	8.2	4.7	4.0
Unemployment Rate (%) - Y/Y change (% points)	-0.3	-0.8	-0.3	0.31
Bank-interest rates to non-financial corporations (%)	1.2	1.4	1.8	3.9
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.13	-0.21	-1.4	-0.01
Investment rate (GFCF as % of GDP) - Total	17.8	19.7	19.6	19.8
Investment rate (GFCF as % of GDP) - Public	3.8	2.7	3.4	4.4
Investment rate (GFCF as % of GDP) - Private	14.0	17.0	16.2	15.4

### SME/midcap

	2013	2014	2015	2016	EU (latest available)
Share of SMEs with Access to Finance Difficulties (%)	26.4	0	10.7	32.5	20.9
Availability of Private equity (Thousand euro)	178,004	361,200	697,682	1,171,286	50,091,574
Availability of Venture Capital (Thousand euro)	7,002	4,290	5,759	716.9	4,035,807

## Netherlands - Economic environment

### Economic Performance

	NL	EU	US	NL
	2016	2016	2016	2001-2007
GDP per capita (EUR, PPS)	37,509	29,440	42,615	37,307
GDP growth (%)	2.2	1.9	1.6	2.0
Potential GDP growth (%)	1.3	1.3	2.1	2.1
Output gap (% of potential GDP)	-0.76	-0.75	-0.03	-0.41
Unemployment Rate (%)	5.4	8.2	4.7	4.7
Unemployment Rate (%) - Y/Y change (% points)	-1.2	-0.8	0.3	0.09
Bank-interest rates to non-financial corporations (%)	1.2	1.4	1.8	3.8
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	0.07	-0.21	-1.4	-0.06
Investment rate (GFCF as % of GDP) - Total	19.8	19.7	19.6	21.3
Investment rate (GFCF as % of GDP) - Public	3.4	2.7	3.4	4.0
Investment rate (GFCF as % of GDP) - Private	16.4	17.0	16.2	17.3

### SME/midcap

	2013	2014	2015	2016	EU (latest available)
Share of SMEs with Access to Finance Difficulties (%)	54.8	62.3	51.0	38.1	20.9
Availability of Private equity (Thousand euro)	2,412,787	3,008,908	3,299,796	3,725,786	50,091,574
Availability of Venture Capital (Thousand euro)	194,957	192,013	161,653	184,512	4,035,807

## 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)	-0.8	-0.8	-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

### SME/midcap

	2013	2014	2015	2016	EU (latest available)
Share of SMEs with Access to Finance Difficulties (%)	30.7	34.3	24.2	20.9	20.9
Availability of Private equity (Thousand euro)	38,151,245	42,409,428	50,288,356	50,091,574	50,091,574
Availability of Venture Capital (Thousand euro)	3,220,414	3,306,585	3,869,368	4,035,807	4,035,807

## Spain - Economic environment

### Economic Performance

	ES	EU	US	ES
	2016	2016	2016	2001-2007
GDP per capita (EUR, PPS)	26,818	29,440	42,615	28,562
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

### SME/midcap

	2013	2014	2015	2016	EU (latest available)
Share of SMEs with Access to Finance Difficulties (%)	44.5	46.5	32.7	28.3	20.9
Availability of Private equity (Thousand euro)	2,069,946	2,130,457	2,178,024	3,809,024	50,091,574
Availability of Venture Capital (Thousand euro)	170,470	205,044	346,571	405,794	4,035,807

## United Kingdom - Economic environment

### Economic Performance

	GB	EU	US	GB
	2016	2016	2016	2001-2007
GDP per capita (EUR, PPS)	31,922	29,440	42,615	35,364
GDP growth (%)	1.8	1.9	1.6	2.7
Potential GDP growth (%)	1.5	1.3	2.1	2.5
Output gap (% of potential GDP)	0.47	-0.75	-0.03	1.1
Unemployment Rate (%)	4.6	8.2	4.7	5.0
Unemployment Rate (%) - Y/Y change (% points)	-0.4	-0.8	-0.3	-0.01
Bank-interest rates to non-financial corporations (%)	--	1.4	1.8	6.1
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	--	-0.21	-1.4	0.3
Investment rate (GFCF as % of GDP) - Total	16.7	19.7	19.6	17.6
Investment rate (GFCF as % of GDP) - Public	2.6	2.7	3.4	2.4
Investment rate (GFCF as % of GDP) - Private	14.0	17.0	16.2	15.2

### SME/midcap

	2013	2014	2015	2016	EU (latest available)
Share of SMEs with Access to Finance Difficulties (%)	32.4	24.0	19.7	14.4	20.9
Availability of Private equity (Thousand euro)	9,772,930	9,455,196	12,707,849	8,437,246	50,091,574
Availability of Venture Capital (Thousand euro)	560,775	809,173	885,494	708,379	4,035,807

- 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 indicators<sup>3</sup>**

#### **Key project characteristics**

	<b>Expected at PCR</b>
Start of works	01.12.2017
End of works	01.12.2024
Project investment cost	1,600.00 MEUR
EIB/EFSI eligible investment mobilised	720.00 MEUR
External EFSI multiplier	9.60
External EIB (non-EFSI) multiplier	
Amount of private financing	1,503.00 MEUR
Quick start (% of expenditure during 2015-2018)	
Co-financing with national promotional banks	22.00 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	0 person years
Employment during operation - new permanent jobs	2,500 FTE

<sup>3</sup> 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.