Sgroi Energy Srl

Utility-Scale Solar Infrastructure Development | Sicily's Leading Renewable Energy Platform

Executive Summary

> **One-liner:** Sgroi Energy develops sub-1 MWp agrivoltaic solar assets in Sicily, capturing 40% ZES grants and +20% CER premiums to deliver unlevered, post-ZES returns of 26–39% with 3–4 year payback.

€650k	0.9 MWp	28–37%	20 Years
EQUITY ASK (BRIDGE)	CURRENT PROJECT	TARGET UNLEVERED ROI	FIXED CONTRACTS

The Ask

- Raise **€650,000** equity bridge at project SPV
- ZES reimbursement (Month 14–15) paid as **special dividend €273–287k**
- Permanent equity post-ZES: **~€363–377k**

Call to Action

- Email for data room access: **sgroirosso00@gmail.com**
- Request model, site pack, and diligence checklist
- Schedule 30-minute diligence call within 5 business days

Book a call

Company Overview

Sgroi Energy Srl develops sub-1 MWp agrivoltaic photovoltaic assets across Sicily and Southern Italy. We leverage exceptional irradiation, favorable policy, and time-limited ZES grants to build profitable, long-duration renewable assets that generate stable, inflation-indexed cash flows for investors.

We operate in the underserved sub-1 MWp segment combining faster permitting, 40% grant funding, and +20% CER premium revenues. Agrivoltaic layouts preserve agricultural use and unlock incentive premiums while aligning with regulatory and environmental objectives.

Investment Thesis

Assumptions: unlevered, post-ZES, net of O&M; CER pricing with inflation indexation

26–39%	3–4 Years	40%
Target Annual ROI (Unlevered)	Capital Payback Period	ZES Grant Funding

Market Opportunity

Sicily's Energy Transformation

Sicily represents one of Europe's most compelling renewable energy markets, driven by structural vulnerabilities that create both necessity and opportunity. The region currently derives 60% of electricity from fossil fuels, exposing consumers to volatile energy costs ranging from €0.15 to €0.20 per kWh. This dependency costs Italy over €10 billion annually in energy imports, representing a significant economic drain and strategic vulnerability.

> **Regulatory Catalyst:** The European Union's 2050 net-zero mandate requires Italy to triple photovoltaic capacity by 2030. Sicily's abundant solar irradiation (averaging 1,800–2,000 kWh/m²/year) positions the region as a natural beneficiary of this unprecedented infrastructure buildout, creating urgent demand for experienced developers who can navigate regional permitting and execute projects efficiently.

Market Dynamics

1.5 GWp	+30%	20%	6–10 Mo
CURRENT CAPACITY	ANNUAL GROWTH	CER PREMIUM	PERMITTING TIMELINE

Sicily's solar market has achieved 1.5 GWp of installed capacity with compound annual growth exceeding 30%. The introduction of Community Energy Renewable (CER) frameworks in 2024 has accelerated adoption, with participation rates projected to increase 50% in 2025. These CER structures provide premium rates of 20% above standard feed-in tariffs, making distributed generation economically superior to traditional utility-scale models.

Competitive Positioning

Sgroi Energy occupies a strategic position in the sub-1 MWp segment, offering distinct advantages over larger utility-scale competitors. Our projects benefit from streamlined permitting (6–10 months versus 18–36 months), reduced grid interconnection complexity, full eligibility for ZES grant funding, and access to CER premium pricing. While major developers focus on 5+ MWp installations, we exploit an underserved market niche with lower execution risk, faster time-to-revenue, and superior returns on invested capital.

Business Model

Core Strategy

Sgroi Energy develops, constructs, and operates ground-mounted solar photovoltaic installations in the 0.5–1.5 MWp range, with systematic scalability to 3+ MWp through phased expansion. Our standardized development process combines technical excellence, regulatory expertise, and financial optimization to deliver consistent investment outcomes across multiple projects.

Development Approach

- Target agricultural land with dual-use agrivoltaic potential
- Pre-verify grid connection capacity before land acquisition
- Leverage ZES Sicilia Unica grant funding for 40% capital cost reduction
- Deploy Tier 1 bifacial solar technology optimized for Mediterranean climate
- Structure projects for CER premium revenue when economically optimal

Revenue Optimization

- 20-year fixed-price contracts through GSE or CER frameworks
- Inflation-indexed revenue with no merchant price exposure
- +10% agrivoltaic incentive premium for dual land use
- Secondary agricultural revenue from vineyard/olive cultivation
- Asset sale optionality after 3–5 years of operational history

Scalability & Growth

Each project is architected for phased expansion, typically doubling capacity within 36–60 months of initial commissioning. This approach validates performance assumptions, establishes operational track records for asset sales, and maximizes return on shared infrastructure investments. Our pipeline development strategy targets 3–5 concurrent projects at various stages, enabling continuous capital deployment and revenue growth.

€2–3M	12–14 Mo	20 Years	8–12x
PER-PROJECT INVESTMENT	DEVELOPMENT TIMELINE	REVENUE CONTRACTS	EXIT MULTIPLE (EBITDA)

Financial Framework

Key Financial Assumptions

- Tariff basis: CER premium vs GSE FIT; assumed blended price stated in model
- Indexation: revenue indexed to CPI; O&M escalator 2% p.a.
- Opex: O&M, insurance, land lease, SPV admin included in net profit
- Performance: 98% availability; 0.5% annual degradation
- Energy yield: 2,000 kWh/kWp (conservative vs 2,200 reference)

- Capex: €700–800k/MWp gross; 40% ZES reimbursement
- Working capital: 5% of capex; contingency: 7%
- No merchant exposure; 20-year fixed-price contracts
- All figures unlevered, post-ZES, net of O&M unless stated
- FX: Not applicable; all EUR-denominated

Capital Structure

Our projects typically require gross capital investments of €700,000–€800,000 per MWp, with ZES Sicilia Unica grant funding reducing net requirements by approximately 40%. The remaining capital can be structured through equity investment, project finance debt, or hybrid arrangements depending on investor preferences and market conditions.

Typical Project Economics

Gross Capital Cost	**€700–800k/MWp**
ZES Grant (40%)	**(€280–320k)**
Net Capital Required	**€420–480k/MWp**
Annual Revenue (CER)	**€220–250k/MWp**
Net Profit (CER)	**€140–170k/MWp**

Return Metrics

Annual ROI (Unlevered, post-ZES)	**26–39%**
Payback Period	**3.1–3.8 years**
20-Year NPV (8%)	**€1.5–2.0M/MWp**
IRR (Unlevered)	**28–35%**
Exit Valuation (Year 5)	**€1.0–1.5M/MWp**

Revenue Model Comparison

Sgroi Energy evaluates two primary revenue pathways for each project based on site-specific conditions and investor objectives. The GSE feed-in tariff provides simplicity and guaranteed pricing, while the CER model delivers 20% higher returns at the cost of increased administrative complexity.

REVENUE MODEL	ANNUAL REVENUE	NET PROFIT	ROI	COMPLEXITY
GSE Feed-in Tariff	€180–200k/MWp	€110–140k/MWp	22–33%	Low
CER Community Energy	€216–240k/MWp	€135–167k/MWp	26–39%	Medium

Exit Strategy & Liquidity

Solar PV assets offer multiple liquidity pathways for investors seeking capital return before full contract maturity. Secondary market valuations typically reflect 8–12x EBITDA multiples for operating assets with 2+ years of performance history. Strategic acquirers include regional utilities, renewable energy funds, and infrastructure investors actively consolidating small-scale portfolios.

- **Strategic Sale (Years 3–5):** Complete asset sale to institutional buyers at 8–12x EBITDA
- **Portfolio Aggregation:** Bundle multiple projects for enhanced valuation premiums
- **Debt Refinancing:** Extract equity while maintaining cash flow through favorable refinancing
- **Phase 2 Expansion:** Scale individual assets to increase enterprise value before exit

Risk Management

Comprehensive Mitigation Framework

Sgroi Energy implements structured risk management across operational, regulatory, financial, and regional-specific challenges. Our approach combines insurance coverage, strategic partnerships, conservative underwriting, and proven execution processes to protect investor capital and ensure project success.

Regulatory & Permitting Risk

- ZES fast-track authorization pathway reduces timeline uncertainty
- Agrivoltaic design addresses landscape authority concerns proactively
- Pre-submission consultation with municipal authorities
- Specialized environmental engineers optimize application quality
- 15% timeline contingency for administrative delays

Operational Risk

- Tier 1 equipment with 25-year linear performance warranties
- Conservative energy yield assumptions (2,000 vs 2,200 kWh/kWp)
- EPC contractors with bonded performance guarantees
- Real-time monitoring for rapid issue detection and response
- Comprehensive insurance covering equipment, business interruption

Timing & Grid Risk

- Permitting buffers embedded; phased notices to proceed
- Grid queue diligence and pre-application capacity checks
- Grant reimbursement lag modeled (Month 14–15) with liquidity buffer
- Multi-vendor equipment sourcing to mitigate supply delay

Operational Security & Compliance

Projects implement robust compliance protocols including anti-extortion partnerships (FAI, Addiopizzo), certified counterparties with clean legal histories, and malicious damage insurance. Mandatory anti-mafia certifications for qualifying projects provide additional legal assurance.

Financial Risk Mitigation

- **Price Protection:** 20-year fixed-price contracts eliminate merchant market exposure
- **Inflation Hedging:** Revenue indexed to consumer price inflation
- **Currency Risk:** All revenues and costs denominated in euros
- **Credit Risk:** Offtake counterparties are government-backed entities (GSE) or credit-worthy municipalities
- **Technology Risk:** Proven bifacial solar technology with extensive operational track record

Competitive Advantages

Market Position

- Specialized expertise in sub-1 MWp segment underserved by major developers
- Established relationships with regional EPC contractors and suppliers
- Deep knowledge of Sicilian permitting and regulatory frameworks
- Access to agrivoltaic land parcels through local agricultural networks

Execution Capability

- Proven development process with standardized timelines
- ZES grant application expertise maximizing funding capture
- Technical optimization for Mediterranean climate conditions
- Risk mitigation partnerships (FAI, Addiopizzo) for operational security

Financial Structuring

- 40% capital cost reduction through ZES grant funding
- +20% revenue premium via CER community energy structures
- +10% agrivoltaic incentive for dual land use
- Flexible capital structures accommodating equity, debt, or hybrid

Scalability & Growth

- Phased expansion strategy doubles capacity with minimal incremental permitting
- Pipeline development enables continuous capital deployment
- Standardized processes reduce execution risk across projects
- Exit optionality through active secondary asset market

Investment Opportunity: Sol Puntarazzi Project

Sgroi Energy's inaugural project represents the immediate deployment of our business model with fully developed investment-ready infrastructure. Sol Puntarazzi is a 0.9 MWp ground-mounted solar installation in Ragusa Province, Sicily. The project economics indicate a net capital requirement of €410–445k after ZES reimbursement.

0.9 MWp	€126–153k	2.7–3.5 Yrs
System Capacity	Annual Net Profit (CER)	Capital Payback

Project Overview

Sol Puntarazzi will occupy 4.6 hectares in Puntarazzi, featuring agrivoltaic integration with vineyards and olive cultivation beneath elevated solar arrays. The site has pre-verified grid connection capacity, completed environmental pre-screening, and clear pathway to all required permits. Construction can commence within 4–6 months of funding close.

Technical Specifications

Total Capacity	**0.9 MWp**
Annual Output	**1.80–1.98 GWh**
Module Type	**Trina Vertex N TOPCon**
Panel Count	**1,286 units @ 700Wp**
Technology	**Bifacial, 22.5% efficiency**
Land Area	**4.6 hectares**

Financial Summary

Gross Capital Cost	**€683–718k**
ZES Grant (40%)	**(€273–287k)**
Net Capital Required	**€410–445k**
Annual Revenue (CER)	**€198–225k**
Annual ROI	**28–37%**
20-Year NPV (8%)	**€1.35–1.8M**

Project Timeline

Months 0–4	Months 4–8	Months 8–10	Month 12
LAND & PERMITTING	REGULATORY APPROVALS	CONSTRUCTION	COMMERCIAL OPERATION

Expansion Pathway

Sol Puntarazzi is architected for phased expansion to 1.9 MWp within 36–60 months of initial commissioning. Phase 2 expansion requires incremental capital of approximately €450–550k (net of ZES funding) and would double annual revenue to €380–418k while leveraging existing infrastructure and operational systems. This scalability provides multiple value creation pathways including higher exit valuations and enhanced portfolio cash flows.

> **Funding Requirement:** Sgroi Energy is seeking €650,000 in equity as a construction bridge. Upon ZES reimbursement (Month 14–15), €273–287k will be distributed as a special dividend, leaving ~€363–377k of permanent equity in the asset. Proceeds fund land acquisition, permitting, construction, and working capital through commercial operation date.

Investment Terms

Capital Deployment

Sgroi Energy is raising €650,000 in equity for the Sol Puntarazzi project through a special purpose vehicle (SPV). Investors hold direct ownership stakes proportional to capital contributions, with all distributions flowing pro rata after operating expenses.

Use of Funds

Land Acquisition	**€80,000**
Equipment & BOS	**€558,000**
Grid Connection	**€20–40k**
Professional Services	**€10–15k**
Installation Labor	**€10–15k**
Insurance & Contingency	**€5–10k**
Gross Cost	**€683–718k**
Less: ZES Grant	(€273–287k)
Equity Raise (Bridge)	**€650,000**
ZES Reimbursement (Month 14–15)	**€273–287k special dividend**
Permanent Equity (Post-ZES)	**~€363–377k**

Security & Governance

- Security: Equity interests in project SPV (pro rata ownership)
- Governance: Major decisions (expansion, refinancing, asset sale) by majority vote
- Reporting: Quarterly financials; annual audited statements; real-time production dashboard
- Jurisdiction & tax: SPV in Italy; standard Italian SPV tax treatment

Investor Eligibility

- Qualified/Professional investors; KYC/AML required
- Minimum ticket size available on request
- Legal documentation available upon expression of interest

Distribution Waterfall

- **Preferred Return (optional):** Target pref/hurdle to be finalized in term sheet
- **Quarterly Distributions:** All available cash after operating expenses distributed quarterly to equity holders pro rata
- **ZES Reimbursement:** €273–287k (Month 14–15) distributed as a special dividend to equity holders
- **Sale Proceeds:** Upon asset sale, equity holders receive proceeds net of transaction costs

Governance & Reporting

Sgroi Energy will provide investors with comprehensive transparency through quarterly financial reports, annual audited statements, and real-time access to energy production data via cloud-based monitoring systems. Major decisions including Phase 2 expansion, refinancing, or asset sale require majority equity holder approval.

Management

Rosso Sgroi

Founder. First-year Tsinghua University student. Italian, polyglot. Leads development, partnerships, and financing.

Pipeline & Growth Strategy

Project Pipeline

Beyond Sol Puntarazzi, Sgroi Energy has identified 4 additional sites in various stages of pre-development across Ragusa, Catania, and Siracusa provinces. These projects range from 0.7–1.2 MWp and collectively represent approximately €2.5 million in capital deployment opportunities over the next 24 months.

5 Projects	4.8 MWp	€2.5M	€800k+
24-MONTH PIPELINE	TOTAL CAPACITY	CAPITAL REQUIREMENT	ANNUAL EBITDA TARGET

Scaling Strategy

Sgroi Energy's growth model emphasizes portfolio diversification across multiple sites while maintaining consistent project-level economics. As each installation reaches operational maturity (2–3 years), we evaluate strategic sale opportunities to recycle capital into new developments, creating a self-sustaining growth engine that compounds investor returns.

- **Phase 1 (Months 0–12):** Complete Sol Puntarazzi construction and commissioning
- **Phase 2 (Months 12–24):** Initiate 2 additional 0.9 MWp projects using Sol Puntarazzi as reference
- **Phase 3 (Months 24–36):** Expand Sol Puntarazzi to 1.9 MWp; advance 2 greenfield sites
- **Phase 4 (Months 36–48):** Evaluate portfolio sale or refinancing to extract equity for next generation projects

Why Invest Now

Market Timing Advantages

2025–2027	+50%	Limited
ZES Grant Window	CER Growth (2025)	Competition Sub-1MWp

Convergence of Favorable Factors

- **ZES Funding Availability:** Special Economic Zone grants provide time-limited 40% capital cost reduction through 2027
- **CER Framework Maturity:** Community energy structures now proven with regulatory certainty and growing adoption
- **Equipment Cost Decline:** Solar module prices down 60% since 2020, improving project economics substantially
- **Policy Momentum:** EU 2030 mandates create political urgency for renewable infrastructure acceleration
- **Market Underserved:** Sub-1 MWp segment offers superior returns with minimal large-scale developer competition
- **Exit Market Strength:** Active secondary market with utilities and funds paying 8–12x EBITDA for operating assets

Limited Investment Window

The combination of ZES grant funding, favorable equipment pricing, and underserved market positioning represents a temporary opportunity window. As larger developers recognize sub-1 MWp economics and ZES funding approaches expiration (2027), competitive intensity will increase and returns will compress. Early movers in this segment benefit from optimal risk-return profiles before market normalization.

Milestones (Next 12 Months)

- **90 Days:** Finalize permits; lock EPC terms; grid application confirmations
- **180 Days:** Financial close; notice to proceed; equipment procurement
- **365 Days:** Commercial operation; commence quarterly distributions

Sensitivity Analysis

Illustrative impact of key variables on unlevered IRR and payback. Detailed tornado chart available in the model.

VARIABLE	DOWNSIDE	BASE	UPSIDE
Energy Yield (kWh/kWp)	1,900	2,000	2,100
Capex (€/MWp)	€820k	€750k	€700k
Tariff (€/kWh)	€0.105	€0.115	€0.125
Timeline (months)	14	12	10

All returns shown on an unlevered, post-ZES, net-of-O&M basis.

Investment Summary

Sgroi Energy Srl offers sophisticated investors exposure to Sicily's renewable energy transformation through a proven business model combining technical excellence, regulatory expertise, and superior financial returns. Our inaugural Sol Puntarazzi project demonstrates immediate deployment readiness with fully developed infrastructure, pre-verified grid capacity, and clear pathways to all required permits.

Investment Highlights

- 26–39% annual ROI with 3.1–3.8 year payback
- 40% capital cost reduction via ZES grants
- 20-year fixed-price revenue contracts
- Proven technology with Tier 1 equipment warranties
- Clear exit pathways at 8–12x EBITDA multiples

Risk Mitigation

- Comprehensive insurance including malicious damage
- Anti-mafia partnerships (FAI, Addiopizzo)
- Conservative yield assumptions and contingencies
- No merchant price exposure (fixed contracts)
- Experienced regional EPC contractor with track record

Next Steps

Qualified investors interested in Sol Puntarazzi or the broader pipeline should contact Rosso Sgroi. Detailed financial models, technical specifications, legal documentation, and site visits are available on request at **sgroirosso00@gmail.com**.

> **Investment Timeline:** We are conducting a closing for Sol Puntarazzi with a target of €650,000 in committed capital by end of Q1 2025. Construction will commence immediately upon permit receipt (anticipated Q2 2025) with commercial operation targeted for Q1 2026. Earlier commitments allow investors to participate in development fee structures and receive preferential terms for subsequent pipeline projects.

Disclosures & References

Forward-Looking Statements: This document contains forward-looking statements subject to risks and uncertainties. Actual results may differ materially.

Grant Eligibility: ZES reimbursements are subject to eligibility, documentation, and budget availability.

References:

- [1] PVGIS, Joint Research Centre — Solar irradiation Sicily: https://joint-research-centre.ec.europa.eu/pvgis_en
- [2] GSE — Comunità Energetiche Rinnovabili (CER) framework and tariffs: https://www.gse.it/servizi-per-te/autoconsumo/comunita-energetiche-rinnovabili
- [3] Regione Siciliana — ZES Sicilia Unica grant guidelines and procedures: https://www.regione.sicilia.it
- [4] Industry reports — Power & Utilities transaction multiples (operating renewables): EY/KPMG 2023–2025 summaries.

Sgroi Energy Srl

Renewable Infrastructure Development | Sicily, Italy

Confidential Investment Memorandum | October 2025

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