INVESTMENT PROPOSAL

Bioenerys Agri

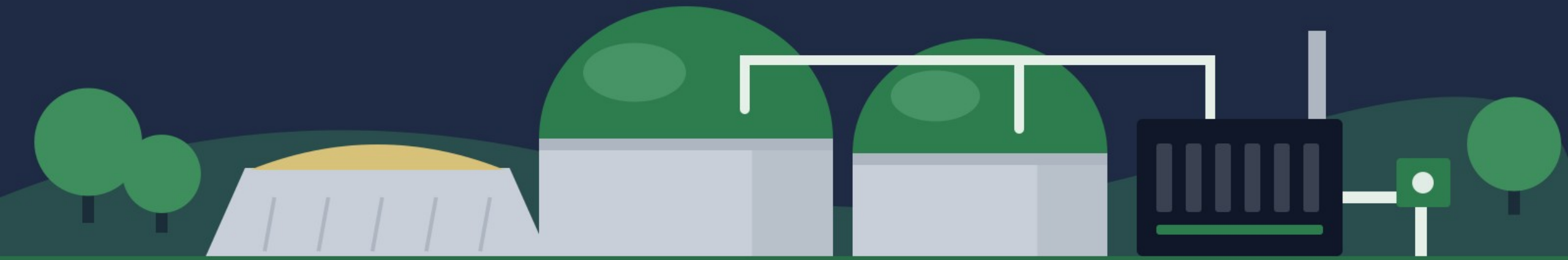
Completing Snam's agricultural biomethane platform under Vesper ownership

€100m
Vesper equity

100%
Ownership and control

24
Biomethane plants by 2028

19.8%
Base-case gross IRR



Prepared for Giacomo Rossi, Vesper Infrastructure Partners | Prepared by James Sahota, University of Chicago

Buy 100% of Bioenerys Agri for €130m and complete its conversions

A forced seller, 15-year state-backed tariffs and a funded 16-plant programme support a ~20% gross IRR

What Vesper buys

- 30 farm biogas plants in Northern Italy, plus their engineering and O&M company
- 8 already inject biomethane, 16 are mid-conversion, 6 stay as biogas engines
- Seller: Snam, required by EU rules to exit gas production by June 2027

What Vesper funds

- Conversion of 16 biogas engines into 400 Smc/h biomethane plants by Q1 2028
- Cheaper feedstock and one control room for the fleet
- €109m programme (€58m after grants), fully funded at closing

19.8%
gross equity IRR

2.25x
money multiple

€130m
EV; 6.4x run-rate EBITDA

€20m → €53m
EBITDA, closing → 2029

€100m
Vesper equity, 100% owned

€95m
Term loan €95m at 5.75%: 4.7x EBITDA

Plan on a page

Dec 2026
Close; €100m in

Jul 2027
Wave 1: 8 plants live

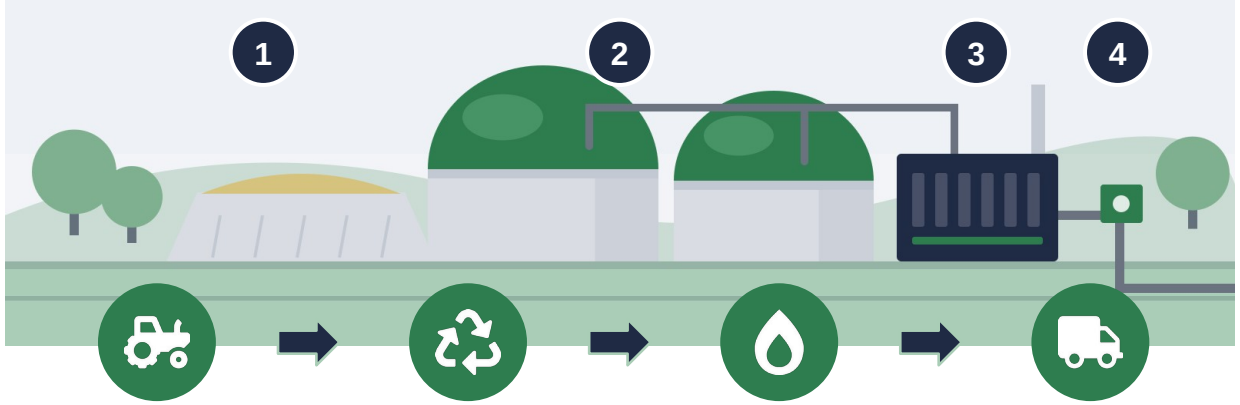
Mar 2028
Wave 2: 8 plants live

2029
Facility repaid; first payout

Dec 2031
Sale; €141m to Vesper

Bioenerys Agri turns farm residues into grid biomethane

Plants already earn state-backed GSE tariffs; earnings are rebuilt plant by plant



1 - Feedstock
~49,000 t/yr per plant: manure, by-products, ≤40% crops

2 - Digestion
Anaerobic digesters make raw biogas (~55% methane)

3 - Upgrading
Membranes strip CO2 to grid quality

4 - Injection
Grid point or tanker to a hub; GSE tariff per MWh

Plants at closing (estimate)	No.	Revenue basis
Producing biomethane (400 Smc/h)	8	GSE tariff ~ €110/MWh, 15 years
Conversion underway, grant secured	16	Engine now; ~ €123/MWh tariff from 2027–28
Remain biogas engines (~1 MWe)	6	Electricity tariff to 2033
Bioenerys Agri S.r.l. (Pordenone)	—	Engineering and O&M, incl. third parties

Financial starting point

Measure	€m	Status
Revenue FY2025, Bioenerys Agri S.r.l.	120.0	Reported; one entity, incl. intra-group build work
Net profit FY2025, same entity	8.4	Reported
Closing run-rate revenue	72.1	Estimate from plant data
Closing run-rate EBITDA	20.2	Estimate; stand-alone overhead €4.5m
Existing debt: Snam intercompany loans	~90	Assumed; repaid at closing

Earnings today: 8 biomethane plants (€15.3m EBITDA), 22 biogas engines (€8.5m) and services (€1.0m), less €4.5m overhead.
Owner: 100% Snam via Bioenerys S.r.l.

Vesper fit: contracted energy-security cash flows, build-to-core plan

The opportunity maps onto Vesper's Identify, Protect, Execute framework and its two bioenergy investments

Identify: theme

- Clean, decentralised energy and circular economy
- Home-grown renewable gas from farm residues, fed into Italy's grid
- Supply security matters more after the 2026 Hormuz disruption to LNG

Protect: infrastructure traits

- 15-year GSE tariff fixes revenue per MWh, whatever gas prices do
- Grant covers ~38% of conversion cost
- Proven Italian digestion and upgrading technology; 30 sites, 4 regions

Execute: ownership edge

- Carve-out from a grid operator that is barred from producing gas
- Vesper's PMO and monthly KPIs suit 16 deadline-driven projects
- Vesper sets up stand-alone management and feedstock buying

Closest precedents

- BioHold (2025, joint control): the same Italian biogas-to-biomethane conversion thesis
- EAG Bioenergy (2024, majority): buying operating plants and building to core

Thesis in one sentence: Vesper acquires control of Bioenerys Agri and funds the conversion of 16 biogas-engine plants to 400 Smc/h biomethane, doubling their output and moving them onto 15-year fixed-price GSE tariffs, which lifts EBITDA from about €20m to about €50m.

ESG actions protect tariff eligibility, uptime and licence to operate

Six concrete actions with named owners and measurable outcomes; no carbon savings or valuation premium assumed

Action	Why it protects value	Owner	Measurable outcome
Methane leak detection and repair at digesters, upgrading units and tanks	Leaks erode the certified GHG saving and lose saleable gas	Plant managers, HSE lead	All 24 sites surveyed quarterly; leaks fixed within 30 days
Annual independent sustainability and GHG certification per plant	DM 2022 requires ≥80% GHG saving for the whole tariff term	Compliance manager	24 of 24 plants certified each year
Feedstock within limits (crops ≤40%) and digestate nutrient plans	Keeps incentive eligibility and soil/water compliance	Feedstock director	Mix reported monthly; zero non-compliance notices
Process and contractor safety (ATEX, H2S) across 16 construction sites	Avoids injuries, stoppages and missed deadlines	COO; EPC contractors	Injury rate reported monthly; zero serious incidents
Community plans: odour control, truck routing, local liaison	Supports permits and future expansions	Plant managers	Complaints logged; reply within 5 working days
Board with independent technical/HSE director; risk and ESG committee; UNGC-aligned anti-corruption	Oversight of public grants and time-critical capex	Vesper board members	Quarterly ESG pack to Vesper; GSE/PNRR audit points closed

€130m to Snam, funded by €100m equity and €95m debt, for 100% control

Snam is paid €130m once, including repayment of its loans; €46m of new capital stays in the business

Entry valuation

Enterprise value	**130.0**
less Snam intercompany loans repaid	(90.0)
Equity price for shares	**40.0**
Closing run-rate EBITDA (est.)	20.2
EV / run-rate EBITDA	**6.4x**
EV / 2027 EBITDA (€23.9m)	5.4x
EV per plant (30)	4.3

Multiples exclude the development budget and retained cash. The split between shares and loans is assumed; Snam receives €130m in total.

Sources and uses at closing (€m)

Sources	€m	%
Vesper equity (cash)	100.0	51%
Senior term loan	95.0	49%
Rollover (non-cash)	0.0	0%
Total	**195.0**	

Uses	€m
1. Equity price paid to Snam	40.0
2. Snam loans repaid (existing debt)	90.0
Transaction costs (2.5% of EV)	3.3
Financing fees	3.1
3. Debt service reserve (restricted)	5.0
3. Minimum operating cash	8.0
3. Cash retained for 2027 conversions	45.7
Total	**195.0**

4. Ownership and control

- Vesper: 100% and board control
- Snam: exits fully
- Management: 4% of exit equity

Debt

- Term loan €95m at 5.75%: 4.7x run-rate EBITDA; 31% repaid by 2031
- €80m capex facility: peak €23.6m; repaid by 2029

€109m buys 6,400 Smc/h of new capacity and a more reliable fleet

Most spending falls in 2027–28; EU recovery-plan (PNRR) grants return €52m, leaving a net cost of €58m

What is bought	What it enables	2027	2028	Total
Upgrading membranes and compression	Grid-quality, pressurised gas	18.1	6.9	25.0
Digester expansion and covered storage	Doubles biogas per plant	21.1	8.0	29.1
Feedstock reception and storage	Larger, more varied feedstock	6.8	2.6	9.4
Grid injection point or tanker loading	Links plant to gas network	6.8	2.6	9.4
Civil, electrical and site works	Power, roads, fire safety	5.3	2.0	7.3
Engineering, start-up, contingency	~10% contingency included	6.0	2.3	8.3
Conversions: 16 plants × 65% of €8.5m	**400 Smc/h each; 15-year tariff**	**64.1**	**24.3**	**88.4**
Completion works on operating plants	Part of Snam's ~€61m extra capex	12.0	6.0	18.0
Reliability programme	Control room, spares, sensors	3.0	–	3.0
Development total		**79.1**	**30.3**	**109.4**
PNRR grants (wave 1 2028, wave 2 2029)	38% of €8.5m per plant	–	(25.8)	(51.7)
Net development spend				**57.7**

What one conversion involves

1. Enlarge digesters; cover digestate tanks
2. Install upgrading and compression
3. Connect to the grid or a tanker hub
4. Retire the engine; the tariff starts

How it is paid

- €45.7m cash retained at closing
- Facility peak €23.6m; repaid by grants

The PNRR grant covers ~€52m of conversion cost, but rests on estimates

A state grant pays up to 40% of eligible conversion cost; it is worth about 7 points of IRR, so it must be verified

How the grant works

1 Win a GSE auction
Secures a 15-year tariff and a capital grant

2 Sign a GSE concession
By 30 Jun 2026 under DL 19/2026

3 Start up within 24 months
Plan: Jul 2027 and Mar 2028

4 Receive up to 40% of cost
Eligible cost, within caps; paid after start-up

Miss the deadline: lose grant and tariff

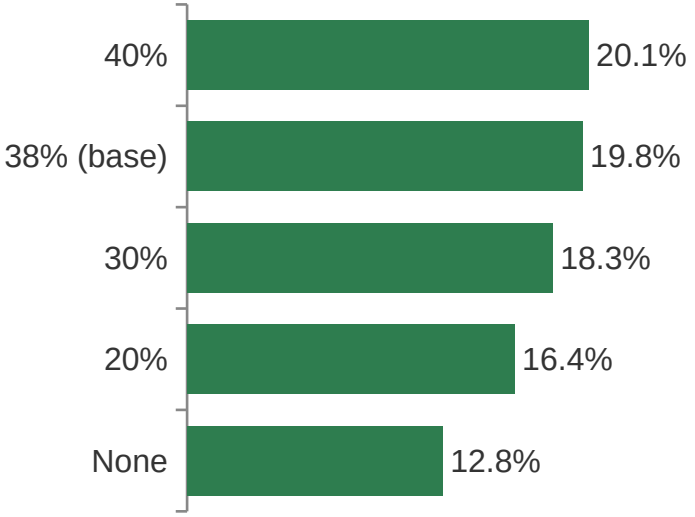
How €51.7m is calculated

16	×	€8.5m	×	38%	=	€51.7m
plants		cost per plant		grant rate		total grant

Input	Value	Basis
Maximum grant rate	40%	**Factual**
Rate used in model	38%	**Estimate**
Gross cost per plant	€8.5m	**Estimate**
Plants with concession	16	**Assumption**
Includes Snam's spend	Yes	**Assumption**
Paid year after start-up	2028–29	**Assumption**

Grant cash repays the capex facility first (€25.8m in 2028, €25.8m in 2029), then funds distributions.

Gross IRR by grant rate



Due diligence: Confirm each concession was signed, the cost cap per plant and the payment timing. If the grant is lower, cut the price.

2027: wave 1 goes live and the business stands alone

Most of the €109m is spent this year; output rises as eight converted plants start injecting from July

Vesper funds and decides

- €79.1m development, mostly from closing cash
- EPC contracts and budget approved
- PMO with monthly milestones

Management delivers

- Commission 8 wave-1 plants (~1 Jul)
- Advance wave-2 civil works
- Exit Snam services; build control room
- Sign first manure and by-product contracts

What becomes operational

- 16 plants injecting by year-end
- 12 plant-years on biomethane; 16 on engines
- 373 GWh (35.6m Smc)

Financial result 2027

Revenue	**€76.3m**
EBITDA	**€23.9m**
Cash paid to Vesper	**€0.0m**
Investment spend	**€85.0m**
Closing debt	**€116.7m**



Plant-years by status, 2027 — Biomethane · Biogas engine · Offline for tie-in

EBITDA margin 31.4%: engines keep earning until each plant is switched over.

2027 Wave 1 live | **2028** Wave 2 live | **2029** First payout | **2030** Steady state | **2031** Exit

2028: all conversions complete and grants start to return cash

Wave 2 starts in March, about four months inside the GSE deadline; wave-1 grants cut the capex facility

Vesper funds and decides

- €30.3m to finish wave 2 and site works
- Distributions locked until programme ends
- Wave-1 grant claim: €25.8m

Management delivers

- Commission 8 wave-2 plants (~1 Mar)
- Stabilise 16 new digesters
- Feedstock programme: €1/MWh net saving
- Availability lifted to 92%

What becomes operational

- 24 biomethane plants; 6 engines
- 733 GWh (69.8m Smc)
- Capex facility down to €9.3m

Financial result 2028

Revenue	**€105.5m**
EBITDA	**€45.8m**
Cash paid to Vesper	**€0.0m**
Investment spend	**€37.5m**
Closing debt	**€97.7m**



Margin rises to 43.4% as biomethane replaces engine output.

Plant-years by status, 2028 — Biomethane · Biogas engine · Offline for tie-in

2027	2028	2029	2030	2031
Wave 1 live	**Wave 2 live**	First payout	Steady state	Exit

2029: full year at capacity; facility repaid and distributions begin

No new development spending; wave-2 grants and operating cash clear the facility and fund the first payment

Vesper funds and decides

- No new development capital
- Distribution policy approved
- Refinancing not assumed

Management delivers

- Control room holds 93% availability
- Silage share ~40% → ~28%: €3/MWh net
- Collect wave-2 grant: €25.8m
- Renew biomethane sale contracts

What becomes operational

- 24 plants, full year on tariff
- 820 GWh (78.2m Smc)
- 6 engine plants run to 2033

Financial result 2029

Revenue	**€116.3m**
EBITDA	**€52.5m**
Cash paid to Vesper	**€38.7m**
Investment spend	**€7.7m**
Closing debt	**€80.8m**



Peak EBITDA €52.5m (margin 45.2%).

Plant-years by status, 2029 — Biomethane · Biogas engine · Offline for tie-in

2027 Wave 1 live	2028 Wave 2 live	**2029 First payout**	2030 Steady state	2031 Exit

2030: steady contracted cash; cost inflation is the main headwind

Tariffs are fixed in nominal terms while costs rise ~2% a year, so management must defend the margin

Vesper funds and decides

- Approves budget and ~€8m maintenance
- No new capital
- Board tracks output and cost KPIs

Management delivers

- Re-tender O&M and spares contracts
- Extend feedstock contracts
- Keep 24/24 plants certified
- Hold availability at 93%

What becomes operational

- 24 plants at steady output
- 820 GWh (78.2m Smc)
- Term loan amortising

Financial result 2030

Revenue	**€116.3m**
EBITDA	**€51.4m**
Cash paid to Vesper	**€23.0m**
Investment spend	**€7.9m**
Closing debt	**€73.2m**



EBITDA €51.4m; net debt/EBITDA 1.2x.

Plant-years by status, 2030 — Biomethane · Biogas engine · Offline for tie-in

2027	2028	2029	2030	2031
Wave 1 live	Wave 2 live	First payout	Steady state	Exit

2031: a fully operating, de-risked portfolio is sold to a core buyer

Construction and ramp-up risk are gone; the buyer acquires ~10–11 years of fixed-price GSE cash flows

Vesper funds and decides

- Runs sale of 100%
- Vendor due diligence: output, certification, grant audits
- Final distribution

Management delivers

- Steady output; close GSE/PNRR audits
- Run engine plants to 2033
- Hand over clean data room

What becomes operational

- 24 plants; ~10–11 tariff years left
- 820 GWh (78.2m Smc)
- Exit EV €202.4m

Financial result 2031

Revenue	**€116.3m**
EBITDA	**€50.3m**
Cash paid to Vesper	**€22.5m**
Investment spend	**€8.0m**
Closing debt	**€65.6m**



Sale proceeds to Vesper €141.0m plus €22.5m distribution.

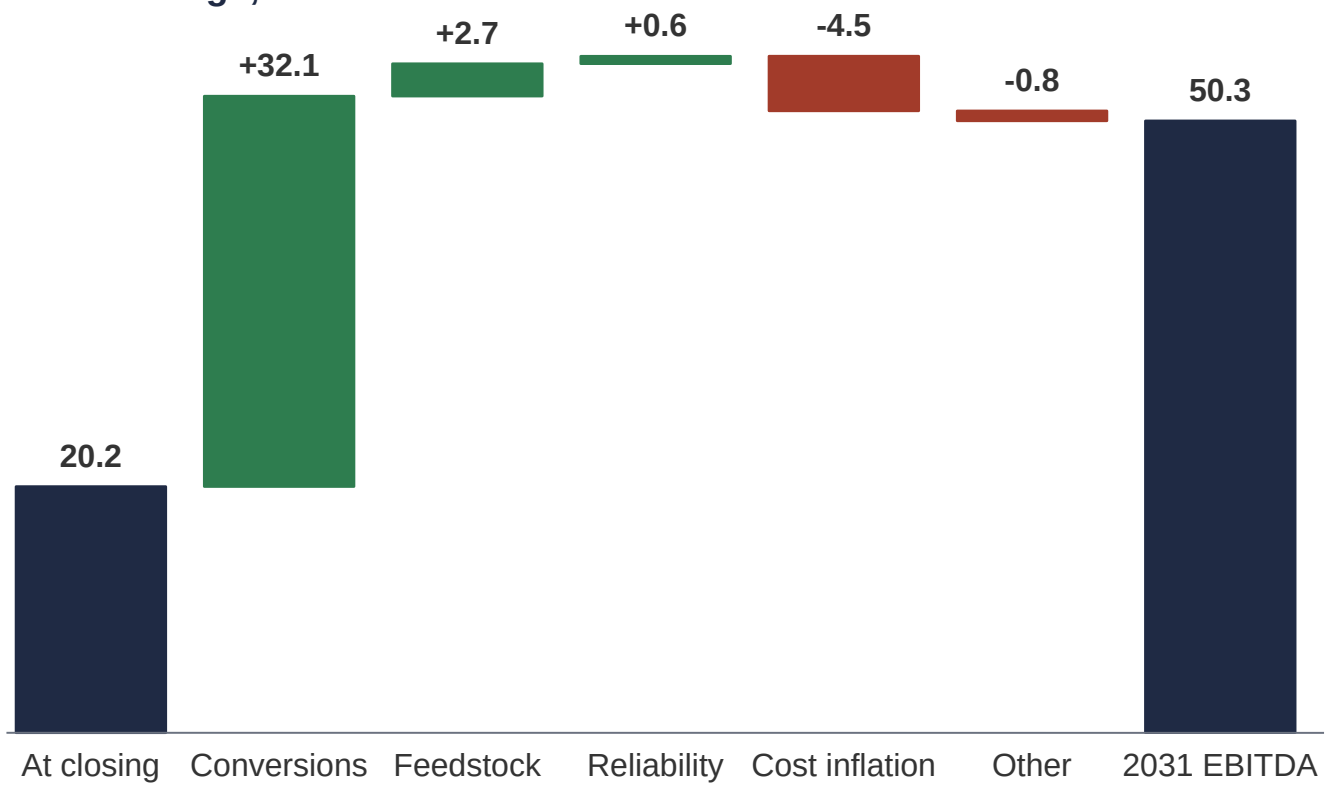
Plant-years by status, 2031 — Biomethane · Biogas engine · Offline for tie-in

2027	2028	2029	2030	2031
Wave 1 live	Wave 2 live	First payout	Steady state	Exit

Initiatives lift EBITDA from €20m to €50m and convert it into cash

Conversions do almost all the work; feedstock and reliability gains offset part of cost inflation

EBITDA bridge, €m



€m	2027	2028	2029	2030	2031
Revenue	**76.3**	**105.5**	**116.3**	**116.3**	**116.3**
EBITDA	**23.9**	**45.8**	**52.5**	**51.4**	**50.3**
EBITDA margin	31.4%	43.4%	45.2%	44.2%	43.3%
Tax	(0.5)	(6.0)	(8.6)	(8.4)	(8.0)
Interest	(5.5)	(6.8)	(5.6)	(4.6)	(4.2)
Capital spending	(85.0)	(37.5)	(7.7)	(7.9)	(8.0)
PNRR grants	–	25.8	25.8	–	–
Cash paid to Vesper	**–**	**–**	**38.7**	**23.0**	**22.5**
Closing debt	116.7	97.7	80.8	73.2	65.6

Margin rises from 28.1% to about 45% because a converted plant earns about €2m a year, against €0.4m as a biogas engine. Extra revenue also brings extra feedstock and power costs, so not all of it becomes profit.

Exit and returns: 19.8% gross IRR without a higher exit multiple

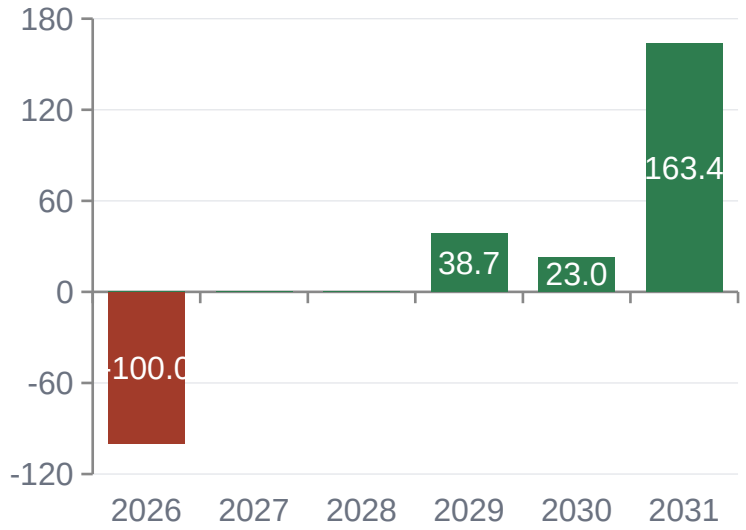
Return comes from cash paid during the hold plus a sale valued on remaining tariff life, below the entry multiple

Exit bridge, 31 Dec 2031 (€m)

Exit EV (DCF at 7.0%, 2032–43)	**202.4**
Implied multiple (entry 6.4x)	4.0x
less term loan	(65.6)
plus cash and released reserve	13.0
less sale costs (1.5%)	(3.0)
Equity value (100%)	**146.8**
less management plan (4%)	(5.9)
Vesper sale proceeds	**141.0**

The exit multiple is lower by design: about 10 tariff years remain and nothing is counted after expiry. At the entry multiple the IRR would be 30.1%

Vesper cash flows (€m)



IRR 19.8% | MOIC 2.25x

Vesper receives €84.1m of distributions and €141.0m from the sale. With that interim cash, 20% needs €143.1m at exit rather than €248.8m.

Same deal, three cases

	Base	Bull	Bear
Gross IRR	**19.8%**	**21.7%**	**4.7%**
MOIC	2.25x	2.39x	1.25x
2031 EBITDA	50.3	51.6	40.2
Peak facility	23.6	20.3	35.8
Minimum cover	2.4x	2.6x	1.7x

Bull: faster start-up, 94.5% availability, deeper savings, same exit rate. Bear: late start, two plants miss the deadline, +12% capex, +€3/MWh cost, 8% exit rate; still fully funded.

What would change the view: a price above ~€140m (IRR below 18%), fewer valid grant concessions, conversion costs above ~€10m per plant, or no contractor date commitment.