Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

ALTERNUS ENERGY INC.

A Nevada Corporation

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4911

Quarterly Report
For the Period Ending: June 30, 2019
(the "Reporting Period")

As of June 30, 2019, the number of shares outstanding of our Common Stock was:

132,892,601

As of December 31, 2018, the number of shares outstanding of our Common Stock was:

110,726,725

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ No: ☒ (Double-click and select "Default Value" to check)

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control[1] of the company has occurred over this reporting period:

Yes: ☐ No: ☒

[1] "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

Alternus Energy Inc. (November 29, 2018 - present)
Power Clouds Inc. (April 24, 2015 - November 28, 2018)
World Assurance Group Inc. (September 12, 2008 - April 23, 2015)

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable) Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

The issuer was originally incorporated on January 1, 2000 in the State of Colorado.
The issuer was reorganized and incorporated on November 8, 2006 in the State of Nevada.
The issuer is currently active and in good standing in Nevada.

Has the issuer or any of its predecessors ever been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐ No: ☒

2) Security Information

Trading symbol:	ALTN	
Exact title and class of securities outstanding:	Common Stock	
CUSIP:	02156H100	
Par or stated value:	$0.001	
Total shares authorized:	450,000,000	as of date: June 30, 2019
Total shares outstanding:	132,892,601	as of date: June 30, 2019
Number of shares in the Public Float[2]:	4,950,365	as of date: June 30, 2019
Total number of shareholders of record:	126	as of date: June 30, 2019

Additional class of securities (if any):

Exact title and class of securities outstanding:	Preferred Stock	
Par or stated value:	$0.001	
Total shares authorized:	50,000,000	as of date: June 30, 2019
Total shares outstanding:	0	as of date: June 30, 2019

Transfer Agent

Name: ClearTrust LLC
Phone: 813-235-4490
Email: inbox@cleartrusttransfer.com

Is the Transfer Agent registered under the Exchange Act?[3] Yes: ☒ No: ☐

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors:
None

[2] "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

[3] To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Number of Shares outstanding as of January 1, 2017	Opening Balance: Common: 65,477,098 Preferred: 30,000,000								
Date of Transaction	**Transaction type (e.g. new issuance, cancellation, shares returned to treasury)**	**Number of Shares Issued (or cancelled)**	**Class of Securities**	**Value of shares issued ($/per share) at Issuance**	**Were the shares issued at a discount to market price at the time of issuance? (Yes/No)**	**Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).**	**Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)**	**Restricted or Unrestricted as of this filing?**	**Exemption or Registration Type?**
2/8/17	New Issue	74,627	Common	0.13	No	Eurasian Capital / Jeff Stone	Investor Relations Services	Restricted	Reg D Exempt
4/1/17	New Issue	5,800,000	Common	0.09	No	Gaia Energy Srl/ Lorenzo Silvestre	Acquisition Consideration	Restricted	Reg S Exempt
8/24/17	New Issue	50,000	Common	0.05	No	ERC Energie/ A. Barabino	Business Development Services	Restricted	Reg D Exempt
8/25/17	New Issue	75,000	Common	0.07	No	Eurasian Capital/ Jeff Stone	Investor Relations Services	Restricted	Reg D Exempt

5/2/18	New Issue	250,000	Common	0.05	No	PCG Advisory / Jeff Ramson	Investor Relations Services	Restricted	Reg D Exempt
11/15/18	New Issue	1,000,000	Common	0.06	No	Joseph Duey	Chief Financial Officer Services	Restricted	Reg D Exempt
11/20/18	New Issue	1,000,000	Common	0.07	No	John Thomas	Board Member Services	Restricted	Reg D Exempt
11/20/18	New Issue	3,000,000	Common	0.07	No	Doonbeg Capital / John Thomas	Business Development Services	Restricted	Reg D Exempt
11/27/18	Cancellation	(30,000,000)	Preferred	0.07	No	Power Clouds Holdings Pte. / Vincent Browne	Auto Conversion	Restricted	Reg S Exempt
11/27/18	New Issue	30,000,000	Common	0.07	No	Power Clouds Holdings Pte. / Vincent Browne	Auto Conversion	Restricted	Reg S Exempt
12/10/18	New Issue	1,000,000	Common	0.02	No	Taliesin Durant	General Counsel Services	Restricted	Reg D Exempt
12/10/18	New Issue	500,000	Common	0.02	No	Cloudfield Co. / Harry Wolkenfelt	Business Development Services	Restricted	Reg S Exempt
12/20/18	New Issue	500,000	Common	0.03	No	John McQuillan	Board Member Services	Restricted	Reg D Exempt
12/20/18	New Issue	1,000,000	Common	0.03	No	Joseph Duey	Chief Financial Officer Services	Restricted	Reg D Exempt
12/20/18	New Issue	1,000,000	Common	0.03	No	SC Oresi Energy / Ovidiu Flaviu	Business Development Services	Restricted	Reg S Exempt
1/7/2019	New Issue	2,000,000	Common	0.03	No	Jean-Marc O'Brien	Advisory Services	Restricted	Reg D Exempt
1/7/2019	New Issue	1,000,000	Common	0.03	No	Joseph Duey	Chief Financial Officer Services	Restricted	Reg D Exempt

1/7/2019	New Issue	1,000,000	Common	0.03	No	Taliesin Durant	General Counsel Services	Restricted	Reg D Exempt
1/7/2019	New Issue	150,000	Common	0.03	No	Gita Shah	Employee Incentive	Restricted	Reg S Exempt
1/9/2019	New Issue	310,876	Common	0.03	No	Ardour Capital: Kerry Dukes; Walter V. Nasdeo; Jean-Marc O'Brien; Brian J. Greenstein	Financing Fees	Restricted	Reg D Exempt
1/9/2019	New Issue	3,500,000	Common	0.03	No	John Gildea Consultancy Ltd. / John Gildea	Investor Relations Services	Restricted	Reg S Exempt
1/17/2019	New Issue	100,000	Common	0.09	No	Ionela Cainaru	Employee Incentive	Restricted	Reg S Exempt
1/31/2019	New Issue	5,000	Common	0.148	No	David Yakerson	Maintenance Consulting Services	Restricted	Reg D Exempt
2/28/2019	New Issue	10,000,000	Common	0.09	No	VestCo Corp. / Vincent Browne	CEO Services	Restricted	Reg D Exempt
3/29/2019	New Issue	675,000	Common	0.07	No	John Thomas	Board Member Services	Restricted	Reg D Exempt
3/29/2019	New Issue	675,000	Common	0.07	No	John McQuillan	Board Member Services	Restricted	Reg S Exempt
3/29/2019	New Issue	2,500,000	Common	0.07	No	VestCo Corp. / Vincent Browne	Chairman of the Board Services	Restricted	Reg D Exempt
5/23/2019	New Issue	100,000	Common	0.161	No	Austin George	Employee Incentive	Restricted	Reg S Exempt
5/23/2019	New Issue	150,000	Common	0.161	No	JMR Consultant / Jean Michel Russo	Consulting Services	Restricted	Reg S Exempt
Shares Outstanding on 6/30/19:	Ending Balance: Common: 132,892,601 Preferred: 0								

Use the space below to provide any additional details, including footnotes to the table above:

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe any issuance of promissory notes, convertible notes or convertible debentures **in the past two completed fiscal years and any subsequent interim period**.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

Date of Note Issuance	Outstanding Balance ($)	Principal Amount at Issuance ($)	Interest Accrued ($)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g. Loan, Services, etc.)
3/30/17	0	1,395,680	0	12/31/17	N/A	Gaia Energy Srl	Consideration for Acquisition
11/7/17	0	100,000	0	On Demand	$0.20/share	Vincent Browne	Loan
12/11/17	0	100,000	21,133	On Demand	$0.20/share	VestCo Corp. / Vincent Browne	Loan
5/16/18	0	275,000	0	10/31/18	N/A	Brian O'Connor; Carlo Farina; N Oliviera-O'Brien	Loan
8/10/18	0	57,500	0	9/30/18	N/A	Brian O'Connor; Carlo Farina	Loan
6/11/18	0	1,100,008	0	10/15/018	N/A	IDC DR Fund	Loan
7/31/18	307,328	307,328	29,199	1/30/20	$0.20 / share	S.C. Oresi Energy S.R.L.	Loan
7/23/18	90,931	90,93	12,958	1/30/20	$0.20 / share	S.C. Oresi Energy S.R.L.	Loan
10/15/18	3,633,847	3,658,652	35,841	11/1/20	N/A	IDC DR Fund	Loan
12/20/18	511,488	4,405,176	14,966	112/20/19	N/A	IDC DR Fund	Loan
12/28/18	0	8,857,656	0	06/28/19	N/A	IDC DR Fund	Loan
10/09/18	691,890	718,683	0	11/30/37	N/A	MVB Bank of Germany	Loan
07/27/18	2,594,247	2,529,124	0	07/27/36	N/A	GLS Bank of Germany	Loan
12/19/18	2,364,483	2,586,991	0	12/19/36	N/A	Sparkase Bank of Germany	Loan

6/13/19	9,806,939	9,806,939	36,541	3/31/20	N/A	Third party accredited investor	Loan
2/19/19	352,941	352,941	0	2/19/21	$0.20 / share	Brian O'Connor; Brett Macune; Thomas Drelles Trust; Carlos Farina	Loan
2/19/19	291,540	291,540	0	2/19/21	$0.20/share	VestCo Corp. / Vincent Browne	Refinanced Existing Note
5/21/19	58,824	58,824	0	5/21/21	$0.25/share	Brian O'Connor	Loan
5/28/19	29,412	29,412	0	5/28/21	$0.25/share	Brett Macune	Loan
5/30/19		500,000		5/30/21	$0.25/share	Carsten Hagen	Loan
6/5/19	29,412	29,412	0	6/5/21	$0.25/share	One Ton Consulting	Loan
6/11/19	58,824	58,824	0	6/11/21	$0.25/share	Drew & Olivia Velting	Loan

Use the space below to provide any additional details, including footnotes to the table above:

____

4) Financial Statements

A. The following financial statements were prepared in accordance with:

☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)[4]:

Name: **Joseph E. Duey**
Title: **Chief Financial Officer**
Relationship to Issuer: **Chief Financial Officer**

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

C. Balance sheet;
D. Statement of income;
E. Statement of cash flows;
F. Financial notes; and
G. Audit letter, if audited

[4] The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below.

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Alternus Energy Inc. is a global independent power producer ("IPP"). We develop, own and operate solar PV parks that connect directly to national power grids. Our current revenue streams are generated from long-term, government-mandated, fixed price supply contracts with terms of between 15-20 years in the form of government Feed-In-Tariffs ("FiT") and other energy incentives. Our current contracts deliver annual revenues, of which approximately 75% are generated from these sources with the remaining 25% deriving from revenues generated under contracted Power Purchase Agreements ("PPA") with other energy operators and by sales to the general energy market in the countries we operate. In general, these contracts generate an average sales rate for every kWh of green energy produced by our solar parks. Our current focus is on the European solar PV market. However, we are also actively exploring opportunities in other countries outside of Europe.

B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of their business contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

Alternus Energy Inc. is a United States holding company and conducts all of its business through, and derives all of its income from, its investment holding subsidiaries and operating subsidiaries in various countries around the world, as described in Note 1 to its Financial Statements attached to this report.

C. Describe the issuers' principal products or services, and their markets

Alternus Energy Inc. owns and operates Utility Scale Solar projects internationally that provide clean energy to national power grids under long term, government supported, fixed price contracts. The Company has operational plants in Romania, Italy and Germany.

6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

Assets:

Project Location	Project Entity	Type	Project Size
Italy	PC Italia 02 SRL	Solar Photovoltaic Asset	4.0 MW
Italy	PC Italia 02 SRL	Solar Photovoltaic Asset	2.2 MW
Italy	Sant 'Angelo Energia SRL	Solar Photovoltaic Asset	.7 MW
Romania	Power Clouds SRL	Solar Photovoltaic Asset	3.3MW
Romania	Fran Energy Investment	Solar Photovoltaic Asset	2.8MW
Germany	PSM 40 GmbH & Co KG	Solar Photovoltaic Asset	.4 MW
Germany	GRT 1.1 GmbH	Solar Photovoltaic Asset	.7 MW
			14.1MW

Leases:

The Company has signed a ten-year lease, with an option to terminate at the end of year five, for office space for its European operational headquarters located at Suite 11, Plaza 212, Blanchardstown Corporate Park 2, Dublin 15, D15 PK64, Ireland.

The Company leases office space for its corporate headquarters on a month-to-month basis; its office is located at One World Trade Center, Suite 8500, New York, NY 10007.

The Company's two Romanian subsidiaries, Power Clouds SRL and F.R.A.N. Energy Investments SRL, are together under a lease that continues until April 30, 2019; the office is located at Romania, White Boutique Residence, 218,Calea Floreasca, 2nd floor, District 1, Bucharest.

Through its Romanian subsidiaries, the Company owns and operates two solar parks with a combined power output of 6.1 MW constructed at Scornicesti and Nucet in Romania that generate an average of 7,100 MWh/yr. The parks occupy approximately 6 hectares of land that is leased on a 25 year term.

The Company's Italian subsidiary leases the land used to house the parks operated by it from local municipalities. The leases have 20 year terms with 5 year extension options. Sant'Angelo Energia S.r.l. paid the land lease for the full term in a single payment when the park was constructed that was subsequently capitalized.

The Company's German subsidiaries lease office space on a month-to-month basis; its office space is located in Frankfurt, Germany. The Company's German subsidiaries also lease various rooftops to house the solar parks operated by them from various private third parties. The leases average a minimum of 20-year terms with options to extend the leases every 3 years for the following 9 years.

The Company's Netherlands subsidiary leases office space on a month-to-month basis; its office space is located at Schipol, Amsterdam.

7) Officers, Directors, and Control Persons

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information regarding any person or entity owning 5% of more of the issuer, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the note section.**

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Vincent Browne	Chief Executive Officer and Director	Ratoath-Meath / Ireland	67,337,571	Common	50.8%	50,587,571 shares held through Power Clouds Holdings Pte.; 16,750,000 shares held though VestCo Corp.
Joseph E. Duey	Chief Financial Officer	Tega Cay / SC	3,000,000	Common	2.3%	_____
Taliesin Durant	General Counsel and Corporate Secretary	East Kingston / NH	3,000,000	Common	2.3%	All shares held through DART Business Services LLC
John Thomas	Director	Spring Lake / NJ	4,675,000	Common	3.6%	3,000,000 shares held through Doonbeg Partners LLC
John McQuillan	Director	Wicklow / Ireland	1,175,000	Common	0.9%	_____
Telenergia Europe S.R.L.	>5% Owner	Strada Madrigalului 42A, Ap4, Rm2 Bucharest, Romania	21,701,784	Common	16.4%	Roberto Forlani
Gaia Energy S.R.L.	>5% Owner	Xona Asi Aversa Nord Italy	10,000,000	Common	7.5%	Lorenzo Silvestre

8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

   None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

   None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Accountant or Auditor

Name:	Alan Markowitz
Firm:	Marcum LLP
Address 1:	750 Third Avenue
Address 2:	New York, NY 10017
Phone:	212-485-5590
Email:	alan.markowitz@marcumllp.com

Investor Relations Consultant

Name:	_____
Firm:	_____
Address 1:	_____
Address 2:	_____
Phone:	_____
Email:	_____

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities).

The certifications shall follow the format below:

I, Vincent Browne certify that:

1. I have reviewed this quarterly disclosure statement of Alternus Energy Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

August 14, 2019

/s/ Vincent Browne

Principal Financial Officer:

I, Joseph E. Duey certify that:

1. I have reviewed this quarterly disclosure statement of Alternus Energy Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

August 14, 2019

/s/ Joseph E. Duey

ALTERNUS ENERGY INC.
AND SUBSIDIARIES

FINANCIAL STATEMENTS

AS OF AND FOR THE SIX MONTHS ENDED
JUNE 30, 2019 AND 2018

ALTERNUS ENERGY INC. AND SUBSIDIARIES

Index to the Unaudited Condensed Consolidated Financial Statements

	Page(s)
Condensed Consolidated Financial Statements:	
Condensed Consolidated Balance Sheets, for June 30, 2019 (unaudited) and December 31, 2018	F-1
Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) for the Six Months and Three Months Ended June 30, 2019 and 2018 (unaudited)	F-2
Condensed Consolidated Statements of Shareholders' Equity for June 30, 2019 and 2018 (unaudited)	F-3
Condensed Consolidated Statements of Cash Flows for Six Months Ended June 30, 2019 and 2018 (unaudited)	F-4
Notes to the Unaudited Condensed Consolidated Financial Statements	F-5

ALTERNUS ENERGY INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2019 AND DECEMBER 31, 2018

	June 30, 2019 (audited)	December 31, 2018
ASSETS		
Current Assets		
Cash and cash equivalents	$ 1,491,432	$ 1,026,533
Accounts receivable	747,048	307,307
Other receivables, sale of asset	429,962	531,717
Unbilled energy incentives earned	311,787	164,687
Prepaid expenses and other current assets, short term portion	525,216	334,078
Taxes recoverable	526,607	178,995
Total Current Assets	**4,032,052**	**2,543,317**
Investment in Energy Property and Equipment, Net	24,225,874	14,739,767
Construction in Process	7,612,302	6,979,080
Prepaid expenses and other current assets, long term portion	699,945	-
Restricted cash for Italian acquisition	-	8,857,966
Total Assets	**$ 36,570,173**	**$ 33,120,130**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	$ 2,158,150	$ 1,696,200
Convertible and non-convertible promissory notes, current portion	14,429,836	14,510,204
Capital lease, current portion	84,743	85,325
Derivative liability	-	338,861
Taxes payable	81,657	27,451
Total Current Liabilities	**16,754,386**	**16,658,041**
Convertible and non-convertible promissory notes, net of current portion	10,821,435	10,320,240
Capital lease, net of current portion	983,561	1,032,453
Asset retirement obligation	144,976	75,032
Total Liabilities	**28,704,358**	**28,085,766**
Commitments and Contingencies		
Shareholders' equity		
Common stock, $0.001 par value; 450,000,000 shares authorized, 132,892,601 and 110,726,725 shares issued and outstanding as of June 30, 2019 and December 31, 2018 respectively.	132,892	110,727
Additional paid in capital	15,166,961	13,164,601
Other comprehensive income (loss)	(427,094)	(260,424)
Accumulated deficit	(7,006,944)	(7,980,540)
Total Shareholders' Equity	**7,865,815**	**5,034,364**
Total Liabilities and Shareholders' Equity	**$ 36,570,173**	**$ 33,120,130**

See accompanying notes to the unaudited condensed consolidated financial statements

ALTERNUS ENERGY INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
		(updated)		(updated)
	2019	2018	2019	2018
Revenues	$ 933,828	$ 973,692	$ 1,303,959	$ 1,410,782
Cost of revenues	(161,578)	(503,864)	(318,586)	(704,024)
Gross Profit	**772,250**	**469,828**	**985,373**	**706,758**
Operating Expenses				
Selling, general and administrative	1,319,896	310,335	1,862,453	548,935
Depreciation and amortization	239,408	163,671	406,878	301,648
Total Operating Expenses	**1,559,304**	**474,006**	**2,269,331**	**850,583**
Loss from Operations	(787,054)	(4,178)	(1,283,958)	(143,825)
Other (Expense) Income				
Interest expense	(1,028,009)	(102,884)	(1,915,383)	(159,830)
Other income	-	492	674	492
Gain on bargain purchase	4,172,263		4,172,263	-
Total other (expense) income	**3,144,254**	**(102,392)**	**2,257,554**	**(159,338)**
Net Income (Loss) before Provision for Income Taxes	**2,357,200**	**(106,570)**	**973,596**	**(303,163)**
Provision for Income Taxes	**-**	**-**	**-**	**-**
Net Income (Loss)	**$ 2,357,200**	**$ (106,570)**	**$ 973,596**	**$ (303,163)**
Basic income (loss) per share	$0.02	($0.00)	$0.01	($0.01)
Diluted income (loss) per share	$0.02	($0.00)	$0.01	($0.01)
Weighted average shares outstanding:				
Basic	**116,732,161**	**71,594,857**	**113,768,768**	**71,536,834**
Diluted	**139,097,684**	**106,285,107**	**136,134,291**	**106,227,084**
Comprehensive income (loss):				
Net income (loss)	2,357,200	(106,570)	973,596	(303,163)
Unrealized gain (loss) on currency translation adjustment	150,994	(336,033)	(166,670)	(202,192)
Comprehensive income (loss)	**2,508,194**	**(442,603)**	**806,926**	**(505,355)**

See accompanying notes to the unaudited condensed consolidated financial statements

ALTERNUS ENEGY INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF JUNE 30, 2019 AND 2018

	Preferred Shares Series D	Amount	Common stock issued Shares	Amount	Additional Paid-In Capital	Other Comprehensive Income/(Loss)	Accumulated (Deficit)	Total
Balance at January 1, 2019	**-**	**-**	**110,726,725**	**$110,727**	**$13,164,601**	**(260,424)**	**(7,980,540)**	**5,034,364**
Stock Compensation			22,165,876	22,165	1,435,948			1,458,113
Warrant expense related to financing					227,551			227,551
Reversal of derivative liability					338,861			338,861
Unrealized gain (loss) on currency translation adjustment						(166,670)		(166,670)
Net income							973,596	973,596
Balance at June 30, 2019	**-**	**-**	**132,892,601**	**$132,892**	**$15,166,961**	**$(427,094)**	**$(7,006,944)**	**$7,865,815**
Balance at January 1, 2018	**30,000,000**	**$30,000**	**71,476,725**	**$71,477**	**$11,949,748**	**$205,875**	**$(6,127,827)**	**$6,129,275**
Stock Compensation			250,000	250	27,250			27,500
Unrealized gain (loss) on currency translation adjustment						(202,912)		(202,912)
Net loss							(303,163)	(303,163)
Balance at June 30, 2018	**30,000,000**	**30,000**	**71,726,725**	**$71,727**	**$11,976,998**	**$2,963**	**$(6,430,990)**	**$5,650,700**

See accompanying notes to the condensed consolidated financial statements

ALTERNUS ENERGY INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2019 and 2018

	June 30, 2019	(Updated) June 30, 2018
Cash Flows from Operating Activities:		
Net loss	**$ 973,596**	**$ (303,163)**
Adjustments to reconcile net loss to net cash used in operations		
Depreciation and amortization	406,878	301,648
Stock compensation costs	462,738	27,500
Amortization of debt discount	162,944	-
Derivative liability	(338,861)	-
Bargain purchase	(4,172,263)	-
Changes in assets and liabilities, net of acquisition and disposals:		
Accounts receivable and other short-term receivables	(398,491)	69,442
Accounts payable & accrued liabilities	723,943	(210,250)
Energy incentives earned not yet received	(148,200)	314,850
Vendor deposits & prepayments	(511,741)	(196,983)
Net Cash (Used in) Provided by Operating Activities	**(2,839,457)**	**3,044**
Cash Flows from Investing Activities:		
Additions to investment in energy property	(6,147,827)	-
Net Cash (Used In) Investing Activities	**(6,147,827)**	**-**
Cash Flows from Financing Activities:		
Proceeds from debt, related parties	-	10,344
Payments of debt principal, related parties	(39,112)	-
Proceeds from debt, senior debt	1,726,966	411,656
Payments on debt principal, senior debt	(1,043,371)	(341,285)
Net proceeds from lines of credit	-	5,158
Payments on leased assets, principal	(41,813)	(31,599)
Net Cash Provided by Financing Activities	**602,670**	**54,274**
Effect of exchange rate on cash	(8,453)	(5,191)
Net increase in cash, cash equivalents and restricted cash	(8,393,067)	52,127
Cash, cash equivalents, and restricted cash beginning of the period	9,884,499	130,366
Cash, cash equivalents, and restricted cash end of the period	**$1,491,432**	**$ 182,493**

See accompanying notes to the unaudited condensed consolidated financial statement

ALTERNUS ENERGY INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED SUPPLEMENTAL STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2019 and 2018

	June 30, 2019	June 30, 2018
Supplemental Cash Flow Disclosure		
Cash paid for interest	$ 790,661	$ 92,321

See accompanying notes to the unaudited condensed consolidated financial statements

1. Organization and Formation

Basis of Presentation

The unaudited condensed consolidated financial statements include the consolidated balance sheet, statements of operations and comprehensive loss, changes in shareholders' equity and cash flows of the Company and have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) from records maintained by the Company. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to the applicable rules and regulations of the Securities and Exchange Commission regarding interim financial reporting. As such, these unaudited condensed consolidated financial statements should be read in conjunction with the Company's 2018 audited annual consolidated financial statements and accompanying notes. The unaudited condensed consolidated financial statements reflect all normal recurring adjustments necessary, in management's opinion, to state fairly the Company's financial position and results of operations for the reported periods. The results of operations for the six months ended June 30, 2019 are not necessarily indicative of the operating results for the full fiscal year for any future period

Alternus Energy Inc. (formerly Power Clouds, Inc.) ("We", "ALTN" or the "Company") was incorporated in the State of Colorado on January 1, 2000, then reorganized as a Nevada corporation on November 8, 2006. On September 11, 2008 the corporation changed its name from Asset Realization, Inc. to World Assurance Group, Inc. On April 24, 2015, the Company changed its name from World Assurance Group, Inc. to Power Clouds Inc. On November 29, 2018, the Company changed its name from Power Clouds Inc. to Alternus Energy Inc. and related stock ticker symbol change from PWCL to ALTN.

AE Europe B.V. (formerly Power Clouds Europe B.V.)

In August of 2016, the Company incorporated a new wholly owned subsidiary in the Netherlands, AE Europe B.V. (formerly named Power Clouds Europe B.V.) This company was incorporated to ultimately hold the Company's European operating companies and sub-holding companies as appropriate.

PC-Italia-01 S.R.L. (Formerly Power Clouds Wind Italia S.R.L.)

In June of 2015, ALTN incorporated a company in Italy, PC_Italia_01 S.R.L. (formerly named Power Clouds Wind Italia S.R.L.). This company was incorporated to acquire Italian special purpose vehicles (SPVs), power plants and / or other assets located in Italy.

PC-Italia-02 S.p.A. (Formerly PC-Italia-02 S.R.L.)

In August of 2016, the Company incorporated a new company in Italy, PC_Italia_02 SRL as a wholly owned subsidiary of AE Europe B.V. This Company was incorporated to acquire Italian special purpose vehicles, power plants and/or other assets located in Italy. In April of 2019, PC-Italia-02 acquired four additional SPVs in Italy, CIC Rooftop S.r.l., CIC Treviso S.r.l., White One S.r.l., CTS Power S.r.l., Sant'Angelo Energia S.r.l..

PCG_HoldCo UG & PCG_GP UG

In June of 2018, the Company acquired 100% of the share capital of two 'shelf companies' in Germany which were renamed as PCG_HoldCo UG and PCG_GP UG immediately thereafter. These two companies were acquired in order to acquire German special purpose vehicles, PV solar parks and/or other assets located in Germany. During the twelve months ended December 31, 2018, the Company completed the acquisitions of 4 SPVs in Germany, PSM 20 GmbH & Co KG, GRK 17.2 GmbH & Co KG, GRT 1.1 GmbH and PSM 40 GmbH & Co KG. In December of 2018, the Company acquired 100% of the share capital of a 'shelf companiy' in Germany which was renamed to ALTN HoldCo UG.

Alternus Energy International Limited

In March of 2019, the Company incorporated a new wholly owned subsidiary in Ireland, Alternus Energy International Limited. This company was incorporated to establish our European operations center.

AEN 01 B.V.

In June of 2019, the Company incorporated a new wholly owned subsidiary in the Netherlands, AEN 01 B.V. This company was incorporated to acquire Netherlands special purpose vehicles (SPVs), project rights and other solar energy assets in the Netherlands.

Summary:

Alternus Energy, Inc (ALTN) is a holding company that operated through nineteen subsidiaries as of June 30, 2019:

Subsidiary	**Date Acquired / Established**	**ALTN Ownership**	**Country of Operation**
Power Clouds SRL	March 31, 2015	99.5%*	Romania
F.R.A.N. Energy Investment SRL	March 31, 2015	99.5%*	Romania
AE Europe B.V.	Established August 2016	100%	Netherlands
PC-Italia-01 S.R.L.	Established June 2015	100% (via PCE)	Italy
PC-Italia-02 S.p.A.	Established August 2016	100% (via PCE)	Italy
Sant'Angelo Energia S.r.l.	March 30, 2017	100% (via PC_Italia_02)	Italy
PCG_HoldCo UG	July 6, 2018	100%	Germany
PCG_GP UG	August 30, 2018	100%	Germany
PSM 20 UG	November 14, 2018	100% (via PCG_HoldCo)	Germany
PSM 40 UG	December 28, 2018	100% (via PCG_HoldCo)	Germany
GRK 17.2 GmbH & Co KG	November 17, 2018	100% (via PCG_HoldCo)	Germany
GRT 1.1 GmbH & Co KG	December 21, 2018	100% (via PCG_HoldCo)	Germany
ALTN HoldCo UG	December 14, 2018	100% (via PCG HoldCo)	Germany
Alternus Energy International Limited	March 1, 2019	100%	Ireland
CIC Rooftop S.r.l.	April 23, 2019	100% (via PC-Italia-02)	Italy
CIC Treviso S.r.l.	April 23, 2019	100% (via PC-Italia-02)	Italy
White One S.r.l.	April 23, 2019	100% (via PC-Italia-02)	Italy
CTS Power S.r.l.	April 23, 2019	100% (via PC-Italia-02)	Italy
AEN 01 B.V.	June 13, 2019	100%	Netherlands

*Non-controlling interest is not material

2. Summary of Significant Accounting Policies

Basis of consolidation

The unaudited consolidated financial statements as of June 30, 2019 and December 31, 2018 include the accounts of the Company and the aforementioned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The results of subsidiaries acquired or disposed of during the respective periods are included in the unaudited consolidated financial statements from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Use of estimates

The preparation of unaudited consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses for the periods presented. The most significant estimates with regard to these statements relate to the assumptions utilized in the calculation of stock and warrant compensation expense, asset retirement obligations and impairment of long-lived assets. Actual results could differ from these estimates.

Revenue Recognition

The Company derives revenues through its subsidiaries from the sale of electricity and the sale of solar renewable energy credits. Energy generation revenue and solar renewable energy credits revenue are recognized as electricity is generated by the solar energy facility and delivered to the grid at which time all performance obligations have been delivered. Revenues are based on actual output and contractual sale prices set forth in long-term contracts. The Company has a limited number of government and utility customers, generally of high credit quality. During the six months ended June 30, 2019, two customers represented 32% and 22% of revenues and 72% and 8% of accounts receivable balance. During the six months ended June 30, 2018, one of same customer and one different customer represented 32% and 21% of revenues and 11% and 30% of the accounts receivable balance.

Risks and Uncertainties
The Company's operations are subject to significant risk and uncertainties including financial, operational, technological, and regulatory risks including the potential risk of business failure. Also see Note 3 regarding liquidity matters.

Fair Value of Financial Instruments
The Company measures its financial instruments at fair value. Accounting principles generally accepted in the United States of America (U.S. GAAP) establishes a framework for measuring fair value and disclosures about fair value measurements.

To increase consistency and comparability in fair value measurements and related disclosures, GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy are described below:

Level 1 Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.
Level 2 Pricing inputs other than quoted prices in active markets included in Level 1 that are either directly or indirectly observable as of the reporting date.
Level 3 Pricing inputs that are generally observable inputs and not corroborated by market data.

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable. The Company has level 3 asset and liabilities consisting of asset retirement obligations and warrant liabilities. The asset retirement obligations are not material. The change in derivative liabilities for the six months ended June 30, 2019 was as follows:

Balance as of December 31, 2018	$338,861
Reversal of derivative liability	(338,861)
Balance as of June 30, 2019	$ -

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. The carrying amount of the Company's financial assets and liabilities, such as cash, accounts payable, approximate their fair value because of the short maturity of those instruments.

Transactions involving related parties cannot be presumed to be carried out on an arm's-length basis, as the requisite conditions of competitive, free-market dealings may not exist. Representations about transactions with related parties, if made, shall not imply that the related party transactions were consummated on terms equivalent to those that prevail in arm's-length transactions unless such representations can be substantiated.

Income Taxes
The Company accounts for income taxes using the liability method. Deferred tax assets and liabilities are recognized for the expected tax consequences of temporary differences arising between the tax bases of assets and liabilities and their reported amounts for financial reporting purposes. The Company records valuation allowances to reduce its deferred tax assets to the amount expected to be realized. In assessing the adequacy of recorded valuation allowances, the Company considers a variety of factors including the scheduled reversal of deferred tax liabilities, future taxable income and prudent and feasible tax planning strategies. The Company follows applicable authoritative guidance on accounting for uncertainty in income taxes, which, among other things, prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and provides guidance on derecognition, classification, interest, and penalties, accounting in interim periods and disclosure. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. As of June 30, 2019 and December 31, 2018, the Company had no uncertain tax positions and no unrecognized tax benefits. Penalties and interest assessed by income tax authorities would be included in income tax expense. For the period ended June 30, 2019 and 2018, the Company did not

incur any penalties or interest. As of December 31, 2018, the Company accrued $180,000 related to noncompliance of administrative filing for their foreign entities for the periods 2012 – 2017.

Stock-Based Compensation
The Company accounts for stock-based compensation in accordance with ASC 718. Under the fair value recognition provisions of this statement, stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense on a straight-line basis over the requisite service period, which is the vesting period.

Net income (loss) per common share
Net income (loss) per common share is computed pursuant to section 260 of the FASB Accounting Standards Codification. Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock and potentially outstanding shares of common stock during the period to reflect the potential dilution that could occur from common shares issuable through contingent shares issuance arrangement, stock options or warrants. As of June 30, 2019, the Company had 13,693,235 of warrants, and 8,672,288 of convertible shares associated with debt issuance. As of June 30 30, 2018, the Company had 2,046,250 of warrants, and 2,644,000 of convertible shares associated with debt issuance.

Foreign Currency and Other Comprehensive Loss
The functional currency of our foreign subsidiaries is typically the applicable local currency which is Romania Lei, Japanese Yen or European Union Euros. The translation from the respective foreign currency to United States Dollars (U.S. Dollar) is performed for balance sheet accounts using current exchange rates in effect at the balance sheet date and for income statement accounts using an average exchange rate during the period. Gains or losses resulting from such translation are included as a separate component of accumulated other comprehensive income. Gains or losses resulting from foreign currency transactions are included in foreign currency income or loss except for the effect of exchange rates on long-term inter-company transactions considered to be a long-term investment, which are accumulated and credited or charged to other comprehensive income.

Transaction gains and losses are recognized in our results of operations based on the difference between the foreign exchange rates on the transaction date and on the reporting date. The Company had a non material net foreign exchange loss for the period ended June 30, 2019 and 2018, respectively. The foreign currency exchange gains and losses are included as a component of general and administrative expenses in the accompanying Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). For the period ended June 30, 2019 and 2018, the increase (decrease) in accumulated comprehensive gain (loss) was ($166,670) and ($202,912), respectively.

Preferred Stock
We apply the accounting standards for distinguishing liabilities from equity under U.S. GAAP when determining the classification and measurement of our convertible preferred stock. Preferred Stock subject to mandatory redemption is classified as liability instruments and is measured at fair value. Conditionally redeemable Preferred Stock (including preferred stock that features redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within our control) is classified as temporary equity. At all other times, preferred stock is classified as permanent equity.

Subsequent Events
The Company follows the guidance in Section 855 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The Company will evaluate subsequent events through the date when the financial statements were issued. Pursuant to ASU 2010-09 of the FASB Accounting Standards Codification, the Company considers its financial statements issued when they are widely distributed to users, such as through filing them with OTC Markets. No subsequent events required disclosure except for those in Note 11.

Recent Accounting Standards
In February 2016, the FASB issued Accounting Standard Update (ASU) No. 2016-02, Leases (Topic 842), which establishes a new lease accounting model for lessees. The updated guidance requires an entity to recognize assets and liabilities arising from a lease for both financing and operating leases, along with additional qualitative and quantitative disclosures. In June 2018, the FASB issued ASU No. 2018-10, Codification Improvements to Topic 842, Leases, which further clarifies how to apply certain aspects of the new lease standard. Topic 842 is effective for public business entities for fiscal years, and interim periods within those years, beginning after December 15, 2018 and for all other entities for fiscal years beginning after December 15, 2019 with early adoption permitted. The Company is currently evaluating the effect that the adoption of ASU 2016-02 will have on its consolidated financial statement

In June 2018, the FASB issued ASU No. 2018-07, *Compensation – Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*. The guidance in this ASU expands the scope of ASC Topic 718 to include all share-based payment arrangements related to the acquisition of goods and services from both nonemployees and employees. This amendment is effective for annual and interim on January 1st, 2019. The ASU No. 2018-07 adoption did not have a material impact on its financial position, results of operations or financial statement disclosure.

3. Liquidity

The financial statements for six months ended June 30, 2019 and 2018 have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of our business. As reflected in the accompanying financial statements, the Company had net income of $973,596 and a net loss of $303,163 for the six months ended June 30, 2019 and 2018, respectively.

The Company had accumulated shareholders' equity of $7,865,815 and $5,034,364 as of June 30, 2019 and December 31, 2018, respectively, and a working capital deficit of $12,722,334 and $14,114,724 as of June 30, 2019 and December 31, 2018, respectively. At June 30, 2019, the Company had $1,491,432 of cash on hand.

Given the current level of cash resources, receivables and long-term supply contracts, management believes the Company's current level of operations is sufficient to mitigate such uncertainty. The working capital deficit for 2019 and 2018 is largely related to the acquisition of long-term assets that are planned to be refinanced with long term debt during 2019. These assets will also provide long term cash flow to the Company.

As a result, the accompanying financial statements do not include any adjustments related to recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the company be unable to continue as a going concern.

4. Acquisitions

2019 Acquisition of Risen Energy SPV.
In April 2019, PC-Italia-02 S.R.l., a wholly owned subsidiary of Alternus Energy Inc.'s (the "Company") Netherlands' subsidiary, completed the acquisition of 100% of the share capital of 4 out of 5 SPVs (Special Purpose Vehicles) the Company planned to purchase under a definitive sale and purchase agreement signed with Risen Energy PV Holding Italy GmbH and Risen Energy (HongKong) Co., Limited. The total acquisition consisted of 7 operating photovoltaic plants located in Italy having a total installed capacity of 5.1 MWs in exchange for approximately $8.1M cash, less $1.5M held back for the acquisition of the 5th SPV, and less $0.4M held in escrow for 2 months from closing against certain tax open items and as a hold back for any unexpected items not found in due diligence. The purchase was treated as business combination, as defined by ASC 805, *Business Combinations.*

The fair value of the purchase consideration issued to the sellers of the project was allocated to the net assets acquired. The Company accounted for the acquisition as the purchase of a business under U.S. GAAP under the acquisition method of accounting, and the assets and liabilities acquired were recorded as of the acquisition date at their respective fair values and consolidated with those of the Company. The fair value of the net assets acquired was approximately $5.8 million. The excess of the aggregate fair value of the net tangible assets has been treated as a gain on bargain purchase in accordance with ASC 805. The purchase price allocation was based, in part, on management's knowledge of the project and the results of a fair value assessment that the Company performed.

The Company then undertook a review to determine what factors might contribute to a bargain purchase and if it was reasonable for a bargain purchase to occur. The main reason for the bargain purchase price was a motivated seller who was looking to exit the business. The seller is a supplier to the solar industry and their strategy is to not keep assets on their books for the long-term.

	Total
Cost of acquisitions	
Cash paid for assets	$6,131,004
Net working capital acquired	396,552
Total acquisition cost	**$6,527,556**

Fair value of assets acquired

NPV of discounted cash flow	9,874,300
Net working capital acquired less cash	190,168
Cash acquired at closing	590,781
	$10,655,249
Gain on bargain purchase	**$4,127,693**

The following presents the six months proforma combined results of operations as if the entities were combined on January 1, 2018:

	June 30, 2019	June 30, 2018
Revenues, net	1,935,477	2,045,457
Net income (loss) allocable to common shareholders	1,513,314	240,630
Net income (loss) per share	0.01	0.00
Weighted average number of shares outstanding	113,768,768	71,536,834

5. Investment in Energy Property and Equipment

As of June 30, 2019, the Company had $24,225,874 of net investment in energy property, as outlined in the table below.

	June 30, 2019	December 31, 2018
Solar energy facilities operating	$26,144,973	$ 16,278,252
Less accumulated depreciation and amortization	(1,919,099)	(1,538,485)
Net Assets	**$ 24,225,874**	**$ 14,739,767**

The estimated useful life remaining on the investment in energy property and intangible asset is between 15 and 25 years.

Depreciation and amortization expense for the six months ended June 30, 2019 and 2018, was $406,878 and $301,648, respectively

The Company leases various equipment under capital leases. Assets held under capital leases are included in property and equipment as follows:

	June 30, 2019	December 31, 2018
Capitalized costs relating to PV plants	$ 2,342,356	$ 2,358,588
Less accumulated depreciation	(266,870)	(208,989)
Net Assets	**$ 2,075,486**	**$ 2,149,599**

5. Capital Leases

We have acquired equipment through a capital lease obligations for the Sant'Angelo park in Italy. As of June 30, 2019, there was $1,068,304 remaining on the lease of which $84,743 was the short-term portion. The lease commenced in 2011, has a term of 18 years and will expire in September 2029. Interest is calculated on the outstanding principal based on EURIBOR 3 months (EUR3M) plus an agreed margin for the lender. The average interest rate based on previous years is approximately 4.5% per annum. This interest amount may vary due to future changes in EUR3M index.

Capital lease future minimum payments for each of the next five years and thereafter is as follows:

2019	70,951
2020	141,902
2021	141,902
2022	141,902
2023	141,902
Thereafter	756,815

	1,395,374
Less Interest Expense	(327,070)
	$ 1,068,304

6. Convertible and Unconvertible Promissory Notes

The following table reflects the total debt balances of the Company as of June 30, 2019 and December 31, 2018:

	June 30, 2019	December 31, 2018
Short term line of credit	$ 72,127	$ 73,560
Promissory notes related parties	168,641	207,753
Convertible notes related parties	291,540	284,000
Senior secured debt	9,813,400	10,192,603
Promissory notes	13,760,227	13,622,024
Convertible promissory notes	1,669,418	754,067
Gross debt	25,775,353	25,134,007
Debt discount	(524,082)	(303,563)
Net debt	25,251,271	24,830,444
Less current maturities	(14,429,836)	(14,510,204)
Long Term Debt, net of current maturities	**$ 10,821,435**	**$ 10,320,240**

Note principal payments next five years and thereafter:

	2019	2020	2021	2022	2023	Thereafter	Total
Gross debt	$14,794,501	$4,056,223	$2,073,587	$248,357	$253,450	$4,349,235	$25,775,353
Debt discount	(364,665)	(159,417)					(524,082)
Net debt	**$14,429,836**	**$3,896,806**	**$2,073,587**	**$248,357**	**$253,450**	**$4,349,235**	**$25,251,271**

Senior secured debt:
In March of 2019, in order to complete additional solar park acquisitions in Italy, the Company entered into certain loan agreement with a third party accredited investor (the "Lender"), in connection with the Company's Netherlands subsidiary, AE Europe B.V. The loan amount as of June 30, 2019 was $2,893,986 with an interest rate of 12% and a term of six months. The proceeds of which were used to pay down existing senior secured debt.

In June of 2019, in order to complete the solar park acquisitions in Italy, the Company entered into certain agreements with a third party accredited investor (the "Lender"), in connection with the Company's Netherlands subsidiary, AE Europe B.V. The loan amount as of June 30, 2019 was $9,806,939 with an interest rate of 7.5% and a term of ten months. The proceeds of which were used to pay down existing senior secured debt.

Related Party Notes:
In February of 2019, the terms under which all cash previously loaned by VestCo Corp., a company owned and controlled by, the Company's CEO, to the Company to date has been amended and restated under the identical investment transaction terms as described below, pursuant to which the Corporation executed a Securities Purchase Agreement with VestCo Corp. and issued to VestCo Corp. i) a convertible promissory note with a 15% OID, and therefore having a Principal Amount of $291,539.54, having a two year term, secured behind a third party accredited investor via a US UCC filing on all assets of the Corporation, having a call option right for the noteholder, a redemption right for the Corporation, and convertible at $0.20 per share, and ii) a warrant to purchase up to 619,522 shares of the Corporation's common stock, exercisable at $0.25 per share or through its cashless exercise provision and having a 4 year term.

Convertible Promissory Notes:
In February of 2019, the Company entered into a Securities Purchase Agreement with 4 accredited investors (the "Lenders"), in connection with an investment of a total amount of $300,000, and pursuant to which the Company issued i) a convertible promissory note with a 15% OID, having a two year term, secured behind a third party accredited investor via a US UCC filing on all assets of the Company, having a call option right for the noteholder, a redemption right for the Corporation, and convertible at $0.20 per share., and ii) a warrant to purchase shares of the Corporation's common stock equal to 50% of the total number of shares if the Note is fully converted, divided by the Exercise Price of $0.25, (equal to a total of 750,000 warrants) subject to adjustment as provided therein, exercisable at $0.25 per share or through its

cashless exercise provision and having a 4 year term. We recorded a debt discount of $123,805 related to the warrants issued for both the February 2019, related party note and convertible promissory note.

In May of 2019, the Corporation entered into Securities Purchase Agreements with 3 accredited investors (the “Lenders”), in connection with an investment of up to a total amount of $100,000, and pursuant to which the Corporation issued a convertible promissory note with a 15% OID, having a two year term, secured behind an accredited investors via a US UCC filing on all assets of the Corporation, having a call option right for the noteholder, a redemption right for the Corporation, and convertible at $0.25 per share, and a warrant to purchase shares of the Corporation’s common stock equal to 25% of such Lender’s investment divided by the Conversion Price of $0.25, subject to adjustment as provided therein, exercisable at $0.30 per share and having a 3 year term. We recorded $31,650 for the warrant cost allocated to debt discount and $72,097 for the beneficial conversion cost related to the warrants.

May of 2019, the Corporation entered into a Securities Purchase Agreement with another accredited investor (the “Lender”), in connection with an investment of $500,000, and pursuant to which the Corporation issued a convertible promissory note accruing 12% interest per annum with bi-annual interest payments, having a two year term, senior in priority to all obligations of the Company other than the Company’s obligations to an accredited investor and its affiliated investment funds, or a similar replacement thereto, having a call option right for the noteholder, a redemption right for the Corporation, and convertible at $0.25 per share.

7. Commitments and Contingencies

Litigation

Other than as set forth below, the Company is not currently involved in or aware of any litigation that could result in a loss. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of the Company or any of its subsidiaries, threatened against or affecting the Company, our common stock, any of our subsidiaries or of our companies or our subsidiaries’ officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

Operating Leases

On March 6, 2019, the Company signed a lease for office space located in Dublin, Ireland, having a term of ten years, with a break option at the end of year five. The lease is denominated in Euros. The estimated payments is $55,886 per annum, to be paid quarterly. Also the Company paid a six month security deposit in the sum of $28,134.

Our Romanian operations lease the land for the solar park. The lease agreements are in denominated in RON. The combined estimated annual cost of $9,289 for 2019 and $7,723 thereafter. The leases commenced in 2013 and run for 25 years.

	Total
2019	$ 32,587
2020	63,609
2021	63,609
2022	63,609
2023	63,609
Thereafter	395,272
	$ 682,295

8. Shareholder’s Equity

Common Stock:

Common Stock Issuances:

During the six months ended June 30, 2019, 5,855,000 shares of common stock were issued to consultants for services rendered, 310,876 shares were issued as fees related to third party investment and 16,000,000 shares were issued to officers and directors for continued services and performance. The total value was based on the closing stock price of our common stock on the various dates of issuance, and equals $1,458,113.

Stock Incentive Plan:

In June, 2019, the Board of Directors and the holders of 58% of the Company's outstanding common stock approved the Company's 2019 Stock Incentive Plan (the "2019 Plan"). The 2019 Plan provides for the grant of incentive stock options, nonstatutory stock options, stock appreciation rights, stock grants, and stock units (collectively, the "Awards"). Awards may be granted under the 2019 Plan to our employees, directors and consultants (collectively, the "Participants"). The maximum number of shares of common stock available for issuance under the 2019 Plan is 22,500,000 shares. The shares of common stock subject to stock awards granted under the 2019 Plan that expire, are forfeited because of a failure to vest, or otherwise terminate without being exercised in full will return to the 2019 Plan and be available for issuance under the 2019 Plan. As of June 30, 2019 no awards have been granted.

Warrants:
As of June 30, 2019, warrants to purchase up to 13,693,235 shares of restricted common stock were issued and outstanding. For the six months ended June 30, 2019, the Company issued 1,257,022 warrants exercisable at $0.25 per share and having a 4 year term from the date of issuance. The Company also issued 250,000 warrants exercisable at $.30 per share having a 3 year term from the date of issuance. The Company recorded warrant expense of $162,944. These warrants related to financing activities and were recorded in interest expense.

	June 30, 2019	
	Warrants	Average Exercise Price
Balance, beginning of the period	$ 12,286,213	$ 0.13
Exercised during the period	-	-
Granted during the period	$ 1,407,022	$ 0.26
Balance, end of period	$ 13,693,235	$ 0.14
Exercisable, end of period	$ 13,693,235	$ 0.14

9. Related Party Transactions

John Thomas, a Director of the Company, is also the owner and managing director of a merchant bank offering advisory services. The Company contracted with the related party in June of 2017 to provide certain consulting services to the Company. The related party was paid $50,000 and $10,000 for the six months ended 2019 and 2018 respectively. As of June 28, 2019, this agreement was terminated.

10. Geographical Information

The Company has one operating segment and the decision-making group is the senior executive management team. The Company manages the segment by country focusing on gross profit by country.

Revenues	**Six Months Ended March 2019**	**Six Months Ended March 2018**
Italy	$ 752,929	$ 498,951
Romania	478,563	911,831
Germany	72,467	-
Total	**$ 1,303,959**	**$ 1,410,782**
Cost of Revenues		
Italy	$ 74,027	$ 64,262
Romania	244,559	639,762
Germany	-	-
Total	**$ 318,586**	**$ 704,024**
Gross Profit		
Italy	$ 678,902	$ 434,589
Romania	234,004	272,169
Germany	72,467	-

Total	**$ 985,373**	**$ 706,758**

Investment In Energy Property and Equipment, Net	**June 30, 2019**	**December 31, 2018**
Romania	5,089,643	$ 5,272,802
Italy	17,762,629	8,048,477
Germany	1,373,602	1,418,488
	$ 24,225,874	**$ 14,739,767**

11. Subsequent Events

In accordance with ASC 855, Subsequent Events, we have evaluated subsequent events through the date of issuance of these unaudited financial statements. During this period, we had the following materially recognizable subsequent events.

Zonepark Rilland Acquisition

In July, 2019, PCG_HoldCo UG, a German corporation ("Purchaser") and wholly owned subsidiary of Alternus Energy Inc., a Nevada corporation ("ALTN" or "Parent"), and Coöperatie Unisun Energy U.A., a Netherlands corporation (the "Seller") entered into a Share Purchase Agreement (the "SPA"). Pursuant to the terms of the SPA, the Seller agreed to sell to the Purchaser, and the Purchaser agreed to purchase from the Seller, 100% of the share capital of Zonnepark Rilland B.V., a SPV that owns and operates an 11.75 MW ground-mounted solar photovoltaic (PV) power plant in Rilland, the Netherlands, in exchange for $11.76 million (€10.5 million), to be paid on closing (the "Purchase Price"). The Purchase Price includes the assumption of a third party senior bank financing in the amount of $8,1 million (€7.2 million). In addition to the Purchase Price, the Seller will be entitled to receive an additional amount from ALTN of up to a total of $560,000 (€500,000) in the form of an earn out based on net cash proceeds received over and above a set annual power output of 10,865 MwH. The SPA provides for certain additional rights and obligations of the parties, standard representations and warranties given from the Seller to the Purchaser, including indemnification by the Seller for any misrepresented liabilities. The closing is also subject to the consent of the senior bank, as well as ALTN closing a separate third party financing of a minimum sum of $3.8 million on acceptable terms. The SPA is subject to certain other standard closing conditions, including, among other things, the payment of the sales price and the fulfillment of all obligations agreed to by and among the Parties.