

**Project Description for Expression of Interest  
for  
First-of-a-kind Facility  
Integrated Production Facility and/or Open EU Foundry**

*(Please indicate here the type of First-of-a-kind facility the project addresses.)*

**PROJECT TITLE**

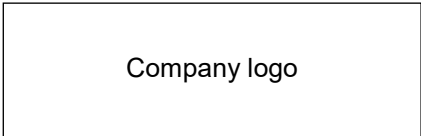
**PROJECT ACRONYM**

Project Period: MM.YYYY - MM.YYYY

**Company Name**

City, State

*(Please indicate here the information for the Austrian entity)*



**DATE**

**VERSION (of the document)**

- **For the Deadline on 21. August 2023 only Chapters 1 (Project Outline) to Chapter 4 (Business Plan and Funding Gap) are obligatory.**
- **For reasons of transparency you will find the remaining template for the full application in ANNEX I**

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# 1 Project Outline

## 1.1 Company Presentation

*Please give a brief description of your company and operations, including e.g. type, number of employees, annual revenues, position in the value chain of the company and of the industry, product portfolio, technology, demand, competitors, suppliers, customers, etc.*

*Please provide the above information on a country-by-country basis if available. If that is not possible, please at least provide a specific section for the European Economic Area (EEA) covering the above elements.*

## 1.2 Executive summary of the project

*Please shortly present the project. Please focus on a global view.*

- *Scope of the project: type, number of employees, expected annual revenues, position in the value chain of the company and of the industry, competitors, suppliers, customers, etc.*
- *Demand addressed, including whether the project addresses the entire capacity or if there will remain spare capacity*
- *Duration of the project, clarifying the relevant milestones such as expected date of profits, of production, of commercialisation, etc.*
- *Overlaps and/or interactions of this specific project with other related projects currently pursued in the EEA.*
- *Location of the project, including relations with other States/regions, if any.*

## 1.3 Objectives of the project

*Please give a brief description of the overall objectives of the projects, including:*

- *Whether the project consists of an investment into manufacturing facility.*
- *Targeted production volumes broken down by production for own need and open foundry services.*
- *Whether the project constitutes an Integrated Production Facility or an Open EU Foundry within the meaning of Articles 10 or 11 respectively, of the proposed Chips Act Regulation.*
- *Whether the project involves any R&D activities and/or is linked to a R&D project carried out by the company.*

*Innovative aspects of the project in comparison to existing products/processes/applications of the beneficiary as well as its competitors.*

## 1.4 Evidence of Experience

*Please give evidence of your experience in the addressed manufacturing and/or technological fields. Furthermore, please show evidence of your experience in installing and operating facilities similar facilities.*

## 1.5 Technology and Challenges / Innovation Activities within the project

*Please give – in the following subsections - details with respect to the following aspects: technology node, substrate material and other product innovation that can offer better performance, process/product innovation or energy and environmental performance (also based on the first-of-a-kind definition in section 1.6 below).*

### **1.5.1 State of the art**

*Please describe the (i) global state of the art and (ii) state of the art in the European Economic Area (EEA). State of the art means the existing scientific, technological, business and other relevant knowledge and skills. Please give a clear insight of the state of the art related to what will be undertaken in this project, giving measurable elements to assess the current state of the art considered as a reference (which companies/competitors, where, when).*

*Please also include the state of current developments in the state of the art in the relevant market (including publicly available knowledge about competitors) that are planned or committed to be developed, to your knowledge.*

*Please provide any internal documents from the ordinary course of business (e.g., correspondence, internal benchmarking, internal management presentations) that show the above.*

*Give (if applicable) information about the expectations of the market or the ecosystem (if needed related to general EU objectives – such as Green Deal, Digital Transformation, European Footprint on Microelectronics, Resilience, Sovereignty, Digital Decade, Industry Strategy, Joint declaration) that require to go beyond the current state of the art.*

### **1.5.2 Technical locks that prevent improvements in the addressed field(s)**

*Please describe the current challenges of the above-described state of the art that the State aid for the project aims to address/develop further.*

*With respect to the previously presented state of the art, explain what the limits of the current technologies are. Indicate which technical locks limit innovation in the domain.*

### **1.5.3 Objectives and technical challenges in the project**

*Against the background of the current state of the art, and based on the previously explained challenges of it, indicate how the project aims to contribute to the development of new or improved products, processes or services at EEA level, as well as global level  
Please explain the objectives and the challenges ahead.*

*Use a structure based on work packages (WP) within this project that enable to quantify the effort in terms of innovations and investment. This WP structure (e.g. in form of a Gantt-Chart) shall be presented in a coherent manner with the rest of the document.*

### **1.5.4 Project partners**

*Please explain whether the project involves collaboration with other undertakings (large, SMEs, etc) and/or research organisations. Please clarify the nature of such collaboration (effective collaboration, contract research, supplier relationship) and explain which project activities it concerns. Please clearly identify all project partners and where applicable provide costs incurred by project partners in the framework of the project. For European semiconductor partners, please refer to section 5.3 on Integration into the European Ecosystem of Microelectronics.*

## 1.6 First-of-a-kind nature

### 1.6.1 First-of-a-kind facility

*Against the background of the current state of the art, please explain how the project qualifies as a first-of-a-kind facility. The proposed EU Chips Act reads: “First-of-a-kind facility means an industrial facility capable of semiconductor manufacturing, including front-end or back-end, or both, that is not substantively already present or committed to be built within the European Union, for instance with regard to the technology node, substrate material, such as silicon carbide and gallium nitride, and other product innovation that can offer better performance, process innovation or energy and environmental performance.”*

*Please explain how the project departs from what (1) your existing facilities or (2) other private companies, do or intend to do in the European Economic Area, with or without public support. Please also include manufacturing that is planned or committed, to your knowledge.*

*Please provide data (e.g. market shares, capacity, etc.) for similar or comparable facilities in the EEA.*

*Please provide any internal documents from the ordinary course of business (e.g., correspondence, internal benchmarking, internal management presentations) that show the above.*

### 1.6.2 Qualification as Open EU Foundry or Integrated Production Facility

*Please motivate why the project qualifies as an Open EU Foundry (OEF) or an Integrated Production Facility (IPF), or both. Please refer to the appropriate definition(s):*

- 1) *“Open EU Foundries are first-of-a-kind semiconductor front-end or back-end, or both, manufacturing facilities in the Union that offer production capacity to unrelated undertakings and thereby contribute to the security of supply for the internal market. Where an Open EU Foundry offers production capacity to undertakings not related to the operator of the facility, it shall establish and maintain adequate and effective functional separation of the design and manufacturing processes in order to ensure the protection of information gained at each stage.”*  
*In this respect, please:*
  - a. *Indicate what share of the production capacity you intend to offer to 3<sup>rd</sup> parties.*
  - b. *Describe the type of third-party companies (i.e. market, subsector) that you intend to target. Please indicate if any contract has already been concluded with specific companies.*
  - c. *Explain the intended terms and conditions with 3<sup>rd</sup> parties. Please indicate the typical duration of such contracts with 3<sup>rd</sup> parties. Please explain how such contracts would be prioritised vis-à-vis internal orders.*
  - d. *Describe the measures in place for an effective functional separation between internal production and supply for 3<sup>rd</sup> parties.*
  
- 2) *“Integrated Production Facilities are first-of-a-kind semiconductor design and manufacturing facilities, including front-end or back-end, or both, in the Union that contribute to the security of supply for the internal market.”*

### 1.6.3 Work Plan for Open EU Foundry

Please describe your work plan for establishing an Open EU Foundry.

INSERT YOUR TEXT HERE AND FILL OUT THE TABLE BELOW.

No. of WP	Title	Months	Investment Costs* (EUR Million)

Table 1: Work Packages (WP) vs. Person Months (PM)

Please describe your milestones for establishing an Open EU Foundry.

INSERT YOUR TEXT HERE AND FILL OUT THE TABLE BELOW.

Title	Estimated Date

Table 2: OEF milestones

### 1.6.4 Work Plan for Integrated Production Facility

Please describe your work plan for establishing an Integrated Production Facility.

INSERT YOUR TEXT HERE AND FILL OUT THE TABLE BELOW.

No. of WP	Title	Person Months (PM)	Duration	Costs
	Total PM			

Table 3: Work Packages (WP) vs. Person Months (PM) vs... vs...

Please describe your milestones for establishing an Integrated Production Facility.

INSERT YOUR TEXT HERE AND FILL OUT THE TABLE BELOW.

<b>Title</b>	<b>Date</b>
Start of construction	
End of construction	
Production	
Commercialisation	
Etc.	

Table 4: IPF milestones



## 2 Investment and State Aid

*In this section please indicate the project-related investments. Please indicate separately any planning, preparatory works (such as obtaining permits and conducting preliminary feasibility studies) relating to the investment which you have already incurred and/or that do not make the investment irreversible.*

*Please provide a detailed **business plan** for the project over its expected lifetime, describing all relevant expected revenues and investments as well as relevant cash flows. The business plan should be based on realistic and proven assumptions and enable the calculation of a Net Present Value (NPV) of the project.*

### 2.1 Investment for Open EU Foundry

#### 2.1.1 Tools and Equipment

*Indicate the depreciation duration applicable to these tools and equipment (coherent with the business plan; BP / and the funding gap questionnaire; FGQ). Please cluster your investment by technology classification so that the table does not exceed one page. Please provide also a brief and simple description of 1 or 2 sentences to the table about the purpose of the investment. Indicate the depreciation duration applicable to these tools and equipment (coherent with the BP/FGQ). Please also indicate and justify the economic life of each asset.*

Technology Classification	No. of Tools	Examples of Tools	Investment Cost [EUR]	Investment Year	Referred WP No.
		Total			

Table 3: Overview of investment in tools and equipment

#### 2.1.2 Construction of Buildings & Laboratories

*Indicate the depreciation duration applicable to these tools and equipment (coherent with the BP/FGQ). Please cluster your investment by technology classification so that the table does not exceed one page. Please provide also a brief and simple description of 1 or 2 sentences to the table about the purpose of the investment. Indicate the depreciation duration applicable to these tools and equipment (coherent with the BP/FGQ).*

Technology Classification	No. of facilities	Purpose	Investment Cost [EUR]	Investment Year	Referred WP No.

Table 4: Overview of investment in buildings or laboratories

## 2.2 Investment for Integrated Production Facility

### 2.2.1 Tools and Equipment

Indicate the depreciation duration applicable to these tools and equipment (coherent with the BP/FGQ). Please cluster your investment by technology classification so that the table does not exceed one page. Please provide also a brief and simple description of 1 or 2 sentences to the table about the purpose of the investment. Indicate the depreciation duration applicable to these tools and equipment (coherent with the BP/FGQ). Please also indicate and justify the economic life of each asset.

Technology Classification	No. of Tools	Examples of Tools	Investment Cost [EUR]	Investment Year	Referred WP No.
		Total			

Table 5: Overview of investment in tools and equipment

### 2.2.2 Construction of Buildings & Laboratories

Indicate the depreciation duration applicable to these tools and equipment (coherent with the BP/FGQ). Please cluster your investment by technology classification so that the table does not exceed one page. Please provide also a brief and simple description of 1 or 2 sentences to the table about the purpose of the investment. Indicate the depreciation duration applicable to these tools and equipment (coherent with the BP/FGQ).

Technology Classification	No. of facilities	Purpose	Investment Cost [EUR]	Investment Year	Referred WP No.
		Total			

Table 6: Overview of investment in buildings or laboratories [Other Investments (if applicable)]

## 2.3 [Other Investments]

### 2.4 Summed Investment

#### 2.4.1 Tools and Equipment

Indicate the depreciation duration applicable to these tools and equipment (coherent with the BP/FGQ). Please cluster your investment by technology classification so that the table does not exceed one page. Please provide also a brief and simple description of 1 or 2 sentences to the table about the purpose of the investment. Indicate the depreciation duration applicable to these tools and equipment (coherent with the BP/FGQ).

Technology Classification	No. of Tools	Examples of Tools	Investment Cost [EUR]	Investment Year	Referred WP No.
		Total			

Table 7: Overview of investment in tools and equipment

#### 2.4.2 Construction of Buildings & Laboratories

Indicate the depreciation duration applicable to these tools and equipment (coherent with the BP/FGQ). Please cluster your investment by technology classification so that the table does not exceed one page. Please provide also a brief and simple description of 1 or 2 sentences to the table about the purpose of the investment. Indicate the depreciation duration applicable to these tools and equipment (coherent with the BP/FGQ).

Technology Classification	No. of facilities	Purpose	Investment Cost [EUR]	Investment Year	Referred WP No.
		Total			

Table 8: Overview of investment in buildings or laboratories.

## 2.5 Financing plan

*On the basis of the project's BP / FGQ, specify how the company will contribute to the financing of the project, including through private sources of finance (equity, debt). Please explain which costs of capital are applicable for the different sources of capital intended to be used.*

*Please also indicate whether other aid has been requested at national, regional or European level.*

## 2.6 Requested State Aid

*Please summarize the request for State aid. Details on derivation of the numbers are to be given in Chapters 7 and 8.*

*Please clarify the aid instruments (grant, loan etc) and clarify whether the aid would be paid out in instalments.*

## 2.7 Long-term viability

*Please explain the long-term viability of those facilities without continued operating support.*

### **3 Elaboration on the Parameters of the Business Plan / Funding Gap Questionnaire**

*Please provide a spreadsheet document with the detailed calculations for the project (and for the counterfactual scenario, if applicable). Please explain and justify the main assumptions of the business plan/funding gap calculation.*

#### **3.1 Expected project costs**

#### **3.2 Expected revenues & description of transfer pricing model**

#### **3.3 Tax effects**

#### **3.4 State aid received in other locations (if applicable)**

#### **3.5 Terminal value**

#### **3.6 WACC of the company**

*Please explain in sufficient detail the choice/derivation of the abovementioned parameters, ideally referring to market research, internal company documents from the ordinary course of business. As much evidence as possible should be submitted to corroborate figures presented in the funding gap calculations, ideally as annexes.*

## **4 Recognition as Integrated Production Facility or Open EU Foundry under the proposed Chips Act**

*Please refer to the conditions set out in the proposed Chips Act for the recognition of Open EU Foundries and Integrated Production Facilities in addition to first-of-a-kind (Chapter III and Chapter IV Section 2 of the proposed regulation of 8.2.2022). Please provide detailed and case-specific information.*

### **4.1 Positive impact on the Union's semiconductor value chain with regard to ensuring the security of supply and increasing qualified workforce**

*Please align with sections 4 on the European Scope and 9.2.1 on Pan-European factors.*

*In the case of an Open EU Foundry, please take into account in particular the extent to which it offers front-end or back-end, or both, production capacity to undertakings not related to the facility, if there is sufficient demand.*

### **4.2 Commitment to accept and prioritise an order of crisis-relevant products ('priority rated orders')**

*The obligation to accept and prioritise priority rated orders serves the objective of general interest of the Union to ensure critical sectors affected by supply disruptions on account of a semiconductor shortage continue to operate. See Article 21 of the proposed Chips Act Regulation.*

*If applicable, please indicate here any caps to such commitment and how that would be put in practice.*

### **4.3 Absence of extraterritorial application of public service obligations of third countries in a way that may undermine priority rated orders**

*If applicable, the beneficiary has to guarantee not to be subject to the extraterritorial application of public service obligations of third countries in a way that may undermine the undertaking's ability to comply with the obligations mentioned in point 3.2 above. Please explain on what basis such a guarantee can be given.*

### **4.4 Commitment to invest in the next generation of chips**

*Please explain how the beneficiary intends to contribute to the next generation of chips outside the scope of the project described in this form, with its own funds.*

### **4.5 Commitment to apply for formal recognition once the Chips Act enters into force**

*For projects for which State aid is notified before the proposed Chips Act is adopted, the Commission will take into account their compliance with the criteria for Open EU Foundries and Integrated Production Facilities as set out in the proposed Chips Act with the expectation that such projects would apply for formal recognition once the Chips Act enters into force.*

*If applicable, please indicate here your commitment including the reasons and incentives for it.*

## 5 ANNEX I

### 5.1 European Scope

#### 5.1.1 Contribution to EU objectives

*Indicate here and in the following subsection – in concrete and measurable manner - how this project will contribute generally to the EU objectives (Green Deal<sup>1</sup>, Digital Transformation<sup>2</sup>, Sovereignty, Digital Decade<sup>3</sup>, Industry Strategy<sup>4</sup>, Joint declaration<sup>5</sup>) and in particular to objectives of the European Chips Act as well as to resilience and supply security.*

#### 5.1.2 Strengthening Europe's research and technology leadership

*Description of how the project will increase the level of innovation and R&D in the sector and the European economy and society as a whole.*

#### 5.1.3 Increasing and reinforcing semiconductor design, manufacturing and/or packaging capabilities in Europe

*Description of how the project will increase substantially Europe's design, manufacturing and/or packaging capacity by 2030.*

#### 5.1.4 Increasing qualified workforce in Europe

*Description of how the project will address the acute and prospective skills shortage.*

#### 5.1.5 Supporting the twin digital and green transitions

*Description of the project influence on the twin transition, including environment protection and on the reduction of energy dependence.*

#### 5.1.6 Supporting SMEs and Startups

*Description of the contribution of the present project to strengthen the position of European SMEs and start-ups in the field of semiconductors as well as in up-/downstream industries.*

#### 5.1.7 Contribution to Union's cohesion and cross-border cooperation

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<sup>1</sup> [https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en)

<sup>2</sup> [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_21\\_983](https://ec.europa.eu/commission/presscorner/detail/en/IP_21_983)

<sup>3</sup> [https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age/europes-digital-decade-digital-targets-2030\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age/europes-digital-decade-digital-targets-2030_en)

<sup>4</sup> [https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age/european-industrial-strategy/depth-reviews-strategic-areas-europes-interests\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age/european-industrial-strategy/depth-reviews-strategic-areas-europes-interests_en)

<sup>5</sup> <https://digital-strategy.ec.europa.eu/en/library/joint-declaration-processors-and-semiconductor-technologies>

## 5.2 Integration into the European Ecosystem of Microelectronics

Please indicate in the following subsection how this project will contribute to the integration of the planned facilities into the European ecosystem of microelectronics in concrete and measurable manner. 'European' refers to the European Economic Area (EEA).

### 5.2.1 Development of a European Network

Please show here a detailed plan for developing a European network in which the planned facility/facilities will play a central role and thereby, refer to the entire microelectronic value chain including upstream and downstream industry. Please indicate the **most important effective collaborations**<sup>6</sup> within this context. Each collaboration must be described in concrete terms and with sufficient details.

These collaborations should be:

- either induced or enhanced by or related to the project;
- related to the scope and the objectives of the European Chips Act.

Evidence of the existence, subject and scope of such collaborations, as well as of the tasks of the collaboration partners must be provided (Letter of Intent, Memorandum of Understanding or some other appropriate document). In case the negotiations between the collaboration partners have not reached signing of binding collaboration agreement, please point out when the signature of the final binding collaboration agreement will be sought. In case of inability to provide a binding agreement at the stage of formal notification, please describe alternative means of effective delivery of the subject of the collaboration and its de-facto performance.

INSERT YOUR TEXT HERE AND FILL OUT THE TABLE BELOW.

Related Partner	Organization Type	Objective of Cooperation	Subject and Scope of cooperation	Collaboration category
<i>Name, Member State</i>	<i>LE, SME, Start-up</i>		<i>Tasks, works, contributions of each cooperation partner</i>	<i>Project induced – enhanced or related</i>

Table 9: Cooperation with European partners.

### 5.2.2 Other planned investments and existing activities in Europe

If applicable, please describe briefly other planned investments in Europe including their timeline, approximate investment sums and their link to this project.

Please also describe how your existing activities are related to the planned facility/facilities.

### 5.2.3 Justification of the selection of the specific Member States vis-à-vis other Member States

<sup>6</sup> "effective collaborations" and their subject cannot be mere contractual research (performance of a research service or sub-contracting), neither simple supply/delivery relationships.



## 5.3 Spill-over Effects

### 5.3.1 Spill-over by non-protected results diffusion

*Please list here activities such as publications and communications of the technical results, cooperation with research & technology organisations (RTOs) and science in general, sponsorships of PhDs, university chairs, etc.*

### 5.3.2 Spill-over by diffusion of IP-protected results

#### General Intellectual Property Principles

*IP management principles: In this section, the aid beneficiary shall describe how it handles IP management internally, i.e. on what is based the company's IP strategy (e.g. protection of its technological assets by patents and/or trade secrets).*

#### Dissemination by diffusion of IP protected results

*Based on the principles detailed in section 0., please describe if/how diffusion of IP-protected results will occur. For example:*

- a) Describe situations where the company chooses to establish a partnership or a joint venture for specific applications;*
- b) Describe situations where the company interacts with academic institutions and RTOs for the use of the IP (e.g. in order to carry out research projects);*
- c) Describe situations where the company enters into confidentiality agreements with other users of the IP (e.g. with SMEs for testing prototypes);*
- d) Describe situations where the use of the IP protected results may lead to the development of standards.*

### 5.3.3 Spill-over by access to third parties

*Please describe collaborations, which you have with third parties in Europe. Please describe how and why they were selected. For each collaboration with third party, please describe in concrete terms and with sufficient details:*

- Who is the collaborating partner, its type (SME, LE, RO)?*
- What is the subject of this collaboration (project-related, -induced or -enhanced), how it relates to your project?*
- What are tasks and works to be performed, and contributions of each collaborating partner?*

*Please provide evidence for the existence of such collaborations, as requested in Chapter 5.2.1 (e.g. LOI, memorandum of understanding or some other appropriate document).*

*Please note, the collaboration relations to the third party, included in this section, must be an "effective collaboration" and cannot be contractual research (performance of a research service or sub-contracting), neither simple supply/delivery relationship.*

INSERT YOUR TEXT HERE AND FILL OUT THE TABLE BELOW.

Partner (third party)	Type	Subject and Scope of collaboration	Collaboration category
<i>Name, Member State</i>	<i>LE, SME, Start-up, RO, JU</i>	<i>Tasks, works, contributions of each collaborating partner</i>	<i>project-related, -induced or -enhanced</i>

*Table 10: Collaborations with third parties*

#### **5.3.4 Other Spill-over activities**

*Please describe here all other planned activities of the planned project relevant to potential generation of spill-overs.*

### **5.4 Incentive Effect**

#### **5.4.1 Absence of similar projects**

*Building on section 1.6 above on first-of-a-kind, please explain that there is no similar project in the EEA and, if applicable, globally. Please explain relevant differences with existing facilities or projects that could be considered comparable.*

#### **5.4.2 Start date of the project**

*Explain that the project did not start before the aid application, and no aid is granted before the approval.*

*Please note that any costs for preparatory works incurred before approval are in principle not eligible.*

#### **5.4.3 Proof of alternative options**

*Proof of valid and realistic alternative options, including in other locations.*

*Please provide relevant internal documents from the ordinary course of business, such as board presentations, analyses, reports and studies, which corresponds to the project/investment which the company would carry out in a situation where no aid is awarded to the company.*

#### **5.4.4 Decision-making process**

*Description of the decision-making process in the company's management toward the desired location, proof of conditionality on state-aid.*

*Please submit internal company documents from the ordinary course of business (emails, board minutes) demonstrating that the company would not go ahead with the project/investment without State aid (please also clarify the internal decision-making process which normally is applied by the company to similar projects).*

## **5.5 Necessity, Appropriateness and Proportionality**

### **5.5.1 Necessity of aid**

*Explain why state aid is necessary, for example: the project would not take place in the Union without public support; the works on the investment have not already started.*

### **5.5.2 Appropriateness of aid**

*Please describe the market failure that the State aid for the project aims to address/correct. Against this background, please explain whether the state aid instrument is appropriate to correct the market failure.*

*Please also explain how there is no other possible tool that would be less distortive for competition.*

### **5.5.3 Proportionality of aid**

*Explain how the aid is limited to the minimum necessary, based on the business plan and financing plan (see also section 2 above).*

### **5.5.4 Counterfactual scenario**

*If there is a counterfactual scenario different from the mere not carrying out the proposed project, a description & substantiation of the counterfactual scenario at company level is needed:*

- The counterfactual scenario should be described in sufficient detail. It should be described in detail if it will not undertake the project at all, or will undertake it but in a different manner/extent, or will possibly undertake it somewhere else. The intended change must be specified (the change in behaviour which is expected to result from the State aid, that is to say whether a new project is triggered, or the size, scope or speed of a project is enhanced; The change of behaviour has to be identified by comparing what would be the expected outcome and level of intended activity with and without aid).*
- It is vital to have sufficient substantiation of the counterfactual, e.g. via internal company documents from the ordinary course of business (e.g. the internal management presentations presenting the alternative scenarios), showing that the company faces a clear choice and how the decision on whether to carry out the project is taken.*

### **5.5.5 Derivation of the funding gap**

*A funding gap is calculated by comparing the expected returns of the project (in terms of "Net Present Value", NPV) for which the aid is given (the factual scenario, see section 2 above), with the expected returns for counterfactual scenario. For this purpose, the counterfactual should be demonstrated with a hypothetical business plan based on the same structure as the business plan provided for the factual scenario). Please elaborate on the derivation of the funding gap, reverting to the details given on the counterfactual scenario.*

## 5.6 Clawback mechanism

*A clawback mechanism shall be implemented. If applicable, please explain the mechanism to be applied in order to share excessive profits compared to the initial expectations that could arise: For this exercise, ex-post profits (NPV or accounting metrics) are calculated and compared with the ex-ante expected profits in the business plan for the factual scenario.*

*If applicable, please explain as of which threshold excessive profits should be shared, at what percentage and up to which limits (if applicable).*

*As a general rule, a claw-back mechanism requires audited accounts, to be provided separately for the scope of the project. Please explain the intended monitoring intervals and moments in time in which the claw-back mechanism should be applied in relation to the different relevant project steps or phases.*

## 5.7 Market research & distortion of competition and trade

### 5.7.1 Description of the relevant Sector

*Description of the market situation (EU and worldwide) in this sector (market share, competitors), known plans of relevant competitors in the relevant technology fields according to own market intelligence etc.*

### 5.7.2 Present Market position

*Description of the company's market position (EU and worldwide) and plans for near future in a global context*

### 5.7.3 Market Situation / Share after project execution

*Estimation of the expected market situation / share (EU and worldwide) after the project has been finished successfully.*

## 5.8 Positive effects

### 5.8.1 "Pan-European" factors

*Based on sections 3 on European Sector, 4.1 positive impact on the Union's semiconductor value chain and 5 on Spill-over Effects, please list here the pan-European factors which represent positive effects, such as:*

- *Contribution to establish greater (technological) leadership positions for Europe*
- *Contribution to ensure security of supply within the global industrial chain*
- *Contribution to improve the competitiveness of the European semiconductor ecosystem*
- *Increasing qualified workforce*
- *Positive impact on the innovation potential of SMEs and verticals that can access innovative products at their doorsteps*
- *Positive contributions to cohesion e.g. less developed EU countries and regions in order to help them to catch up and to reduce the economic, social and territorial disparities that still exist*
- *Positive contributions to cross-border cooperation between EU Member States*
- *Any other benefit that can be shared widely and without discrimination across the EU economy*

### 5.8.2 Limiting distortive effect of incentives

### 5.8.3 No strengthening or creation of market power

### 5.8.4 Contribution towards reducing inefficient market structures

## **6 Annexes to the Portfolio**

- I. Business Plan (BP)(section 2)*
- II. Funding Gap Questionnaire (FGQ) (section 3)*
- III. Financing plan (section 2.5)*
- IV. Documents substantiating BP/FGQ parameters*
- V. Internal company documents from the ordinary course of business (e.g., correspondence, internal benchmarking, internal management presentations) substantiating*
  - a. Current state of art (see section 1.5.1)*
  - b. First-of-a-kind status of the project (section 1.6.1)*
  - c. Proof of alternative options (section 4.5.3)*
  - d. Decision-making process (section 4.5.4)*
  - e. Counterfactual scenario (section 4.6.4)*
  - f. WACC of the company (section 3.6)*
- VI. Other Annexes*