

UPDATE NOTE

CLIMATETECH & SUSTAINABLE INVESTING

Alternus Clean Energy, Inc.

Alternus Hits Another Milestone with New Strategic Alliance with Hover Energy to Expand Capital-Light Business Development Pipeline

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KEY POINTS

- **Alternus Clean Energy, a utility-scale transatlantic clean energy independent power producer (IPP), has formed a strategic alliance with Hover Energy (Hover).** Based in Dallas, Hover specializes in developing and implementing wind-powered microgrid systems.
- **The alliance allows Alternus to secure the rights to acquire operating projects in the future without paying for any development costs upfront.** This will effectively give Alternus a capital-light way to secure new microgrid projects where it can own and operate utilizing much lower-cost capital sources through projects secured by high-quality offtake agreements.
- **These microgrids will use a combination of solar, Hover wind turbines, and batteries.** Each project is expected to take six to 12 months to construct and should provide revenue for Alternus beginning in 2025.
- **Alternus states it has a current operational portfolio of 44MW, with a total identified project pipeline of 1.5GW in organic development and strategic acquisitions.** Additionally, there are more than 500MW of owned development projects in pre-construction and late-stage development.
- **Listen to a brief conversation with Alternus discussing the Hover strategic alliance [here](#).**

KEY STATISTICS

Ticker:Exchange	ALCE:NASDAQ
Current Price	\$0.97
52-Week Range	\$0.92-\$11.36
Average Volume (30-Day)	254,809
Shares Outstanding (MM)	79.7
Market Cap (\$MM)	\$77.3
Fiscal Year-End	December

INCOME STATEMENT

USD millions	FY'22	9M'22	9M'23
	Audited	Unaudited	Unaudited
Revenue	32.5	30.5	27.8
Cost of Goods Sold	-9.2	-9.6	-6.5
Gross Profit	23.3	20.9	21.3
General and	-11.1	-6.4	-10.1
Adjusted EBITDA²	12.2	14.5	11.2
Depreciation &	-7.2	-6.7	-5.6
Operating Profit/(loss)	5	7.8	5.6
Discontinued Projects ¹	-23.9	-0.3	-1.2
Other	0.1	0.8	-11.8
Net Financing Cost	-17.4	-13.1	-19.3
Profit Before Tax	-36.2	-4.8	-26.7
Tax	0	0	0
Profit/(Loss) for the	-36.2		-26.7
Ratios			
Gross Margin	72%	69%	74%
EBITDA margin	38%	48%	40%

(1) FY22 includes the costs of \$23.9MM incurred due to abandoning the acquisition or development of renewable energy projects in the period. (2) Refer to company filings for details on the non-GAAP.

ABOUT THE ANALYSTS



Shawn Severson

President & Co-Founder

Shawn Severson is President & Co-Founder of Water Tower Research. Prior to co-founding Water Tower Research and previously founding predecessor firm alphaDIRECT Advisors, Shawn spent over 20 years as a senior equity research analyst covering the Technology and ClimateTech sectors, including senior positions at JMP Securities, ThinkEquity, Robert W. Baird (London) and Raymond James, and he started his career as an equity research associate at Kemper Securities.

Shawn was frequently ranked as a top research analyst including one of the Wall Street Journal's "Best on the Street" stock pickers and a StarMine Analyst Awards Top 3 stock picker. Shawn's extensive professional experience also includes his former role as Managing Director of the Energy, Environmental and Industrial Technologies Practice at The Blueshirt Group, a leading investor relations and IPO advisory firm. Shawn holds a BA degree in Finance and Economics from Augustana College.



Graham Mattison

Senior Research Analyst

Graham Mattison brings more than 20 years of experience in equity research, investor relations, and corporate operations, growth, and development. Graham was the Investor Relations Officer for two NASDAQ-listed companies where he led multiple equity raises as well as managed an activist investor campaign, M&A and corporate restructuring, and a NASDAQ delisting and relisting.

Previously, he was a Senior Equity Research Analyst, most recently at Lazard Capital Markets, covering the industrial and cleantech industries. He began his career in Southeast Asia as an Investment Analyst for Daiwa Securities. He was also co-founder of an online residential real estate start-up that developed a web-based auction platform.

Graham received his BA in East Asian Studies with minors in Economics and History from Hobart College and his MBA in Finance with honors from the Thunderbird International Business School at Arizona State University. He is an Investor Relations Charter (IRC) holder from the National Investor Relations Institute.

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