



**HARNESSING THE LIMITLESS POWER OF THE SUN  
- ONE SOLAR PARK AT A TIME!**



**Alternus Energy Inc.  
Corporate Overview**

May 2019



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# Caution Concerning Forward Looking Statements

## DISCLAIMER

Some of the statements contained in this document, including information incorporated by reference, discuss future expectations, plans or prospects, or state other forward-looking information within the meaning of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. Words such as "intends", "believes", "expects," "anticipates," "plans," "estimates," "should," "likely" or similar expressions reflecting something other than historical fact are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all. Such statements include, but are not limited to, statements about the benefits to the value of the Company's stock.

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While we may elect to update these forward- looking statements at some point in the future, we specifically disclaim any obligation to do so, even if our views change. Therefore, you should not rely on these forward-looking statements as representing our views as of any date subsequent to today. In addition, actual results or stockholder values may differ materially from those indicated by these forward- looking statements as a result of various important factors, including, but not limited to, our ability to raise the necessary financing required to acquire the targeted renewable energy power plants listed herein and in other documents, on suitable terms. At this time, we do not have any offer to finance these plants and there is no guarantee that such financing will be agreed on suitable terms, or at all. If the Company does not succeed in raising the required financing then the plans outlined herein will be significantly curtailed.

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# About Alternus Energy



Alternus Energy Inc. (“ALTN”) is an international green energy producer with an initial focus on PV solar. ALTN currently owns and operates a diverse portfolio of PV solar parks that connect directly to national power grids on long-term government supply contracts.

ALTN is publicly listed on the US OTC Markets with activities underway to become a fully reporting SEC company and plans to pursue an up-listing to a national exchange, subject to favourable market conditions and provided it meets the applicable qualifying listing criteria.

## Our Mission

Alternus Energy aims to become a leading global independent power producer in green energy, by owning and operating a global network of distributed and connected green energy power plants, in countries where the combination of economic, environmental and political policies are optimized and supportive for the long term ever growing need for clean renewable energy.

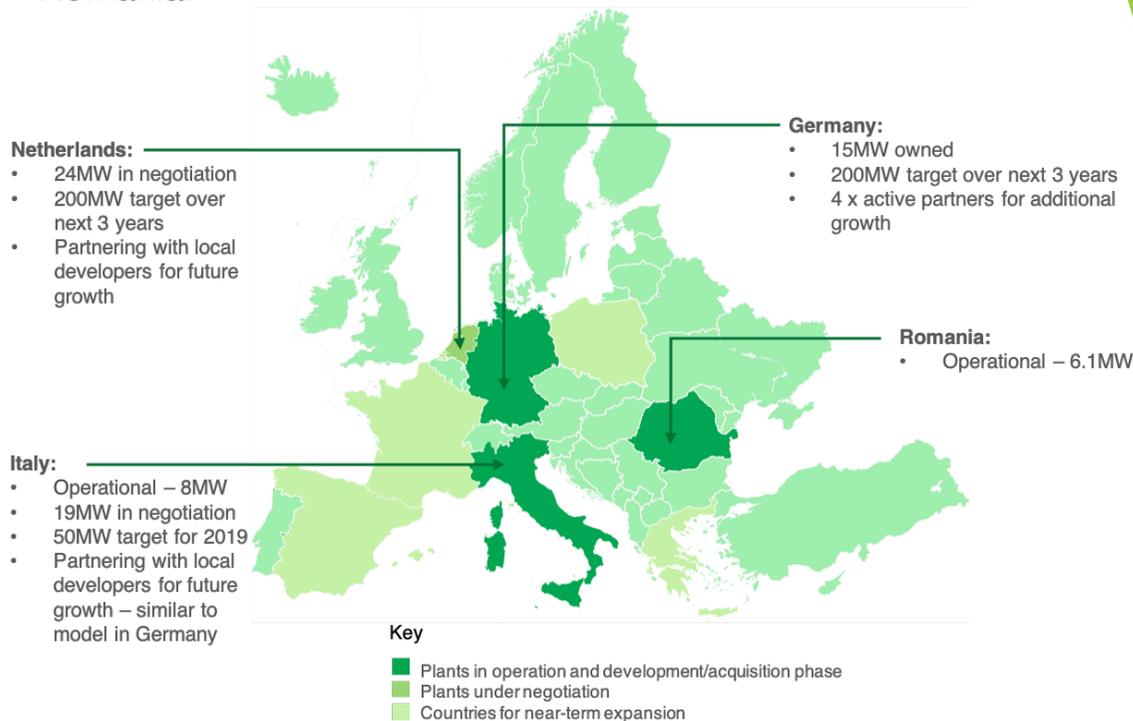
**ALTN is an operating company with a long term focus and not an investment fund – a key market differentiator**



# Alternus is Growing Fast with Proven Track Record



- Current operations in Germany, Netherlands, Italy and Romania.
- Exclusive supply contracts in place to significantly scale over next 3 years
- Management Team consists of sectoral professionals  
Currently 11 staff based in the US, Ireland, Italy and Romania.



## GROWTH STRATEGY

Alternus is successfully executing against a focused and proven strategy of acquiring small, highly profitable, PV Solar parks across multiple jurisdictions, where regulatory, economic and environmental factors are maximized

Niche focus on small to midsize parks working with local developers

Acquire at up to 25% below market

Set to end 2019 with over 100MW's owned across multiple geographies

Near term focus is on Europe with goal to create diversified portfolios of 200MW+ in each targeted country

Currently developing partnerships and project pipeline in Poland, France, Spain, Greece and Mexico



## Key Corporate Development Highlights 2018

- Corporate name changed to Alternus Energy November, 2018
- Expanded operations to now include Germany, Italy, Romania and The Netherlands
- Owned solar projects net increase to 19MWs from 8MWs in prior year
- Successfully sold 1MW Italian park - reducing short term debt by \$3.4 million
  
- **Personnel**
  - Added senior and operational management to accelerate expansion in current and new markets and assist with the planned up-listing to a US national exchange
  - Added full time CFO with over 10 years of renewable energy project experience
  - Added full time General Counsel with over 15 years of public company experience
  - Added Project Management and Commercial Management expertise as well as internal Operations and Maintenance Manager to oversee asset portfolio
  - Added two Independent Board Members
  
- **Financing**
  - Secured \$20M Acquisition Fund secured from institutional partners in the U.S.
    - \$4.0M drawn to fund the initial acquisition of 9.6MWs in Germany
    - \$11.85M drawn as bridge to purchase the LS and Risen projects totaling 7.3MW's in Italy that is expected to be replaced with long term senior debt during H12019
  - \$8.5M of Senior Debt, at average 2.5% interest rate for 18 years, acquired with Germany projects



# Alternus Energy Inc.

## Key Financial Highlights 2018

- **Revenue** for the year ended December 31, 2018 was \$2.6 million, an increase of \$0.1 million or 4%, compared to \$2.5 million for the year ended December 31, 2017.
- **Gross profit** for the year ended December 31, 2018 was \$1.3 million, an increase of \$0.1 million, compared to \$1.2 million for the year ended December 31, 2017. The resulting gross margin was 50.7% for the year ended December 31, 2018, compared to 49.1% for the year ended December 31, 2017.
- **Selling, General and Administrative** expenses for the year ended December 31, 2018 were \$1.8 million, an increase of \$0.8 million or 86%, compared to \$1.0 million for the year ended December 31, 2017. The 2018 amount includes \$0.4 million of costs related to the acquisition of solar parks that are not capitalized under US GAAP rules.
- **Net Assets** at December 31, 2018, Alternus \$33.9 million of total assets, \$26.3 total debt, and 110.7 million shares issued and outstanding.
- **Cash position:** At December 31, 2018, Alternus had \$1.0 million of cash, \$8.9 million of restricted cash reserved for pending acquisitions in Italy.
- **Adjusted EBITDA:** For the year ended December 31, 2018 was \$1.1 million, an increase of \$1.8 million, or 266%, compared to an EBITDA loss of \$0.7 million for the year ended December 31, 2017. See Adjusted EBITDA calculation on page 7.
- **Adjusted cash flow from operations:** ALTN generated positive cash flow from operations of \$0.04 million for the year ended December 31, 2018 in comparison to \$0.01 million in the previous year.



# Alternus Energy Inc.

## Outlook 2019

- ALTN's current business model is to buy solar parks with 15-20 year government counter-party Feed-in-Tariff contracts which provide long-term predictable positive cash flows.
- Owned assets owned as of March 31, 2019 have contracted annual recurring revenues of approximately \$5.8 million at average gross margins of 85% for the next 13 -20 years.
- Based on current contracts, backlog and business pipeline, ALTN has identified the following additional solar projects that are expected to be added during 2019:
  - **Germany:** 40MW-60MW of new projects owned
  - **Italy:** acquisition of 19MW's of operational solar parks from an existing partner
  - **The Netherlands:** expansion into new country with agreements to acquire up to 24MW's of operational solar parks initially and partner contract completed for further growth
  - **Romania:** additional acquisitions currently being negotiated
- **Assuming that all of the above transactions conclude as expected, ALTN expects to end 2019 with:**
  - **over 100MW's of owned diversified solar projects**
  - **over \$15 million in recurring annual revenues at ~85% gross margins**
  - **~\$250 million of contracted revenue backlog over the following 13–20 years**



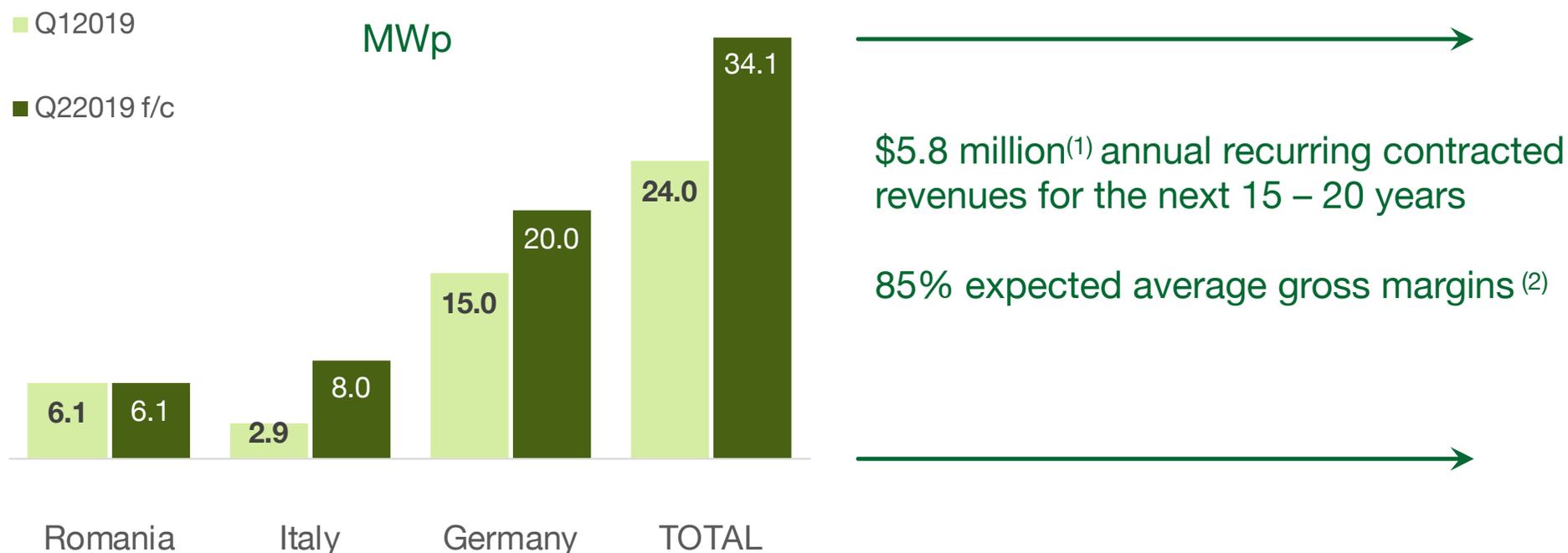
# Alternus Energy Inc.

## Key Financial Highlights Q1 2019

- **Revenue** for the three months ended March 31, 2019 was \$0.370 million, a decrease of \$0.07 million or 18%, compared to \$0.437 million for the three months ended March 31, 2018. This decrease was mainly due to the ceasing of energy trading activities in Romania at the end of 2018, which despite reducing topline revenues will increase profitability and cash generation over a full year. The revenue loss in Romania loss was partly compensated from first revenues generated in Germany during Q1 2019. See Revenue Analysis on page 11.
- **Gross profit** for the three months ended March 31, 2019 was \$0.213 million, a decrease of \$0.020 million (10%), compared to \$0.236 million for the three months ended March 31, 2018. Gross margin percentage for the three months ended March 31, 2019 was 57.5%, compared to 54.2% for the three months ended March 31, 2018. This increase is due to the change in revenue mix towards higher margin parks, reflecting the Company's ongoing strategy.
- **Selling, General and Administrative** expenses for three months ended were \$0.523 million, an increase of \$0.283 million compared to \$0.239 million for the three months ended March 31, 2018. The increase was due to additional staff costs and one-time stock compensation expense of \$0.162 million.
- **Net Assets:** At March 31, 2019, ALTN had \$34.2 million of total assets, \$26.1 total debt, and 132.6 million common shares issued and outstanding.
- **Cash position:** At March 31, 2019, ALTN had \$0.420 million of cash on hand and \$8.7 million of restricted cash reserved for pending acquisitions in Italy.
- **Adjusted EBITDA:** for the three months ended March 31, 2019, adjusted EBITDA was a loss of \$0.148 million, which reflects an increase of \$0.146 million compared to an EBITDA loss of \$0.002 million for the same period last year. The increase primarily reflects the higher operating costs for the business from increases in personnel across the group as a result of more assets owned - the revenues from which are not fully reflected in the Q1 2019 results. See Adjusted EBITDA calculation on page 6.
- **Adjusted cash flow from operations:** ALTN used \$0.329 million in cash flow from operations for the three months ended March 31, 2019, in comparison to \$0.308 million generated from cash flow for the same period last year. This is mainly due to timing of cash receipts from newly acquired parks not yet received and due to an increase in receivables from green certificates in Romania.



## Installed Power Q1 2019 - Outlook Q2 - Remainder of 2019



(1) This is the full year contracted revenues for parks currently owned. Not all parks are currently in production at this time and so the actual amounts booked to revenues throughout 2019 will be lower than the amounts shown above as the parks will come into operation at various times throughout the year. Also, the contracted revenues are based on expected energy production using historical and expected levels and these may vary in reality in the future.

(2) This the expected Gross Margins generated from the portfolio of the parks in Italy & Germany based on historical and expected performance. The Romania parks are currently at Gross Margins less than this and management expect to improve the gross margins there over 2019 to reflect the 85% average quoted.

Please read this document in conjunction with the ALTN March 31, 2019 Quarterly Report filed with OTC Markets.



# ALTN Experienced Executive Management Team



## VINCENT BROWNE - Chairman & CEO

- ▶ Joined Power Clouds Inc (now ALTN) in 2015 as CFO and became the CEO in September 2017
- ▶ Repositioned ALTN from a niche solar project developer into an active acquirer of operational solar PV projects across Europe
- ▶ Over 20 years' experience in the operation and management of public and private companies and as CXO in OTC listed companies in the US public markets, predominantly in the ICT sector
- ▶ Experience includes finance and operations, M&A transactions, project finance and capital market transactions, corporate restructuring, spinouts, S1 SEC registration statements
- ▶ Founded a number of Technology Start-ups in the ICT sector
- ▶ Contributor in commercialization of research and technology projects with the Technology and Enterprise Campus at Trinity College Dublin



## JOSEPH DUEY – Chief Financial Officer

- ▶ Joined ALTN as CFO in December 2018
- ▶ Over 20 years' extensive experience in the development, construction and financing of renewable energy assets
- ▶ Experience also includes key operating management, finance and audit functions
- ▶ Previous positions have included CFO with IPP - Green States Energy, Controller for Power Partners group a division of MasTec (MTZ). The group installed over 3.5GW of wind assets in the US as an electrical contractor over a 7 year period
- ▶ Also served in finance and operations roles with Fortune 500 manufacturing companies including the SPX Corporation and the Goodrich Corporation
- ▶ He received an MBA from the University of Illinois and achieved CPA, CMA, CIA, and CFM designations.



## TALIESIN DURANT – General Counsel

- ▶ Appointed General Counsel of ALTN in December 2018
- ▶ Over 20 years' experience in providing legal counsel to small public companies and serving as General Counsel to various US public companies
- ▶ Founded DART Business Services, a boutique legal services firm to provide general and securities legal services to small public companies
- ▶ Has worked with Vincent over the last decade
- ▶ Member of the California State Bar Association, having earned a Juris Doctor degree at Northwestern School of Law at Lewis and Clark College and completed her final year at Santa Clara University School of Law





Utility Scale Solar

**Business Model  
Asset Origination  
& Risk Management**

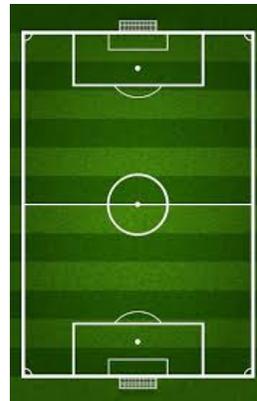
# What are 'Utility Scale' Solar Parks

A solar facility that generates solar power and feeds it into the grid as opposed to private use

## Commercial & Industrial Rooftops



## Ground Mounted



1MW of Solar is the equivalent size of 1.5 times the size of a soccer field

A 4MW park will power approximately 1000 Homes \*  
(\*this is country specific and is subject to variation)

## ALTN's PARK CHARACTERISTICS

Both Ground mounted and C&I Rooftop parks

Connect directly to national grids  
*(not residential)*

15-20 years Government feed in Tariff (FiT) subsidies

>85% operational EBITDA

15%-20% free cash flows after senior debt service

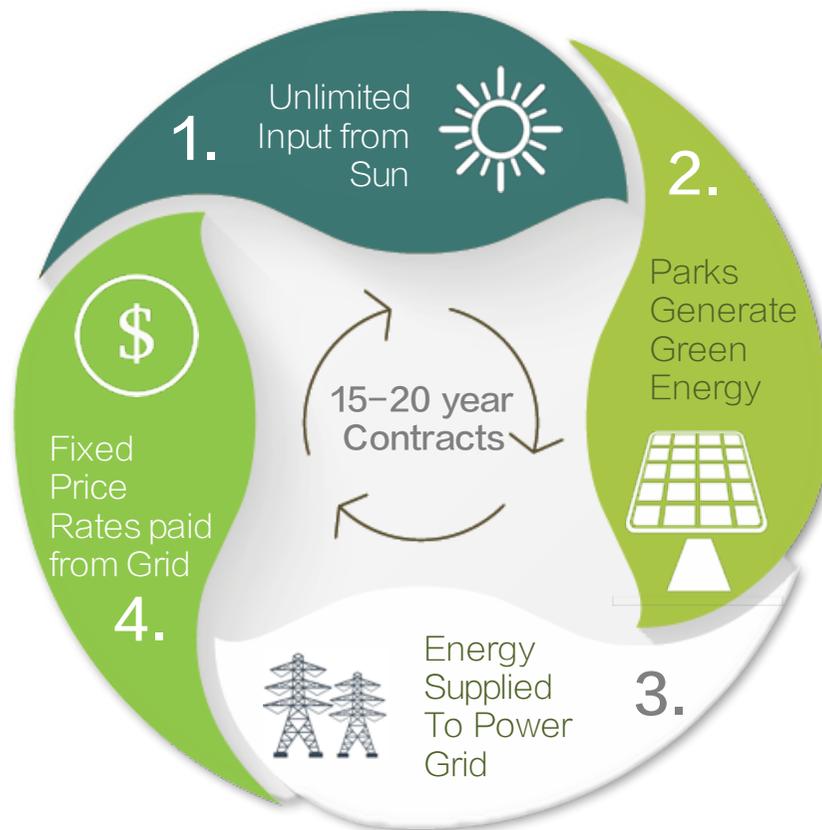
Business Interruption Insurance

Diversified parks within each country and across multiple countries mitigates income risks



# Long Term Recurring Revenue Model

Government Counterparty Subsidy Contracts provide Annuity like incomes much like a quasi-government bond - but with higher returns



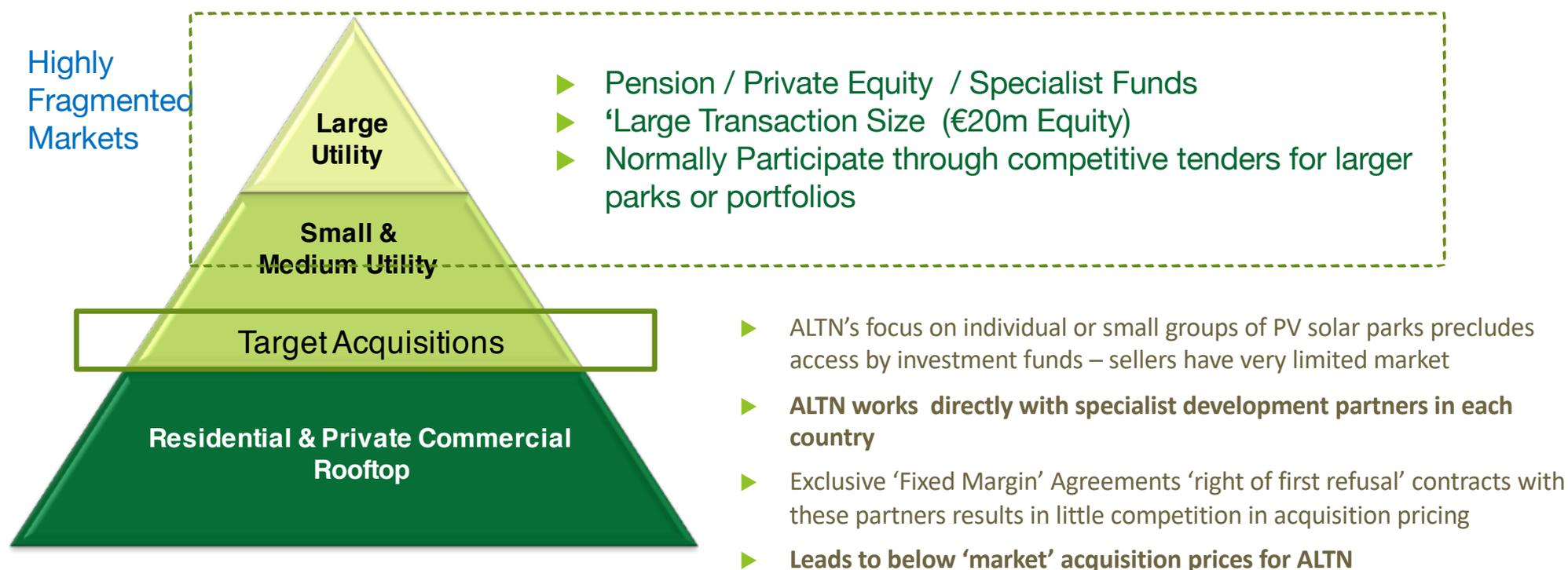
- ▶ ALTN sells the energy generated by its solar parks directly to national power grids
- ▶ Government Subsidy contracts “Feed-In-Tariff (FiT) contracts”
- ▶ 15 – 20 years fixed prices for all energy produced
- ▶ 85%+ EBITDA plant gross margins
- ▶ Full business interruption insurance
- ▶ Projects deliver 15%- 20% Free Cash Flow after senior debt servicing

- A SUSTAINABLE ENERGY OPERATING COMPANY
- **NOT A PANEL OR TECHNOLOGY MANUFACTURER**



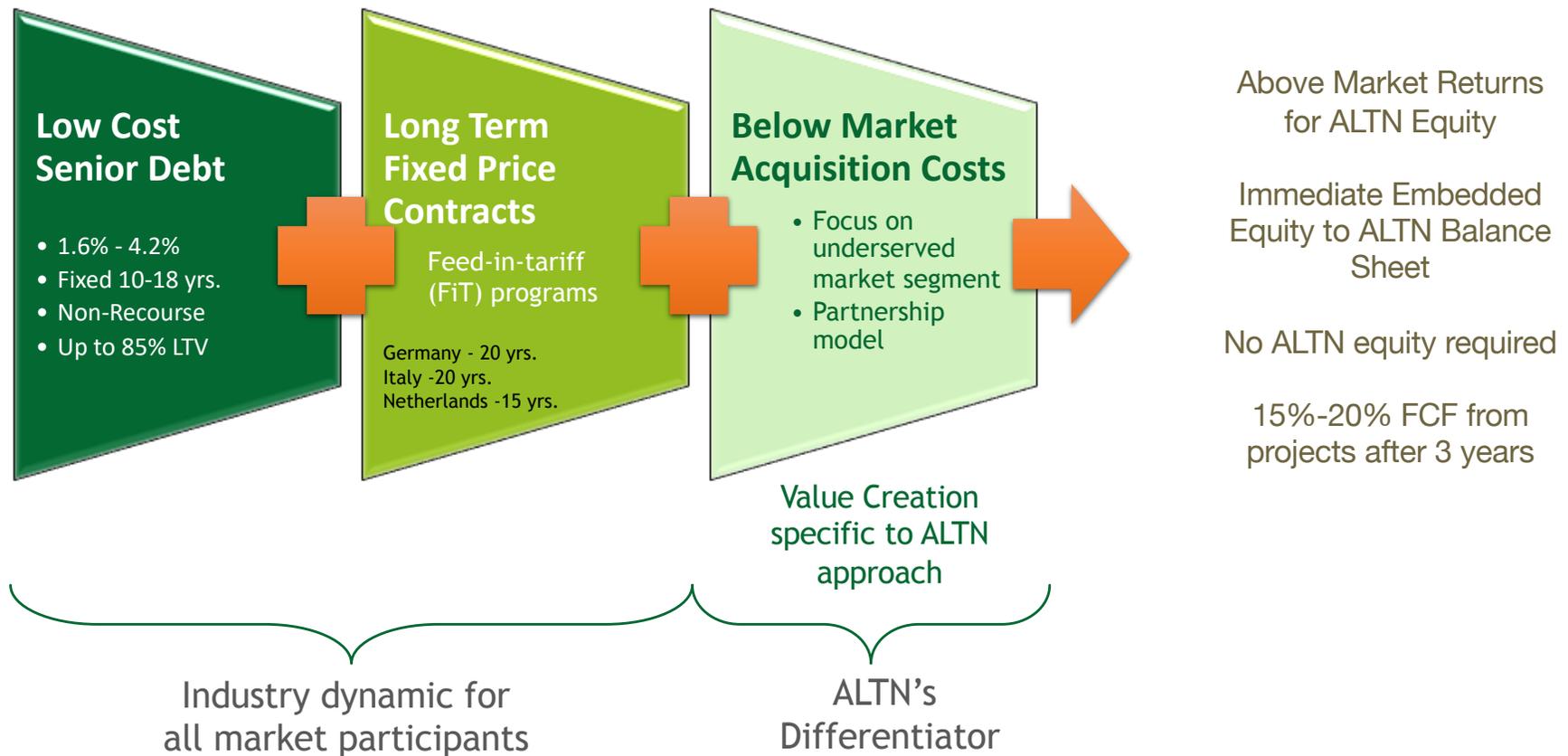
# Targeted Segmentation is Key Differentiator

Proven growth strategy is targeted on acquiring independent PV solar energy plants  
- either new or in secondary markets - to build a diversified portfolio across multiple geographies...



# ALTN Business Model Delivers Above Market Returns

Immediate term growth strategy focused on projects benefiting from fixed price government subsidies...



# Top Tier Advisors for Due Diligence

- ▶ ALTN. works with world leading advisors to ensure the projects acquired are suitable and in line with laws, technology and operational parameters
- ▶ All potential acquisitions undergo extensive and detailed verification before acquisition
- ▶ These advisors are approved by our senior lending partner for deal evaluation



*ORRICK, HERRINGTON &  
SUTCLIFFE*

*Legal & Regulatory*

- Seller Contracts
- Legal due diligence on plants and SPV's
- Regulatory advice and compliance
- Financing contracts
- International support network



*PROTOS S.p.A\*

*Technical due diligence*

- Site visits
- Desk and physical audit
- Red Flag reports
- Performance measurement
- Regulatory and planning compliance
- Performance improvement



*KPMG (Italy)*

*Financial due diligence*

- Tax Audit
- Past Financial Review
- Financial Model Audit



- ▶ **Binding Government backed consumption contracts deliver long term recurring revenue and secure, predictable cash flows 20 years**
- ▶ Annuity income streams – like a high coupon treasury bond
- ▶ 100's of Internationally diversified portfolio of clean energy parks
- ▶ No one park is >1% of revenues in Germany – at full scale will be less than 0.05%
- ▶ Comprehensive loss of profits insurance underpins cash income
- ▶ Highly active and competitive secondary markets for portfolios provide exit opportunities in addition to exit via public markets





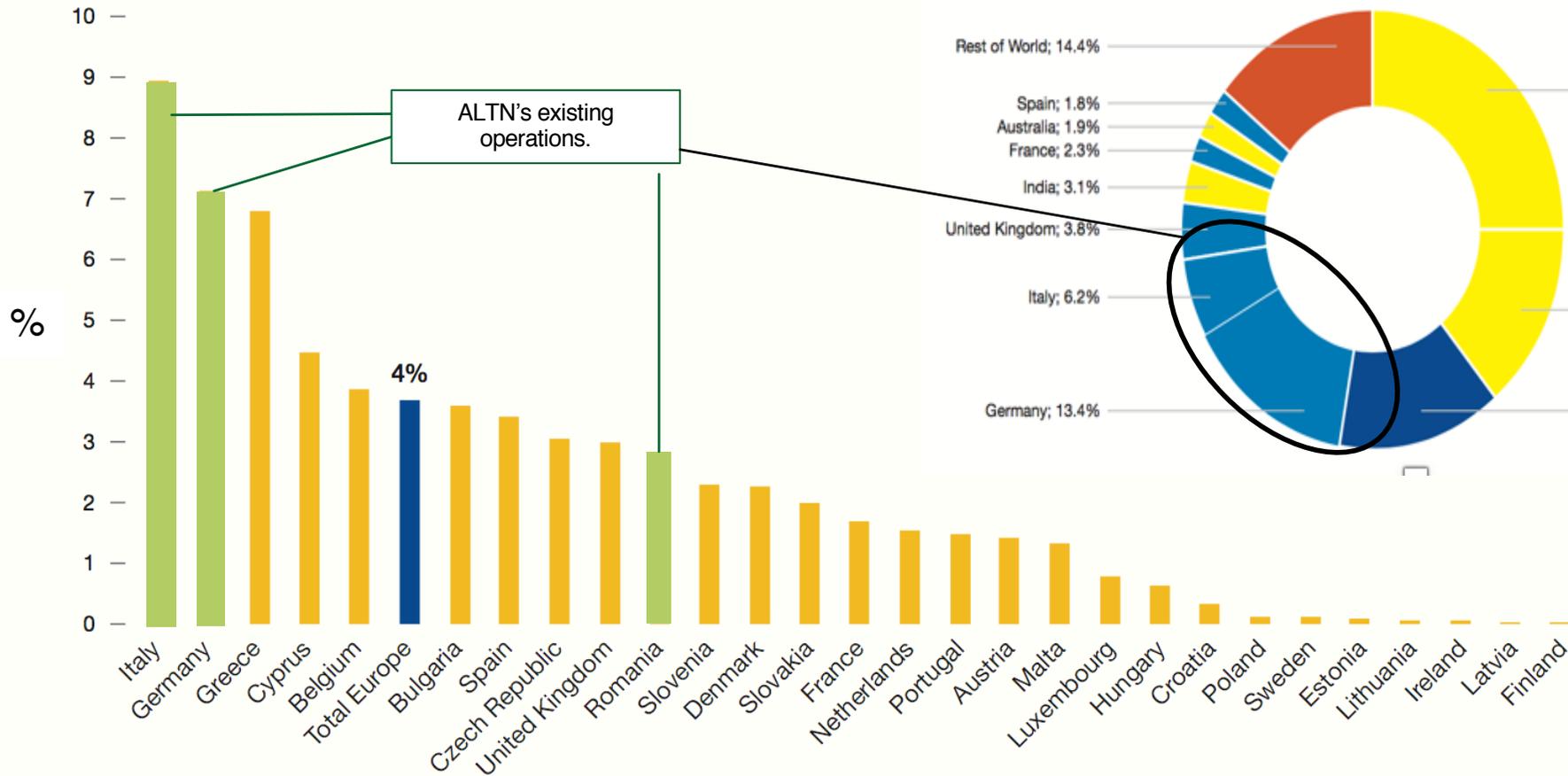
Utility Scale Solar

## Market Data

- Global Solar Market
- European Solar Market

# ALTN operates in Europe's Largest Markets for Solar

SHARE OF ELECTRICITY DEMAND COVERED BY SOLAR IN EU-28 IN 2017



GLOBAL SOLAR MARKET SIZE BY MW INSTALLED - 2017

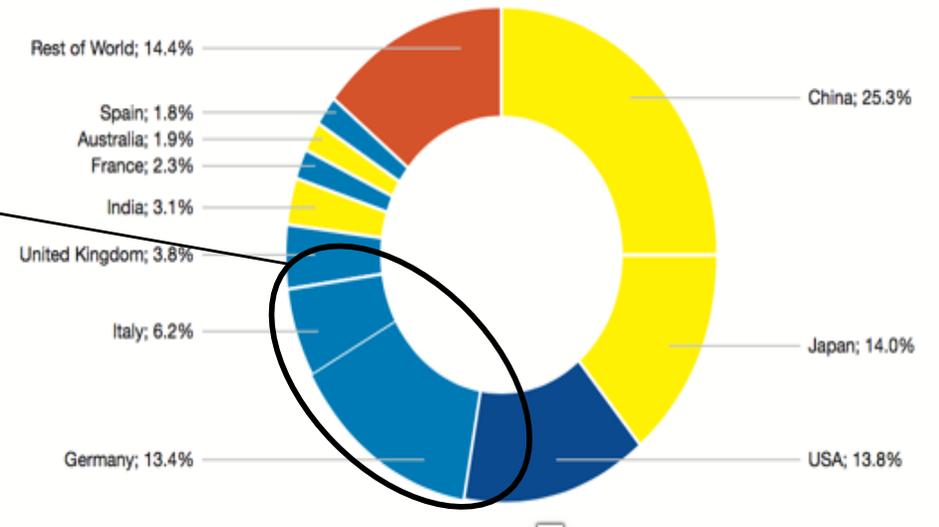
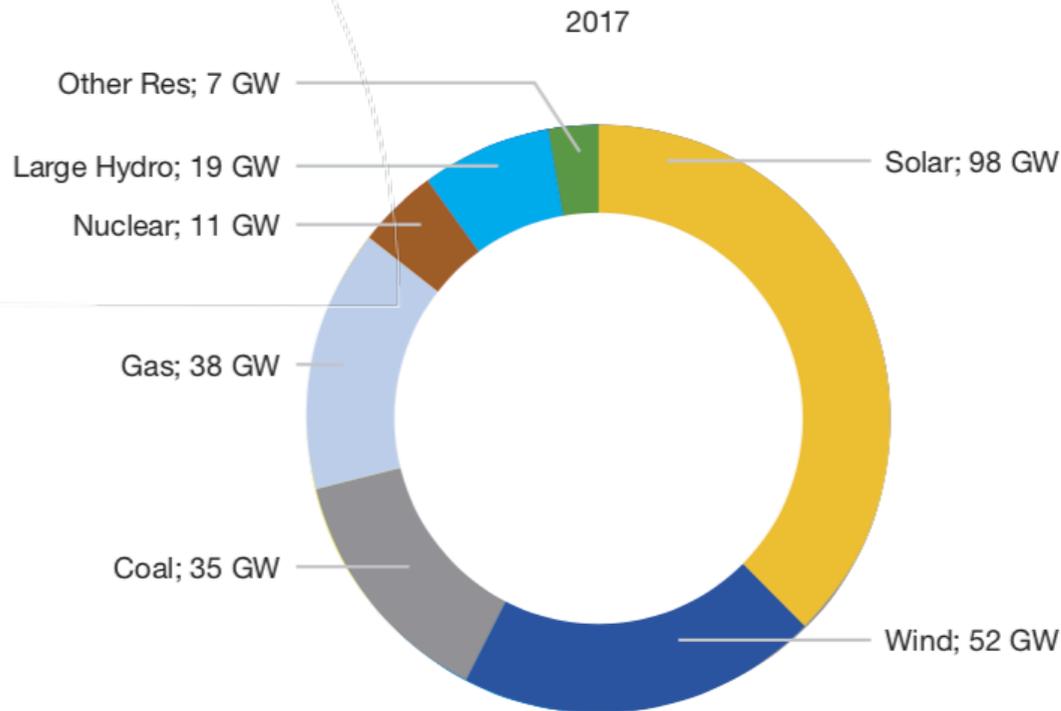


Chart Source - Solar Power Europe's GLOBAL MARKET OUTLOOK FOR SOLAR POWER 2017-2021



# Solar now the Fastest Growing Energy Segment Globally



Source: Frankfurt School-UNEP Centre and BNEF (2018)

Despite remarkable growth rates in recent years, there is a long way to go for renewables – its total share reached ‘only’ 12.1% of total global power output in 2017

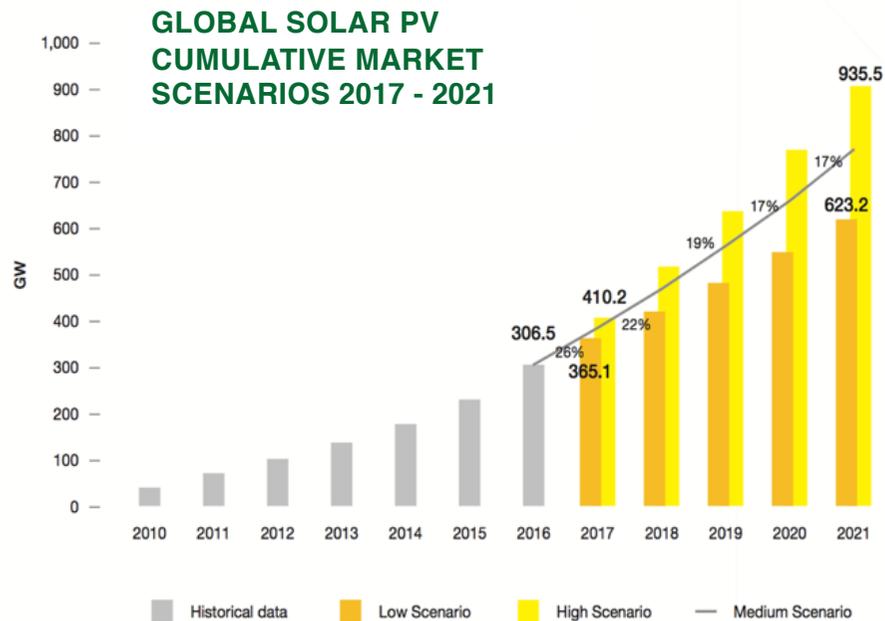
2017 was another historic year for the solar power sector. More solar PV capacities were installed globally than for any other power generation technology.

Solar alone saw more new capacity deployed than fossil fuels and nuclear combined.

Solar even added nearly twice as much capacity as its renewables peer, wind power.

Source: SolarEurope.org





**”The global market outlook for solar power is bright. Never before, was solar power as competitive as it is today”**

A total of 76.6 GW was installed and connected to the grid in 2016, a 50% year-on-year growth and the third highest rate recorded since 2010.

In 2016, global solar power capacity exceeded 300 GW, after it took the 200 GW mark the year before, and the 100 GW level in 2012. The total installed solar PV power capacity increased 33% to 306 GW by the end of 2016.

Solar Powers’ medium scenario (see chart opposite) anticipates continued growth over the next 5 years forecasting that by 2021, the most probable market development will result in a total installed solar power generation capacity of 772 GW, nearly double the amount deployed in 2016. It could potentially reach just under a Terawatt at the high end.

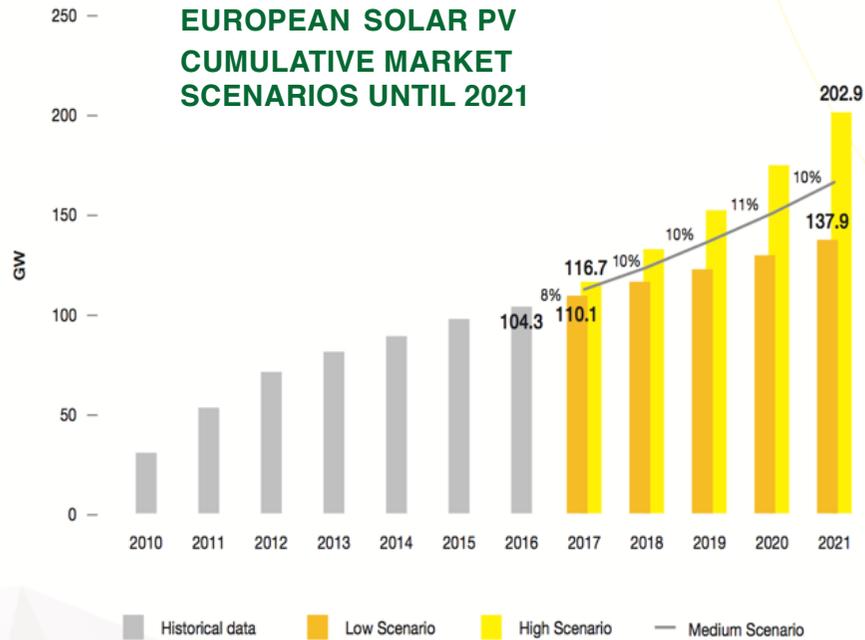
- ▶ Utility-scale solar is cheaper than new fossil fuel plants and nuclear power generation plants in most regions of the world today.
- ▶ The global solar market remains driven by utility scale solar power systems – more than ever before. This trend will continue for the next five years even if leading solar countries are striving to quickly develop their residential and commercial rooftop segments.

**50%** solar global market growth to 76.6 GW in 2016

Nearly **1 TW** total installed solar power possible by 2021

Taken from Solar Power Europe’s GLOBAL MARKET OUTLOOK FOR SOLAR POWER 2017-2021 [www.solarpowereurope.org](http://www.solarpowereurope.org)





## "2016 will be remembered as the year solar became cheaper than Wind"

The fast decreasing solar power costs continue to improve solar's competitiveness. Basically all solar tenders awarded since 2016 are lower than the price guarantee the UK government signed for the Hinkley Point C nuclear power plant in 2016.

In 2016, solar produced enough electricity to cover nearly 4% of the EU-28 electricity demand. This corresponds to the annual power consumption of the Netherlands alone or the demand for Ireland, Bulgaria and Portugal combined.

If the High Scenario (see chart opposite) comes to fruition, Europe's cumulative PV capacity could nearly double to 202.9 GW by the end of 2021 from the 104.3 GW installed by 2016. The Medium Scenario forecasts 167.2 GW.

- ▶ The bulk of Europe's total solar capacity is still carried by 2 countries –
  - ❖ Germany (39%) and Italy (18%).
- ▶ In 2021, Germany is expected to be Europe's largest solar market, followed by France, Turkey, the Netherlands, and Italy.

*Taken from Solar Power Europe's GLOBAL MARKET OUTLOOK FOR SOLAR POWER 2017-2021 [www.solarpowereurope.org](http://www.solarpowereurope.org)*



## Climate Change Demands

- ▶ International and National Agreements set out binding targets for % of energy usage to come from renewable energy sources leading to a decrease in the use non-renewable carbon intensive fossil fuel energy and an increase in the use of low carbon renewable energy sources such as solar and wind
- ▶ Growth in Electric Vehicle Industry



## Energy independence

- ▶ Not all energy consumed locally is generated in that country
- ▶ Renewables seen as best way to achieve energy independence
- ▶ Renewable energy seen as a driver of employment in-country



- In January 2018 the European Parliament's Committee on Industry, Research and Energy (ITRE) voted on a new binding renewable energy target of 35% by 2030.
- Up from 25% by 2020 on current target with only 15% actual generation currently.

- Germany alone installed almost 3 GW of solar in 2018
- PV demand grew 68% year-on-year from the level seen in 2017 as Germany's cumulative installed solar generation capacity reached 45.92 GW (Source: <https://www.pv-magazine.com/2019/01/31/germany-installed-almost-3-gw-of-solar-in-2018/>)
- **Monthly installs in August 2018 was 303 MW**
- To meet most of or all of Germany's energy demand with renewables by 2050, ca. 150-200GW of renewable capacity is required by 2050.
- **Over 450% from today's base**





Utility Scale Solar

## **ALTN Corporate Details & Contacts**

## Corporate Details

**Corporate Headquarters**

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**Website**

[www.AlternusEnergy.com](http://www.AlternusEnergy.com)

**Executive Management:**

Vincent Browne (Irish) – CEO  
Joseph Duey (US) – CFO  
Tali Durant (US) – General Counsel

**Board of Directors:**

Vincent Browne (Irish) – Chairman and CEO  
John Thomas (US) – Non-Executive Director  
John McQuillan (Irish) - Non-Executive Director

**Incorporated in:**

Nevada, USA

**Trading Symbol**

OTCMKTS: ALTN

**Public Filings and Disclosures**

<https://www.otcmarkets.com/stock/altn/profile>

**Current Share Structure**

<https://www.otcmarkets.com/stock/ALTN/security>



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