

Verdalia Bioenergy to acquire 7 biomethane plants in Italy from Green Arrow Capital and Lazzari & Lucchini

- **Verdalia Bioenergy (“Verdalia”) has agreed to acquire 7 biomethane plants from Green Arrow Capital (“GAC”) and Lazzari & Lucchini (“L&L”).**
- **This deal accelerates Verdalia’s development in Europe and further contributes to the country’s decarbonisation and energy independence agenda. The transaction will allow Verdalia to become one of the largest operators of agricultural biomethane plants in Italy.**

London, 21st May 2024 – Verdalia Bioenergy, a European biomethane company founded by the infrastructure funds of Goldman Sachs Asset Management, Fernando Bergasa and Cristina Ávila, has agreed to acquire a portfolio of operating biomethane plants in Italy (the “portfolio”) from funds controlled by Green Arrow Capital, a leading Italian alternative investment manager, and Lazzari & Lucchini, a leading energy developer, subject to the completion of certain standard conditions for this type of transaction.

The portfolio consists of 7 plants located in the province of Brescia, with an approximate combined production capacity of 190 GWh of biomethane derived from a processing capacity of 350,000 tonnes of raw materials per year, with scope to expand by more than 50%. The plants have started operations at different dates in the 4 last years and produce biomethane solely through the processing of animal residues and agricultural by-products not intended for human consumption. The portfolio will help to avoid approximately 65,000 tonnes of greenhouse gas emissions per year.

Verdalia Bioenergy was launched in February 2023 by Fernando Bergasa and Cristina Ávila, executives with a strong track record of value creation and operational excellence in the natural gas sector, in partnership with Goldman Sachs Asset Management with the aim of investing by 2026 in excess of €1 billion to develop, acquire, own and operate biomethane plants across Europe. In March 2023, Verdalia completed its first acquisition of a portfolio of biomethane projects under development in Spain, with a total capacity of around 150 GWh/year. Since inception, Verdalia has made significant progress, with a team of 50 people today and a pipeline of mid- to late-stage development projects in Spain and Italy in excess of 2.5 TWh.

The acquisition of the portfolio solidifies Verdalia’s presence in Europe and positions the company as one of the leading biomethane players in the continent with a high-quality infrastructure business model. Verdalia will look into expanding the portfolio’s production capacity and monetising the by-products including bio-fertiliser and biogenic CO₂ under offtake agreements. Verdalia continues to seek new opportunities to expand by acquiring projects in operation and under development, establishing partnerships with EPCs and long-term agreements with offtakers and feedstock providers, while growing its team.

Fernando Bergasa, Co-Founder, Chairman and CEO of Verdalia Bioenergy, added: “We are very pleased with the progress made in the past twelve months: we have initiated the development of an extensive portfolio of projects in Spain, built a very strong team and entered a new market, Italy. We believe Italy is at the forefront of the European decarbonisation agenda through biomethane with a supportive regulatory framework and are proud to demonstrate our commitment to the country’s energy transition plan through this important investment”.

Cristina Ávila, Co-Founder, President and COO of Verdalia Bioenergy, said: “The portfolio we are acquiring comprises 7 biomethane plants, and will be the stepping stone towards building strong operations in Italy. We continue to develop our expansion in Europe as we embark on this exciting chapter for Verdalia”.

Matteo Botto Poala, Managing Director in the Infrastructure business within Goldman Sachs Asset Management, commented: “We are excited about the progress made by Verdalia, demonstrating once again Goldman Sachs Asset Management’s track record in being an early mover in investing in energy transition and scaling up successful platforms. We look forward to continuing to invest in European biomethane and attract talent to work with Verdalia’s top class management team”.

Biomethane (also referred to as renewable natural gas or RNG) is a negative or low carbon natural gas produced through the anaerobic digestion of organic waste. As a result, it is an effective tool to accelerate decarbonization; it provides the benefits of fossil natural gas without its carbon emissions while leveraging the large gas infrastructure already in place. The environmental benefits of biomethane are amplified as it prevents methane emissions that could otherwise be released into the atmosphere from the decomposition of organic waste.

Advisors

For this acquisition Verdalia Bioenergy was advised by Intesa Sanpaolo (M&A), Ashurst (legal), EY (financial and tax), Ramboll (technical) and ERM (environmental). Green Arrow and Lazzari & Lucchini were advised by MFZ Partners (M&A) and Parola Associati (legal).

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About Verdalia Bioenergy

Verdalia Bioenergy Ltd was founded in early 2023 by Fernando Bergasa and Cristina Avila, and the infrastructure funds of Goldman Sachs Asset Management. Verdalia aims to invest in excess of €1 billion by 2026 in both early-stage development projects and larger operational assets to become a leading pan-European biomethane operator. The company is domiciled in the UK and is active in Spain and Italy.

About Goldman Sachs Asset Management

Goldman Sachs (NYSE: GS) is one of the leading investors in alternatives globally, with over \$450 billion in assets. Established in 2006, Infrastructure at Goldman Sachs Alternatives has consistently navigated the evolving infrastructure asset class, having invested approximately \$16 billion in

infrastructure assets since its inception. The business partners with experienced operators and management teams across multiple sectors, including digital infrastructure, energy transition, transportation & logistics and social infrastructure