



# SCALING A UTILITY-SCALE TRANSATLANTIC CLEAN ENERGY IPP

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January 2024





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# Disclaimer (continued)

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Alternus believe these non-GAAP measures provide useful information to management and investors regarding certain financial and business trends relating to Alternus’ financial condition and results of operations. Alternus believe that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends in and in comparing Alternus’ financial results with other similar companies, many of which present similar non-GAAP financial measures to investors. These non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures.

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You are encouraged to read the Company’s reports and other documents filed with the SEC. Such reports and other documents may be obtained free of charge at the SEC’s website at [www.sec.gov](http://www.sec.gov).



# Our Mission

Dedicated to delivering a greener, more sustainable world both economically and profitably.

We think globally and act locally, working towards a clean energy future by developing, installing and operating clean energy assets across America and Europe that positively benefits both the planet and our business while creating value for society as a whole.



**12MWp Zonepark Rilland Project**  
Alternus owned PV park located in the Netherlands



# Alternus Clean Energy at a Glance



## Vertically Integrated Transatlantic IPP (7-year history)

Develop, Construct, Own and Operate Clean Energy Assets – Utility Scale  
Revenues generated from sale of energy to grids – c. 70% under long term contracts



## Europe and the US are Growth Markets

Strengthening demand due to the passage of the Inflation Reduction Act (“IRA”) in the US, and energy security drive in Europe



## Vertical Integration & Project Origination are Differentiators

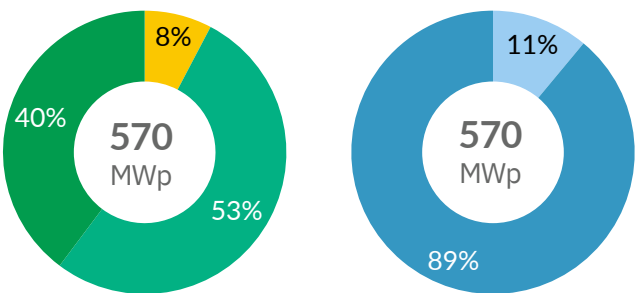
Develop-to-own business model provides control over entire project life cycle reducing Capex and locking in pipeline visibility



## Capital Efficient Growth Strategy

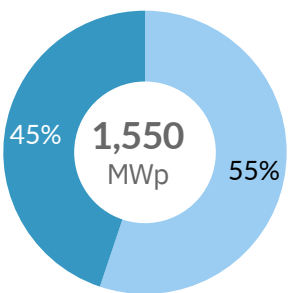
Substantial embedded equity value in development assets plus value accretive strategic acquisitions in U.S. and Europe predominantly funded at project level

Diversified Asset Portfolio



Operating 2024 Construction Development

Identified Pipeline



US Europe

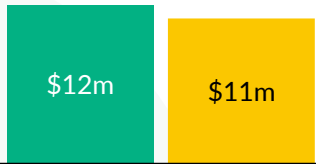
Ticker	ALCE
Exchange	Nasdaq
Shares Outstanding <sup>(1)</sup> (000's)	79,693
Fully Diluted <sup>(2)</sup> (000's)	82,363
Float (000's)	4,127
Market Cap. <sup>(3)</sup>	c. \$80m
Enterprise Value <sup>(4)</sup>	c. \$156m

Robust Revenues



FY 2022 (audited) 9 mths 2023 (unaudited)

Adjusted EBITDA<sup>(5)</sup>



FY 2022 (audited) 9 mths 2023 (unaudited)

# Diversified Market Presence



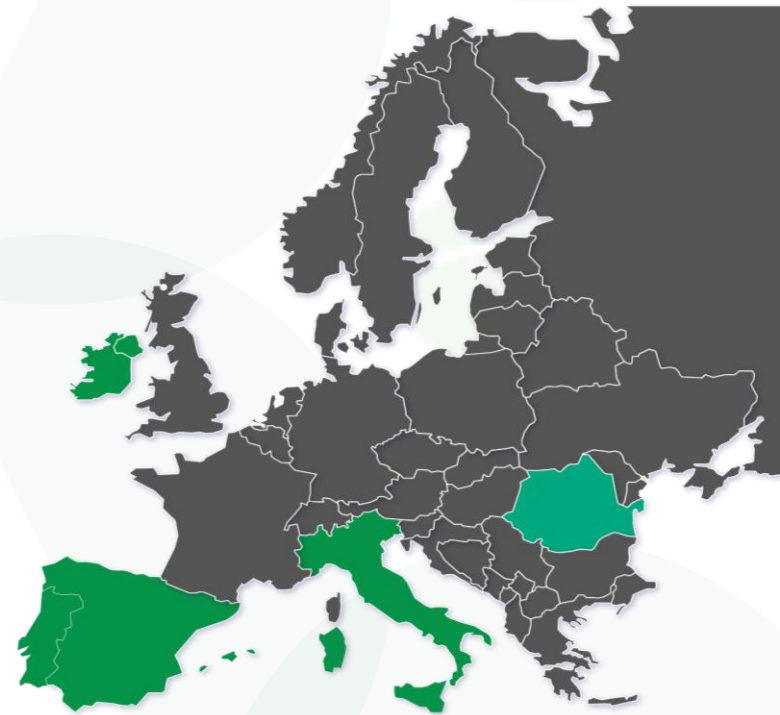
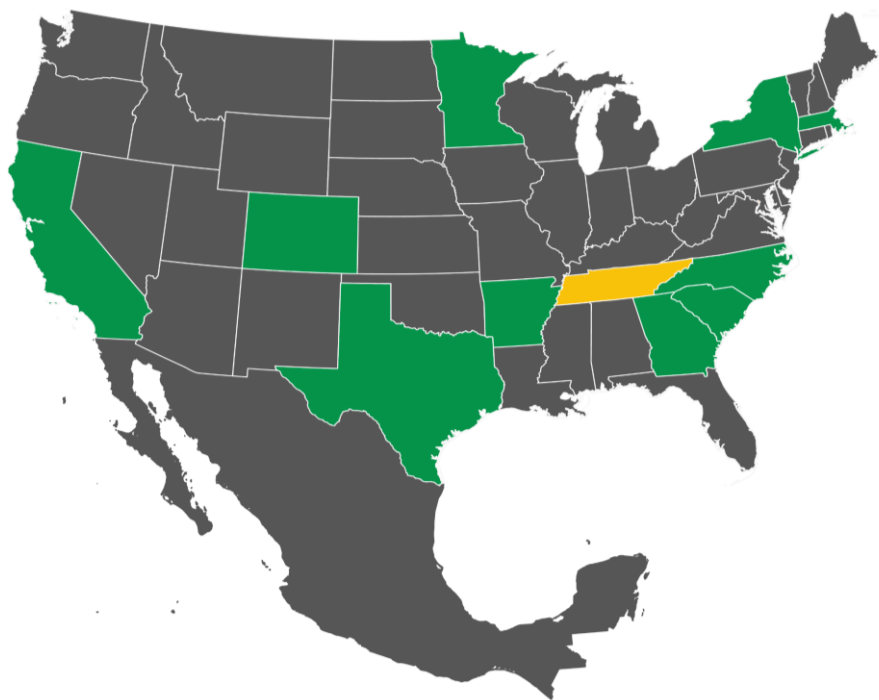
Current **Operational** portfolio of 44MWp across Romania in Europe and Tennessee in the US.



Total Identified Project Pipeline of 1.5 GWp split into Organic Development and Strategic Acquisition projects across America and Europe.



Currently over 500 MWp of Organic Development projects in pre-construction and late-stage development.



● OPERATIONAL

● PIPELINE

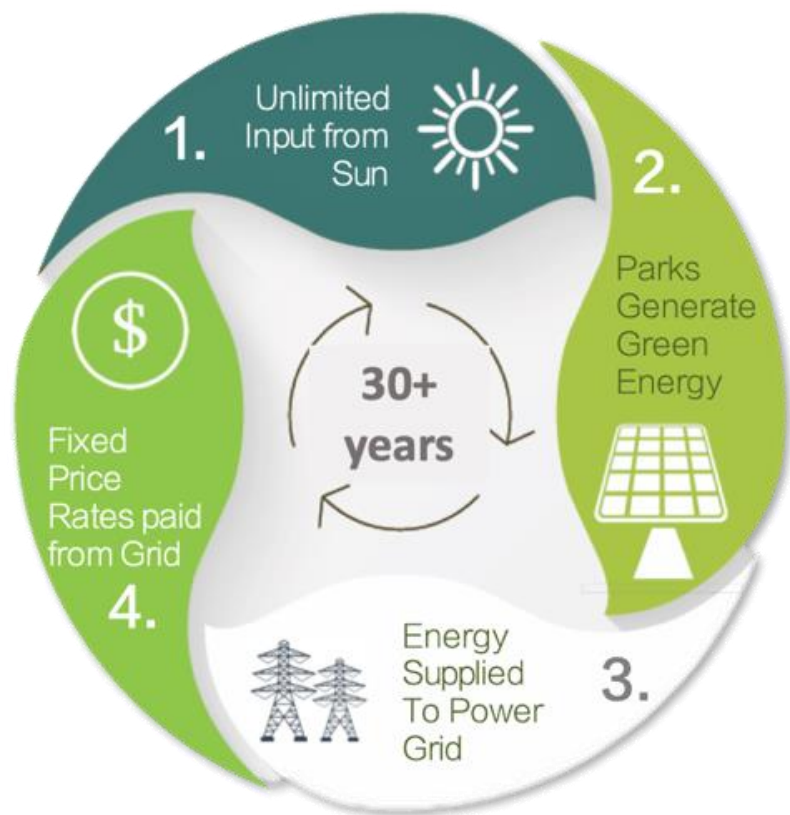
● OPERATIONAL AND PIPELINE

# ALTERNUS BUSINESS OVERVIEW

# Straight forward Revenue Model

## Operating Projects Generate Predictable Long-term Cash Flows<sup>1</sup>

Zero input costs (post CapEx) + stable & predictable energy production = consistent margins over long term



Sell the clean energy generated by our solar parks via connection to power grids...



Under **Investment Grade Offtake Contracts + Merchant**

- “Feed-In-Tariff (FiT)” @ 15 years fixed prices for all energy produced and/or... with a combination of...
- Long term Power Purchase Agreements (“PPA’s”)<sup>(2)</sup>, with corporates or utilities, for approximately 70% of energy produced with the remainder being sold in the respective energy markets at prevailing rates
- with c. 35+ years project life



And c. 80% project gross margins over project lifetime



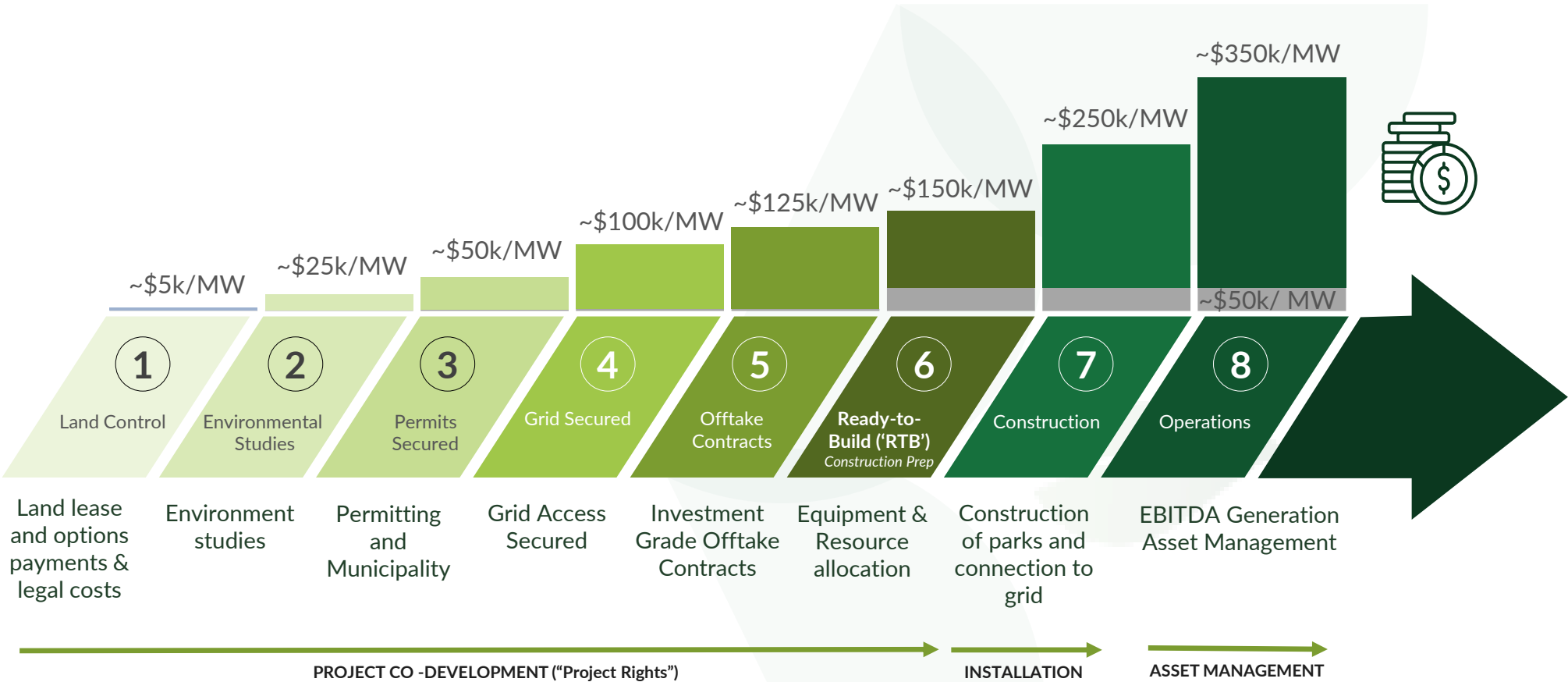


# Integrated Operating Model Delivers Lasting Shareholder Value<sup>1</sup>

High Value  
'Build-to-Own'  
Business Model

Reduces Capex &  
Increases Certainty of  
Business Growth  
from Early Project  
Ownership

Benefiting from  
Vertical  
Integration

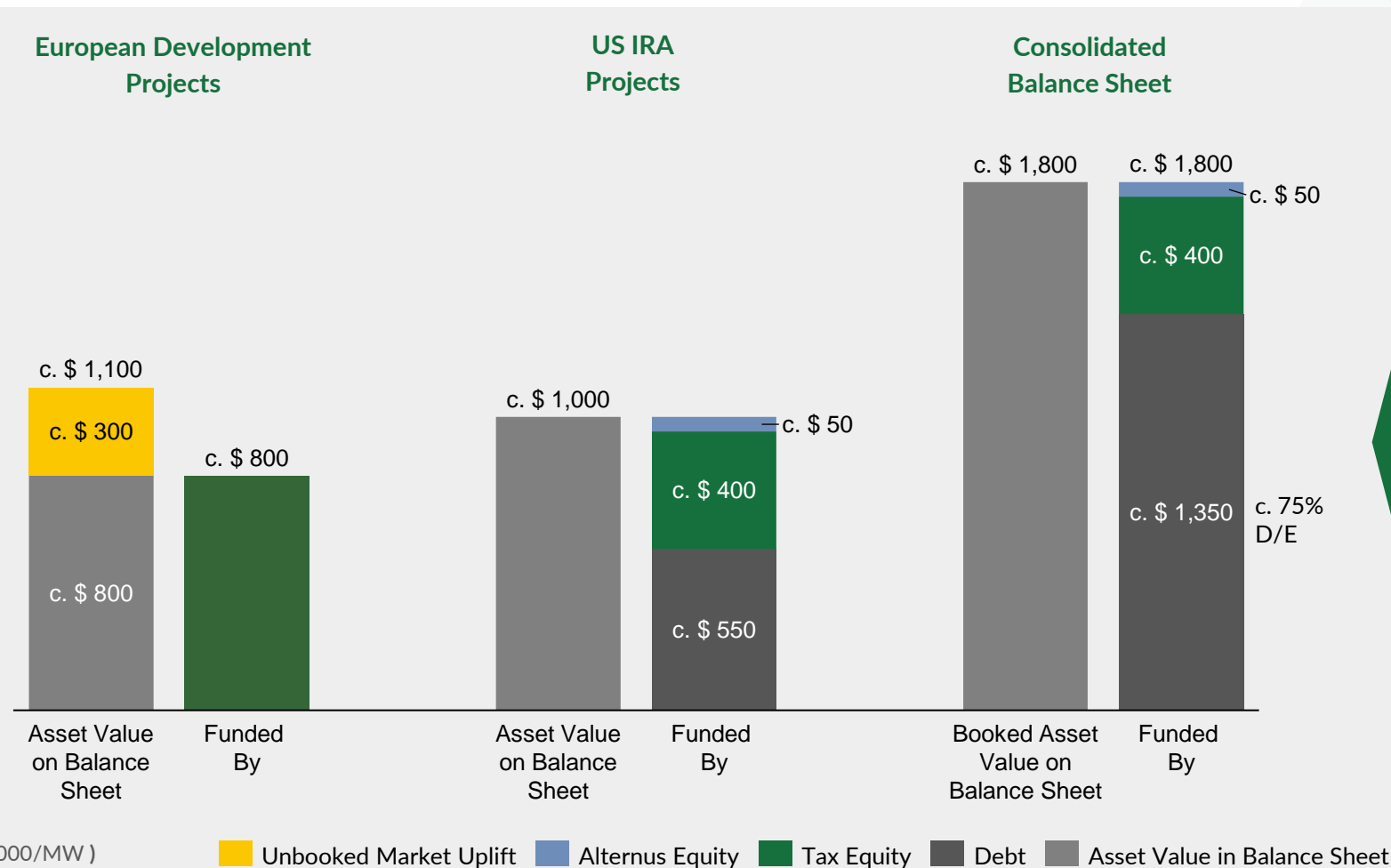


Alternus manages all aspects of Development, Installation, O&M and Asset Management activities providing full project value control & greater profit capture at each stage



# Transatlantic operations optimizes capital structure<sup>1</sup>

Alternus benefits from the mix of transatlantic projects –higher leverage available for European self developed projects and tax equity provided under the IRA - to optimize leverage at group level



European development assets can be fully levered using available debt facilities.

Minimal equity required as significant value gained during the development process



Tax Equity typically provides between 30%-50% of the cost of US renewable projects.

# Highly Experienced Leadership Team in Alternus Clean Energy Inc. - Motivated to Deliver Sustained Growth



**VINCENT BROWNE**, *Chairman & CEO*

- Joined Alternus in 2015 as CFO became Chairman & CEO in 2017
- Responsible for leading the Group
- 7+ years solar experience
- 20+ years finance and operations experience



**GITA SHAH**, *Chief Sustainability Officer*

- Joined Alternus in 2017
- Leads sustainability initiatives across the Group
- 8+ years renewables experience
- 5+ years strategic and operational management



**JOSEPH DUEY**, *Chief Financial Officer*

- Joined Alternus in 2018
- Leads the finance team
- 12+ years renewables experience
- 20+ years finance experience



**LARRY FARRELL**, *Chief Information Officer*

- Joined Alternus in 2019
- 20+ years at senior leadership positions at Fortune 500 companies building high performing, cross functional, global teams



**TALIESIN DURANT**, *Chief Legal Officer*

- Joined Alternus in 2018
- Leads the legal team
- 5+ years solar experience
- 20+ years senior operating experience



**DAVID FARRELL**, *Chief Commercial Officer*

- Joined Alternus in 2022
- Leads the commercial activities including M&A
- 20 years capital markets, project finance, infrastructure and renewables, and finance industry experience



**GARY SWAN**, *Chief Technical Officer*

- Joined Alternus in 2021
- Leads project management and delivery teams and technology
- 30+ years renewables experience
- 30+ years technical experience

Right People - Right Place  
Right Time

## Global Team Composition



**40+**  
Team members



**12**  
Nationalities



**6**  
Countries

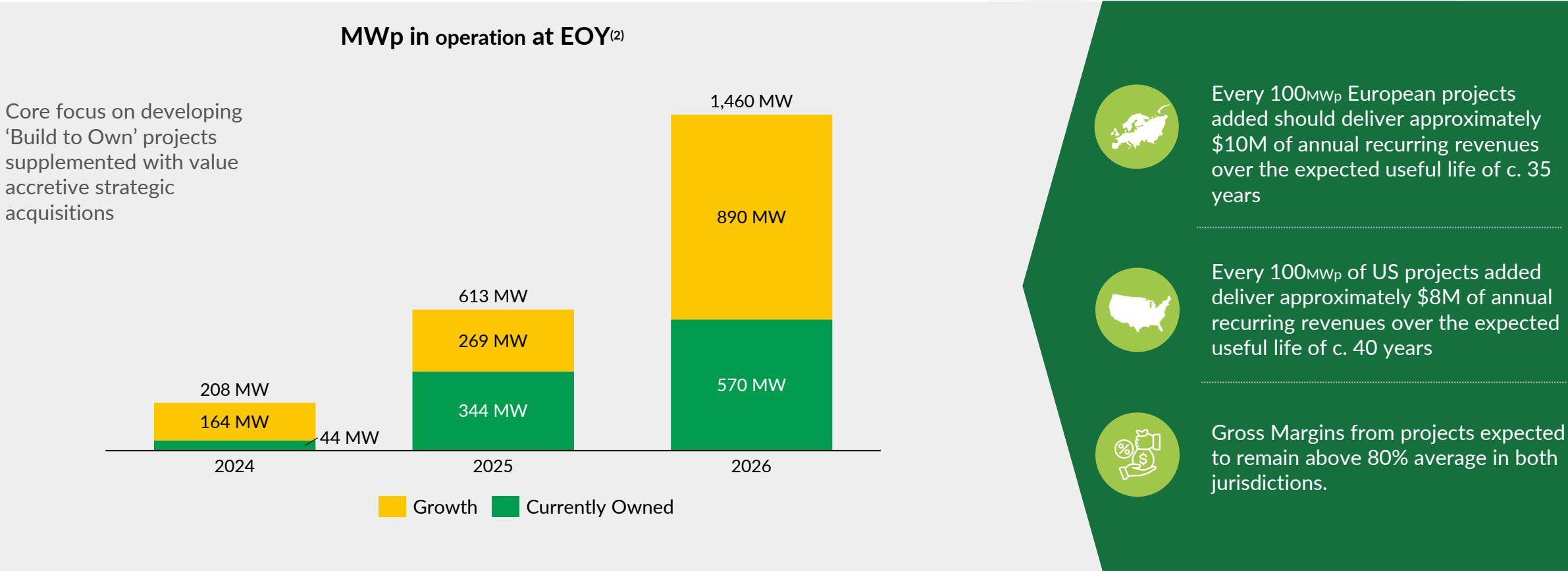


**31%**  
Female



# STRONG GROWTH VISIBILITY IN PORTFOLIO GROWTH BY 2026<sup>1</sup>

Future Growth Plan Focused On Organic And Targeted Strategic Opportunities



- Currently Owned assets expected to be funded from existing or committed funding facilities to achieve operations.
- Growth reflects execution of full business plan – from currently identified projects in both US and Europe – does not include additional project identification over the planning period.
- Operating plan assumes that projects are 100% funded at project level reducing need for corporate share issuances - may involve Alternus selling minority ownership equity positions in projects.

Notes : (1) Forward looking information included in this slide should not be viewed as guidance. This is provided for illustrative purposes only. Such information relates to potential estimated results based on specific assumptions and not to the Company's actual expected results. For more information on forward looking statements see Slide 2 of this presentation. (2) Assumes that non-operational projects reach operation in the planned period or are acquired at current assumptions underlying our operational plan. Actual results may vary from those shown here.

# Business Strengths



Scalable business model supported by an unprecedented growth in core markets driven by strong regulatory and demand driven tailwinds



Long life assets with stable and predictable income streams allow for flexible debt options to maximize equity returns



Proven business model with compelling growth engine forecasted to deliver significant growth over the next 4 years



Positive adjusted EBITDA with increasing margins that benefit directly from economies of scale



Efficient equity business generates consistently high returns to stakeholders



# MARKET OVERVIEW



# Total Addressable Market: Estimated to be Over 396 GWp By 2027

## The Expansion of Renewable Power is Experiencing a Significant Boost as Countries Prioritize the Enhancement of Energy Security

- The European Commission's REPowerEU pledge to end Europe's dependence on Russian fossil fuels also includes a new EU solar target of 750 GWdc by 2030.
- Under solar Power Europe's EU market outlook Medium Scenario, during the years 2023 to 2026, new additions will bring around 275.2 GWp to reach 484.1 GWp of total installed capacity by the end of 2026.

**+257  
GWdc by 2026**

Europe Total  
Addressable Market

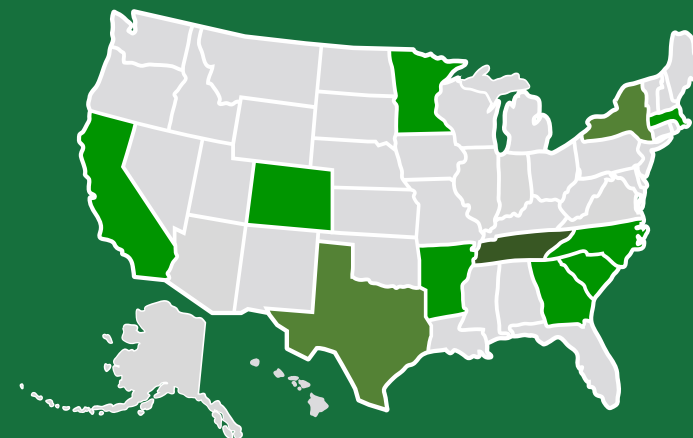


## Passing of the Inflation Reduction Act (IRA) has had a Substantial Positive Impact on Long-term Solar Forecasts

- Wood Mackenzie forecasts that 139 GWdc of total utility-scale installations will be added between 2023 and 2027 and 429 GWdc will be added over the next decade in their base case projections from 2023 to 2033.
- This represents a substantial increase and demonstrates the promising future of the solar sector

**+139  
GWdc of Utility  
Scale by 2027**

U.S. Total  
Addressable Market

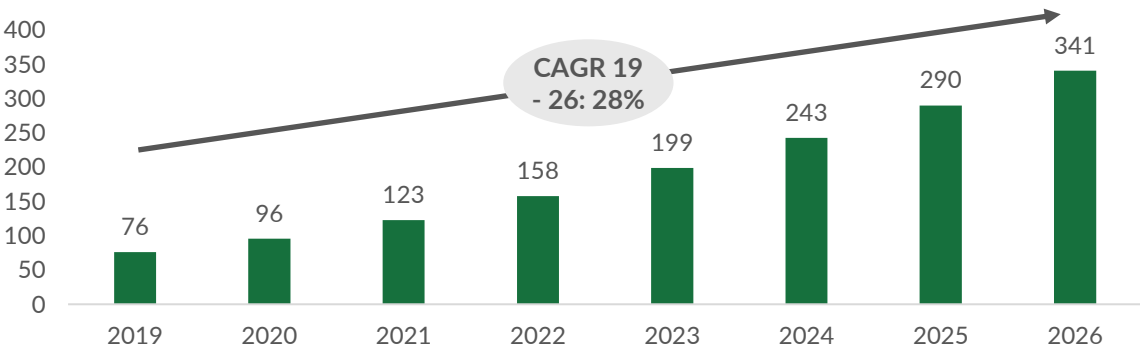




# USA: Inflation Reduction Act (IRA) – Generational Market Opportunity Shift

The volume of installed solar capacity is growing rapidly and is the key driver of renewable energy development in the US and will continue to grow due to the IRA

Expected Evolution of Solar PV Installed Capacity in the US (GWp)<sup>1</sup>



US Solar PV Market at a Glance

**Rapid Growth:** The US solar energy market has experienced significant growth in recent years, with installed solar capacity increasing at an unprecedented rate. In 2022, the US installed a record-breaking 24.6 gigawatts (GWp) of solar capacity

**Policy Support:** Federal, state, and local governments in the US have implemented supportive policies to promote solar energy adoption. The Inflation Reduction Act (IRA) is expected to direct nearly \$400B of federal funding to clean energy, with the goal of substantially lowering US carbon emissions by 2030

**Commercial Adoption:** Large corporations, such as Apple, Amazon, and Google, are investing in solar installations to reduce their carbon footprint and save on energy costs, creating an alternative route to market for solar developers

Main Trends in the US Solar PV Sector<sup>2</sup>



**35.4 GWp**  
Total installed PV capacity in 2022

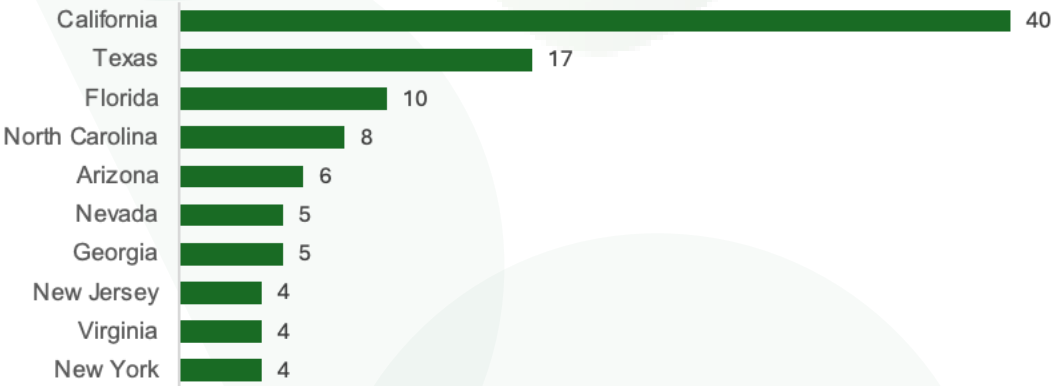


**8.1 GWp**  
Increase in Installed PV capacity in 2022, a 30% increase compared to 2021



Incentives like the Inflation Reduction Act (IRA) increase the attractiveness of the US Solar market to developers and operators

Installed PV Capacity by US States in 2022, Top 9 States (GWp)<sup>1</sup>



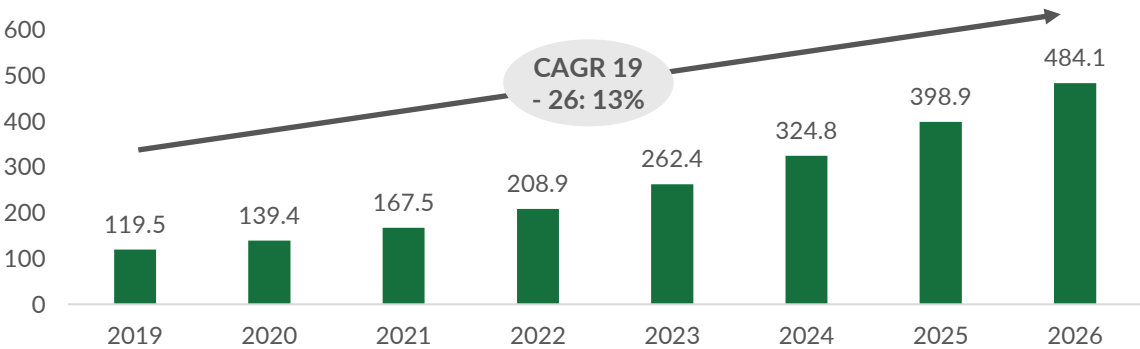
The recently passed Inflation Reduction Act (IRA) significantly expanded tax incentives for clean energy, which we believe will further stimulate renewables development in the U.S.



# Europe: Repowered - a New Rulebook for Unprecedented Growth

Europe is seeking alternative energy sources in its quest for energy independence: solar is a logical answer

Expected Evolution of Solar PV Installed Capacity in the EU (GWp)<sup>1</sup>



European Solar PV Market at a Glance

**Rapid Growth:** The European solar energy market has experienced significant growth in recent years, driven by lowering LCOE's of solar PV technology, favorable policies, and increasing environmental awareness among businesses and end users

**Policy Support:** European countries have implemented various policy measures to promote solar energy, such as feed-in tariffs, net metering, and renewable energy targets set by the European Union (Repower EU) to achieve climate and energy goals

**Installed Capacity:** The total installed solar capacity in Europe has surpassed 200 GWp, with several countries leading the way including Germany, Spain, Italy, France, and the Netherlands

Main Trends in the European Solar PV Sector <sup>2</sup>



**41.5 GWp**  
Total installed PV capacity in 2022



**13.3 GWp**  
Installed PV capacity in 2022, a 47% increase compared to 2021

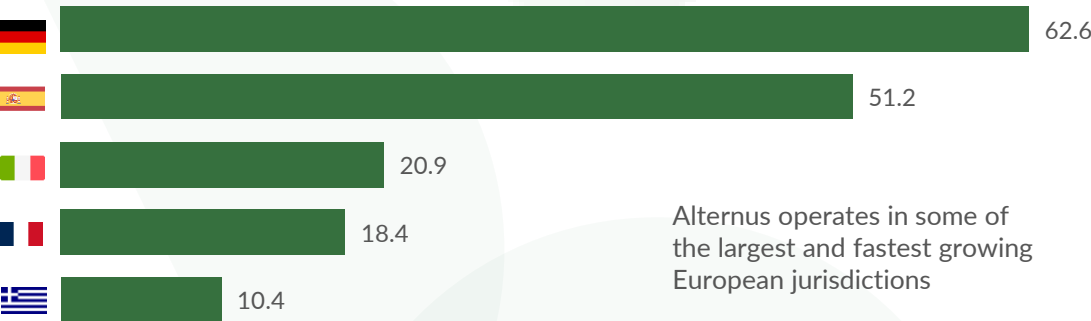


**10 EU Countries adding > 1GWp Annually**



Year after year, Europe ranks at the top in terms of increased PV capacity as a % among international regions

2023-2026 New PV Capacity in European Markets Which Alternus Operates <sup>1</sup>



Alternus operates in some of the largest and fastest growing European jurisdictions

The European Union aims to be a climate-neutral society by 2050<sup>2</sup>

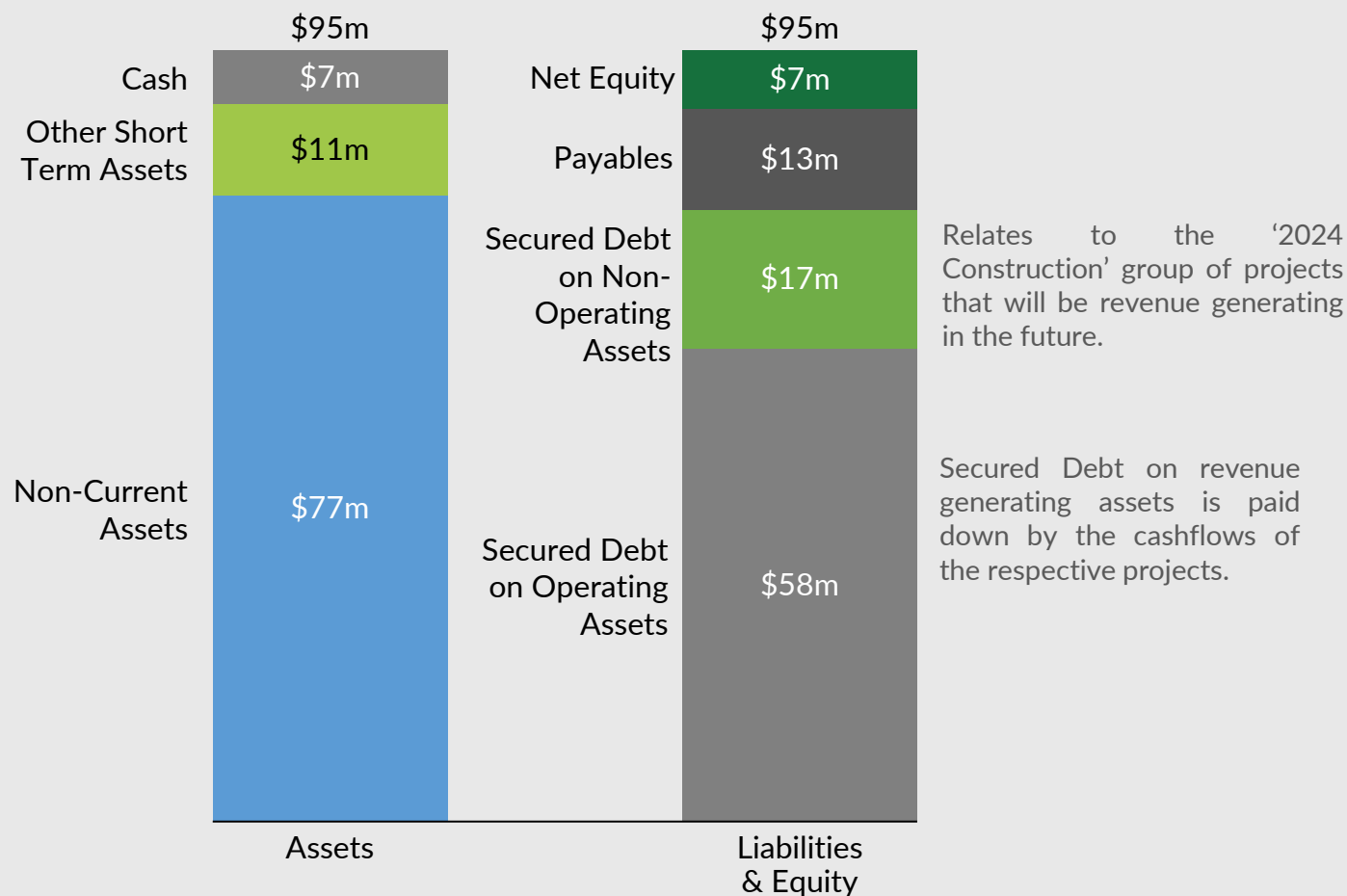
# FINANCIALS





# Balance Sheet At Closing Supports Future Growth<sup>1,2</sup>

## Proforma Balance Sheet at Closing



Built-in Market Cap increase over time from operational projects due to amortizing of debt while EBITDA remains flat over long term



Does not include the €500M Deutsche Bank facility available to fund planned construction activities in Europe



Predictable cash flows from operational projects in a decreasing interest rate environment should allow for further deleveraging over time

# Income Statement – Resilient Revenues And Adjusted EBITDA<sup>1,2</sup>

USD millions	FY'22 Audited	9M'22 Unaudited	9M'23 Unaudited
<b>Revenue</b>	<b>32.5</b>	<b>30.5</b>	<b>27.8</b>
Cost of Goods Sold	-9.2	-9.6	-6.5
Gross Profit	23.3	20.9	21.3
General and Administrative	-11.1	-6.4	-10.1
<b>Adjusted EBITDA<sup>2</sup></b>	<b>12.2</b>	<b>14.5</b>	<b>11.2</b>
Depreciation & Amortization	-7.2	-6.7	-5.6
Operating Profit/(loss)	5.0	7.8	5.6
Discontinued Projects <sup>1</sup>	-23.9	-.3	-1.2
Other	0.1	.8	-11.8
Net Financing Cost	-17.4	-13.1	-19.3
Profit Before Tax	-36.2	-4.8	-26.7
Tax	0.0	0.0	0.0
<b>Profit/(Loss) for the Period<sup>2</sup></b>	<b>-36.2</b>	<b>-4.8</b>	<b>-26.7</b>
<b>Ratios</b>			
Gross Margin	72%	69%	74%
EBITDA margin	38%	48%	40%



FY '22 reflects the direct benefit of high energy rates in Europe, earned on power sold to the spot energy markets.



Consistent Gross Margins and EBITDA demonstrates resilience of business model



Predictable revenues and costs at project level underpins leverage flexibility and reduces project equity needs

# Alternus Clean Energy Investment Highlights



## Strong EBITDA Growth Visibility

- Operating portfolio of diversified and cash generating solar assets
- Revenue CAGR over 130% since 2019
- Positive adjusted EBITDA \$12.2 in FY22



## Vertical Integration and Project Origination are Differentiators

- Develop-to-own business model provides control over entire project lifecycle and lowers CapEx and OpEx



## Robust Pipeline

- 44 MWp of operating assets
- 528 MWp under development – to start construction in 2024
- 300 MWp of identified construction ready acquisitions
- 3GW pipeline in negotiation



## Efficient Equity Business

- Continued expansion of development pipeline with substantial embedded equity value allows for greater leverage
- Creating a flywheel growth engine, which generates consistently high returns



## Dynamic and Strategic Management Team

- Proven project origination, delivery, operation and financial expertise
- Right People, Right Place, Right Time



## Europe and the US are Key Drivers of Growth

- Demand for renewable power sources is strengthening due to the passage of the Inflation Reduction Act (“IRA”) in the US and energy dislocation in Europe

## Why Renewables

### High Growth

- Massive ‘Total Addressable Market’ as renewable power replaces fossil fuels
- Solar is lowest cost of new energy
- Energy independence and climate drive demand

### High Returns

- Projects enjoy extremely high operating margins (typically, 75%+)
- Predictable recurring revenue enables efficient use of leverage

### Low Risk

- Assets produce predictable recurring revenues for decades
- Vertical integration enables more control from start to operation

### Clear ESG Investment

# APPENDIX



# Owned Development Asset Status – Project by Project<sup>1</sup>

Near Term Construction Ready Portfolio with all development Milestone < 12 months

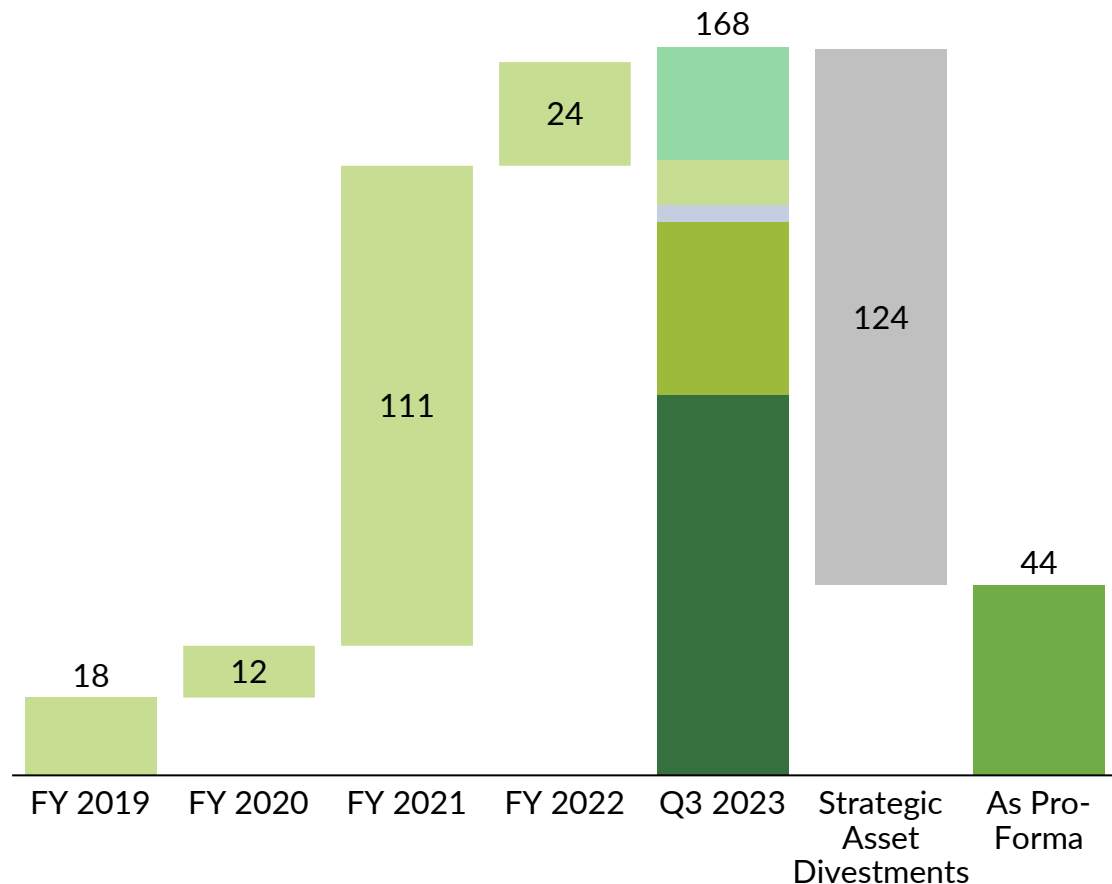
Portfolio (210MW) Near term Development assets [<12 months to RTB]	Project	Region	MWps	1	2	3	4	5	Target RtB Date	Target COD date
	Bisaccia	Italy	15	●	●	●	●		Q3-24	Q3-25
	Caprarica	Italy	18	●	●	●	●	●	Q3-24	Q3-25
	Cingoli	Italy	10	●	●	●			Q3-24	Q3-25
	Melfi	Italy	20	●	●	●	●		Q4-24	Q3-25
	Monteiasi	Italy	25	●	●	●	●	●	Q3-24	Q3-25
	Motolla	Italy	23	●	●	●	●	●	Q3-24	Q3-25
	Santa Vittoria	Italy	10	●	●	●	●	●	Q3-24	Q3-25
	Torre Santa Susanna	Italy	15	●	●	●			Q4-24	Q3-25
	Troia	Italy	29	●	●	●			Q4-24	Q3-25
	Rocchetta	Italy	25	●	●	●			Q3-24	Q3-25
	Venosa	Italy	20	●	●	●			Q3-24	Q3-25
Subtotal			210							



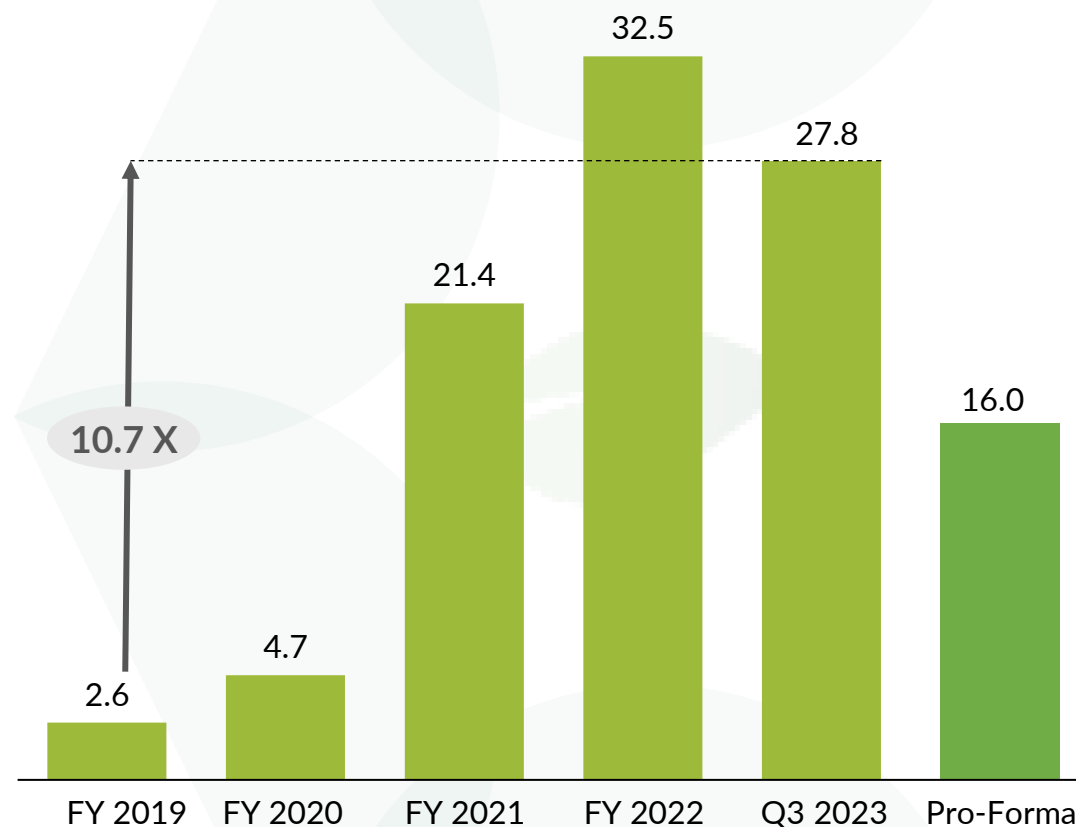


# Proven Track Record of MW Production & Revenue Growth in Multiple Markets<sup>1,2</sup>

## Strong Growth in Diversified Operating Projects<sup>1</sup>...



## ... Delivered >10x Revenue<sup>2</sup> Growth in 3 years



# Non-GAAP Factors

Adjusted EBITDA Reconciliation			
USD (000s)	FY 2022 (Audited)	9ths SEP 2022 (Unaudited)	9ths SEP 2023 (Unaudited)

## Gross Profit Reconciliation:

GAAP Gross Profit	16,145	14,120	15,668
Depreciation, amortization, and accretion	(7,157)	(6,723)	(5,586)
<b>Non - GAAP Gross Profit</b>	<b>23,302</b>	<b>20,852</b>	<b>21,254</b>
<b>Non - GAAP Gross Margin (%)</b>	<b>72%</b>	<b>68%</b>	<b>74%</b>

## Non – GAAP EBITDA Reconciliation

<b>Net loss</b>	<b>(36,284)</b>	<b>(4,803)</b>	<b>(26,772)</b>
Income taxes	5	-	-
Interest expense	17,437	13,120	19,253
Depreciation, amortization, and accretion	7,157	6,723	5,586
<b>Non – GAAP EBITDA</b>	<b>(11,685)</b>	<b>15,040</b>	<b>(1,933)</b>

## Non – GAAP Adjusted EBITDA Reconciliation

Non - GAAP EBITDA	(11,685)	15,040	(1,933)
Other expenses	1,198	1,129	12,160
Other income	(1,275)	(1,934)	(318)
Development costs (one time charge)	23,925	216	1,233
<b>Adjusted EBITDA</b>	<b>12,163</b>	<b>14,451</b>	<b>11,132</b>



# Non-GAAP Factors

The projected financial information included in this proxy statement includes certain non-GAAP financial measures, including EBITDA, EBITDA margin, non-GAAP gross profit and non-GAAP gross margin. Alternus' management included these non-GAAP financial measures because it believes they are useful in evaluating Alternus' operating performance, as they are similar to measures reported by Alternus' public competitors and are regularly used by security analysts, institutional investors, and other interested parties in analyzing operating performance and prospects.

Alternus defines EBITDA as net income (loss), before interest income / (expense), income taxes, depreciation, amortization, and accretion, other income and expense, fixed asset impairment loss, noncapitalized development cost change in fair value of derivative liabilities, stock compensation and any bargain purchase treatment non-GAAP estimates for EBITDA exclude interest, taxes, depreciation which will vary based on borrowing requirements, available interest rates to Alternus at the time capital is required, depreciation of assets and any placeholder for stock-based compensation which is dependent on stock-price projections, which are unknown. EBITDA is not a financial measure prepared in accordance with GAAP and should not be considered a substitute for the net income (loss) prepared in accordance with GAAP.

EBITDA margin is a non-GAAP financial measure defined as Alternus' EBITDA divided by total revenues. Alternus' management believes that these non-GAAP financial measures, when taken together with the corresponding GAAP financial measures, provide meaningful supplemental information regarding Alternus' performance by excluding certain items that may not be indicative of Alternus' business, results of operations, or outlook.

Alternus defines non-GAAP gross profit as revenue less cost of revenues. Non-GAAP gross margin is defined as Alternus' non-GAAP gross profit divided by total revenues. Alternus' management believes non-GAAP gross profit and non-GAAP gross margin can provide a useful measure of Alternus' core performance over time as they eliminate the impact of non-cash expenses and allow a direct comparison of Alternus' cash operations and ongoing operating performance between periods.

Non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. In addition, other companies, including companies in Alternus' industry, may calculate similarly titled non-GAAP measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. A reconciliation is provided below for the non-GAAP financial measures to the most directly comparable financial measures stated in accordance with GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures, and not to rely on any single financial measure to evaluate Alternus' business. See slide 40 for the reconciliation of Non – GAAP measures:



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<https://alternusce.com/>

**Executive management**

Vincent Browne - Chief Executive Officer  
Joseph E. Duey - Chief Financial Officer  
Taliesin Durant - Chief Legal Officer  
David Farrell - Chief Commercial Officer  
Larry Farrell - Chief Information Officer  
Gita Shah - Chief Sustainability Officer  
Gary Swan- Chief Technical Officer

**Board of directors**

Vincent Browne - Chairman and CEO  
John P. Thomas -Director  
Aaron T. Ratner - Director  
Tone Bjornov- Director  
Mohammed Javade Chaudhri - Director  
Candice Beaumont - Director  
Nicholas Parker - Director