InvestEU Scoreboard[1]

Presentation of the financing or investment operation:

Implementing Partner: EIB

Name of the Operation: SUNFIRE SOLID OXIDE ELECTROLYSER

Type of approval :

☒ Individual financing or investment operation

☐ Framework Operation[2]

Name of the final recipient: SUNFIRE GMBH

Country(-ies) of implementation: GERMANY

Short description of the financing or investment operation:

Context and scope

The Project concerns (i) research and development related to solid-oxide (SOEC) electrolysers; as well as (ii) the required capital expenditures for early production capacity related to such SOEC electrolysers.

The activities will take place in the facilities of the promoter, Sunfire Gmbh (Sunfire or the Company), in Kreisfreie Stadt Dresden and the production capacity will be installed at the site of a contract manufacturer. Both locations are in Sachsen, Germany, which is a transition region. The Project runs from 1 January 2023 to 30 June 2026.

Public Statement

The Project fulfils the InvestEU objective of "Research, development and innovation", notably through projects that contribute to the objectives of Horizon Europe and research in the field of key enabling technologies (KETs) and their industrial applications.". It is also eligible under both the EIB's "Innovation, Digital and Human Capital" and "Climate Action" objectives respectively as it concerns the implementation of an innovative advanced manufacturing facility in the EU, creating significant long-term skilled employment, and it caters for the transition to the "hydrogen economy" which will be key to support the climate-neutral ambitions of the EU heavy industry. It is located in a Cohesion Region.

Sunfire is exposed to higher levels of risks associated to the nascent hydrogen supply chain, which is required to scale-up quickly in anticipation of regulation-driven future market demand, in order to timely contribute to the EU's climate objectives. The high failure rate of similar ventures in combination with its high financing needs, make for a risk proposal that is at the high end of the spectrum even for most commercial venture capital investors.

The equity-type venture debt that EIB provides is complementary to equity financing, as it (i) minimizes further dilution of existing shareholders; (ii) provides for longer tenors than usually associated to

[1] This Scoreboard of indicators reflects the information presented to the InvestEU 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.

[2] The EIB Lending Envelopes are a delegation mechanism of the approval authority from the Board of Directors to the Management Committee for a series of sub-loans to multiple borrowers that are grouped together under one sector, policy objective or geographical region. Under InvestEU, such sub-projects grouped together are approved by the Investment Committee as Framework Operations.

commercial venture debt; and (iii) is for an amount, thanks to the support of the InvestEU guarantee, that is meaningful, compared to Sunfire's financing needs. As the Company, over time, realizes its growth ambitions, the presence of the EIB provides for a signalling effect and may catalyse Sunfire's first access to commercial long-term debt markets.

The EIB's equity-type venture debt will feature performance-linked elements and effectively share in the upside of the venture. EIB will also share in the downside as the investment will be materially exposed to the risk of the Sunfire venture (including high technical, market and financial risks).

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 InvestEU.

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 (**Very Good**)

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

Pillar 7 - Complementary indicators[3]

Key project characteristics

	Expected at PCR
Start of works	01.01.2023
End of works	30.06.2026
Project investment cost	214.3 MEUR
Mandate eligible investment mobilized	211.7 MEUR
Mandate multiplier effect	2.12
Mandate leverage effect	1.05
Amount of private financing	58.6 MEUR
Co-financing with national promotional banks	0.00 MEUR
Co-financing with structural funds (ESIF)	0.00 MEUR
Energy efficiencies realised	0.00 MWh/a
Climate Action indicator	100.00% Mitigation - RDI (transversal)
Transition regions	100%
Employment during construction temporary jobs	150 person years
Employment during operation – new permanent jobs	17FTE
Gender Tag	No Significant contribution to Gender Equality
Employment during project operation - women	8 FTE

Outputs

	Expected at PCR
Annual production (Industry)	190MW/yr
Compliance with Best Available Technologies	Yes
National or international patent applications	12 units per year
National or international patents granted	6 units per year
% of Development Projects translated into Manufacturing stage	55%
Repower EU - share of project investment cost	100%

[3] The abbreviation PCR stands for Project Completion Report. EIB internal methodologies are used in order to calculate the figures presented in this document. The Promoter's estimates might differ.

Outcomes

	Expected at PCR
Annual production (Industry)	190MW/yr
Return on Investment of RDI	7%
Total potential sales resulting from the project	EUR 90m
Total employment of the promoter	1000 FTE
Percentage of promoter's employment supported by the project	10%
Employment supported by the project	100 FTE