

Conclusions

Mytilineos RepowerEU framework loan (IT, EL, Multi-country)

INVEU-ICR-0079-2023 – Sustainable Infrastructure Window (SIW)

Short description of the financing or investment operation and its objectives

Final recipient/promoter	Mytilineos S.A.
Type of final recipient	Large corporate
Countries of implementation	Italy, Greece, Spain, Poland, Romania, Ireland, Bulgaria
Implementing partner	European Investment Bank (EIB)

The present operation concerns the deployment of renewable energy (solar PV) and energy storage (battery energy storage) in selected countries in the EU, primarily in Greece and Italy.

The promoter is Mytilineos S.A., a Greek company operating in the Metals and Energy Sectors. The present operation seeks to increase the renewable power production and energy storage capacity of the Promoter, both in Greece and other EU countries. The projects in Greece in particular will supply renewable energy to the Promoter's aluminium plant, decreasing its carbon footprint. Excess energy generation from the PV plants will be sold to third parties, increasing the market share of the Promoter in the Greek electrical energy market. Projects in Italy will enable the entry of the Promoter in the Italian electrical energy market. Projects in other countries will be held or will be considered to be sold to third parties after implementation, supporting the build-and-exit business line of the Promoter. Overall, the present operation contributes in transforming the promoter in an international independent power producer.

The operation contributes to the EU-wide target of 32% of energy from Renewable Energy Sources ("RES") in gross final energy consumption for 2030 as set out in the current EU RE Directive (Directive (EU) 2018/2001). It will also contribute to achieving the REPowerEU objectives which aim at increasing the RES 2030 target from 32% to 42.5%. It will further contribute to the national renewable energy targets laid out in the National Energy and Climate Plans ("NECP") of the targeted countries.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 9 November 2023 for the above-mentioned operation.

This operation is in line with the InvestEU objective for the development of the energy sector in accordance with the Energy Union priorities, namely through the expansion of the generation of clean and sustainable renewable energy. It will support the 2030 targets set out in the respective National Energy and Climate Plans and the REPowerEU action plan. A large share of the projects is expected to be located in Cohesion regions.

As the project will produce electricity from low carbon sources, it will address the market failure of negative climate and environmental externalities, through the reduction of carbon emissions and air pollution (compared to fossil-fuel generation). The project is expected to rely on

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revenues from (i) commercial power purchase agreements (cPPAs) and (ii) the wholesale market, thereby the project improves market efficiency and competition.

The Bank's financial contribution with the support of the InvestEU guarantee is considered valuable to the Promoter, as the EIB's offering is more favourable than market alternatives under various dimensions. Also, the Promoter deems the EIB financing as a quality stamp on its investments and environment-related procedures, which helps attract investors and co-financiers.

The EIB would not be able to provide such type of financing, or not at the same quantum, without the support of InvestEU.