InvestEU Scoreboard
(to be published after the signature of the operation)[1]

Presentation of the financing or investment operation:

Implementing Partner: European Investment Fund (EIF)

Name of the Operation: Taaleri SolarWind III (the "Fund")

Type of approval: Individual financing or investment operation

Name of Financial Intermediary: Taaleri SolarWind III

Country(-ies) of implementation of the operation: The Fund will predominantly invest in the EU, with a particular focus on Central and Eastern European countries.

The Fund's investment strategy comprises buy-develop-build-operate-and-sell of small to medium size renewable energy (onshore wind & solar PV) and selectively battery storage assets. The Fund will seek to secure projects at development stage.

From sustainability perspective the Fund will be compliant with Art. 9 of SFDR[2]. All its investments will be Paris-aligned.

Public Statement
Eligible area for the Operation in accordance with Annex II to the InvestEU Regulation:

- **Item 1 of Annex II of the InvestEU Regulation:**

the development of the energy sector in accordance with the Energy Union priorities, including security of energy supply, clean energy transition and the commitments taken under the 2030 Agenda for Sustainable Development and the Paris Agreement

- The investment will be in the form of equity, which will in turn allow the Fund to promote equity or quasi-equity investments at the level of each underlying investment, which is an essential element in facilitating the project financing structure of any capital-intensive infrastructure project, in particular projects in their early phase (greenfield), and in some cases development phase, or projects assuming market risk.
- The Fund's investments will support new asset creation or expansion in the area of renewable energy generation and battery storage.
- The Fund will have a target allocation to CEE, i.e. an area that is much less targeted by traditional infrastructure funds.
- The Fund will also invest in battery storage, a sector that is yet less proven for infrastructure funds.

[1] The Investment Committee Secretariat shall liaise with each Implementing Partner in order to identify the financing or investment operations or sub-projects, which have been signed and for which the relevant Scoreboard shall be published in line with Article 24(5) of the Regulation.

[2] Ref: Sustainable Finance Disclosure Regulation - EUR-Lex - 32019R2088 - EN - EUR-Lex (europa.eu)

Thanks to the EU Guarantee, EIF is able to have a sizable investment in the Fund which allows the Fund to reach a viable first close size and deploy its well-developed pipeline (including a portfolio of seed assets).

EIF's investment as anchor investor is expected to generate a strong catalytic effect for the Fund, needed to reach a viable first close size in a timely manner. This is particularly relevant in light of (a) the predecessor fund being fully invested, and (b) an advanced pipeline, including a portfolio of seed assets in need of capital to be further developed and constructed in due course following a first closing of the Fund.

EIF is expected to participate in the first closing of in the Fund, thereby providing a strong market validation and signalling effect and helping fundraising efforts. To help the Fund reach first closing, the EIF has already coordinated efforts with a prospective co-investor and is also expected to assist in investor reference calls.

The Fund will have a core focus on investing in greenfield or other form of projects with capex needs, thereby assuming construction and in some cases also development risks. Such risk levels are beyond the ones usually accepted by private sector investors, who traditionally target operational or fully developed assets (i.e. investment at or around financial close). The Fund in turn has the ability to provide capital at earlier stages of the investment cycle thereby targeting higher returns.

The Fund has a significant allocation to CEE., i.e., a geography that is much less targeted by infrastructure funds compared to the remainder of the EU. The Fund furthermore targets investment in battery storage, a sector that is yet less proven for infrastructure fund investments.

The European Green Deal intends to mobilise at least EUR 1 trillion of investments over the next 10 years, with private finance identified as a critical enabler of the energy transition in the Green Deal Funding Plan.

EU countries have agreed to explicitly include clean energy transition at the heart of their economic recovery as part of the European Green Deal, with around 37% of total recovery money targeting climate-related expenditures, including clean energy technologies. In addition, strong EU and national focus on decarbonisation will represent an opportunity for energy efficiency projects to play a key role in meeting the EU climate targets.

The European Union aims to be climate-neutral by 2050 – an economy with net-zero greenhouse gas emissions – and the role of energy systems is key in driving progress towards this goal. According to the European Commission's latest impact assessment, investments in the EU energy system would need to rise from an average of 1.3% of gross domestic product (GDP) per year over the last decade, to 2.8% of GDP over the next decade if the European Union is to meet its goal of cutting greenhouse gas emissions by 55% by 2030. Energy-related sectors account for c. 70% of European investment in climate change mitigation.

The Fund supports the EU-wide 2030 climate, environmental and energy targets: 32% final energy consumption coming from RE sources (which implies about 57% of RE in the electricity sector). Achieving these targets will require sustained investment in these sectors over the coming decade. At the same time, EU countries are reducing or even phasing out public subsidies, which is making the market more sophisticated and creating new growth opportunities.

Energy projects contribute to the reduction in negative carbon emissions and pollution externalities (emissions of CO_2, NOx and SO_2), and to improving energy market efficiency and integration. The underlying investments in storage of renewable energy, green H_2 equally contribute to climate change mitigation objectives and to security of supply by reducing dependency on energy imports. Investments in innovative grid technologies (such as storage) contribute to learning-by-doing and thus drive down costs over time – a positive externality.

The Fund will provide new low carbon energy generation capacity in a sector characterised by incomplete markets (illiquid intraday markets, limited forward/hedging, lack of scarcity and transmission pricing), relying mostly on market-based remuneration schemes (selling on the spot and/or supplying clients through PPAs). Therefore, it contributes to the policy objective of supporting the market integration of renewable energy projects.

The scale of financing expected to be made available by the financial intermediary to final recipients (i.e. leverage) is estimated in the range of 9x – 16x, in accordance with the "InvestEU Leverage and Multiplier Effect Calculation Methodology" as approved by the InvestEU Steering Board.

With respect to the benefits generated by the operation for the final recipients, it is worth highlighting in particular the following key features: (i) the provision of equity financing; (ii) the longer holding period (within up to 10+3 years term of the fund); (iii) contribution to the diversification of funding sources for final recipients; (iv) financing in local currencies; and (v) the transfer of experience, know-how and network by the financial intermediary to final recipients, therefore helping their internal & external growth, internationalization, digitalization and access to bank financing.

In terms of impact on the ecosystem, EIF is expected to contribute by providing an anchor investment to a fund whose strategy is focused on providing capex (greenfield or expansion capital) and can assume development and market risks and targets less proven geographies for infrastructure investments within the EU. Furthermore, the focus on CEE will contribute to the advancement and development of a so far underserved infrastructure market.

Pillar 3 - Market failure or sub-optimal investment situation addressed by the financing or investment operation (**Excellent)**

Pillar 4 - Financial and technical contribution by the Implementing Partner **(Excellent)**

Pillar 5 - Impact of the financing or investment operation **(Excellent)**

Pillar 7 - Complementary indicators

Operation-specific indicators, estimated based on the "InvestEU Leverage and Multiplier Effect Calculation Methodology" as approved by the InvestEU Steering Board
– (a.1) Leverage effect: Indicatively between 9x-16x.
– (a.2) Multiplier effect: Indicatively between 26x-47x.

ESG aspects
The Fund has a solid ESG strategy, policies and processes in place and the ability to carry out E&S due diligence in line with EIBG E&S standards.

Environmental Assessment
Some of the Fund's underlying investments may fall under Annex I or II of EIA (environmental impact assessment) Directive 2014/52/EU amending EIA Directive 2011/92/EU. In these cases, the Manager needs to ensure that investee companies act according to the provisions of the aforementioned Directive as transposed into national law. Should the relevant competent authority screen in an investment project, the Manager should ensure that the Non-Technical Summary (NTS) (as applicable) and EIA documents, are published on the web.

Climate Mitigation
Climate change mitigation: The investments in renewable energy and energy storage will contribute to mitigate climate change.

According to the existing pipeline and the strategy of the Fund it is expected to have about 100% contribution to Climate Action and Environmental Sustainability (CA&ES) as per the InvestEU Climate and Environmental tracking guidance.

Climate Neutrality: The Fund has been assessed for Paris Alignment and is considered to be aligned both against low carbon and resilience goals against the policies set out in the Climate Bank Roadmap. The Fund will ensure Paris Alignment of all its investments.

Social Assessment
The Fund's Environmental and Social Management System duly defines the policies and procedures related to social aspects that will apply to the investments.
The Fund seeks to be involved in operations that sustainably foster business growth and economic development, thereby helping to stimulate long-term employment.