Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

ALTERNUS ENERGY INC.

A Nevada Corporation
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4911

Annual Report
For the Period Ending: December 31, 2019
(the "Reporting Period")

As of December 31, 2019, the number of shares outstanding of our Common Stock was:

68,182,601 Class A Common and 15,000,000 Class B Common

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

82,892,601 Class A Common

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: X (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: X

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

Yes: ☐ No: X

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

In answering this item, please also provide any names used by predecessor entities 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)
Asset Realization, Inc. (November 8, 2006 – September 11, 2008)

[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.

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: X

2) Security Information

Trading symbol:	ALTN	
Exact title and class of securities outstanding:	Common Stock (Class A)	
CUSIP:	02156H100	
Par or stated value:	$0.001	
Total shares authorized:	435,000,000	as of date: December 31, 2019
Total shares outstanding:	83,182,601	as of date: December 31, 2019
Number of shares in the Public Float[2]:	4,875,365	as of date: December 31, 2019
Total number of shareholders of record:	128	as of date: December 31, 2019

Additional class of securities (if any):

Exact title and class of securities outstanding:	Common Stock (Class B)	
Par or stated value:	$0.001	
Total shares authorized:	15,000,000	as of date: December 31, 2019
Total shares outstanding:	15,000,000	as of date: December 31, 2019

Exact title and class of securities outstanding:	Preferred Stock	
Par or stated value:	$0.001	
Total shares authorized:	50,000,000	as of date: December 31, 2019
Total shares outstanding:	0	as of date: December 31, 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: X No: ☐

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

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

[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.

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, 2018	Opening Balance: Common: 71,476,725 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?**
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
01/07/19	New Issue	2,000,000	Common	0.03	No	Jean-Marc O'Brien	Business Development Services	Restricted	Reg D Exempt
01/07/19	New Issue	1,000,000	Common	0.03	No	Joseph Duey	Chief Financial Officer Services	Restricted	Reg D Exempt
01/07/19	New Issue	1,000,000	Common	0.03	No	Taliesin Durant	General Counsel Services	Restricted	Reg D Exempt
01/07/19	New Issue	150,000	Common	0.03	No	Gita Shah	Business Development Services	Restricted	Reg S Exempt
01/09/19	New Issue	3,500,000	Common	0.03	No	John Gildea	Investor Relations Services	Restricted	Reg S Exempt
01/09/19	New Issue	248,700	Common	0.03	No	Jean-Marc O'Brien	Financial Advisory Services	Restricted	Reg D Exempt
01/09/19	New Issue	15,544	Common	0.03	No	Walter V. Nasdeo	Financial Advisory Services	Restricted	Reg D Exempt
01/09/19	New Issue	23,316	Common	0.03	No	Brian J. Greenstein	Financial Advisory Services	Restricted	Reg D Exempt
01/09/19	New Issue	23,316	Common	0.03	No	Kerry Dukes	Financial Advisory Services	Restricted	Reg D Exempt
01/14/19	New Issue	5,000	Common	0.11	No	David Yakerson	IT and Park Monitoring Services	Restricted	Reg D Exempt
01/17/19	New Issue	100,000	Common	0.09	No	Flori-Ionela Cainaru	Accounting Services	Restricted	Reg S Exempt
02/28/19	New Issue	10,000,000	Common	0.09	No	VestCo Corp. /Vincent Browne	CEO Services	Restricted	Reg D Exempt
03/29/19	New Issue	675,000	Common	0.07	No	John McQuillan	Board Member Services	Restricted	Reg S Exempt
03/29/19	New Issue	675,000	Common	0.07	No	John P. Thomas	Board Member Services	Restricted	Reg D Exempt
03/29/19	New Issue	2,500,000	Common	0.07	No	Vincent Browne	Board Member Services	Restricted	Reg S Exempt

05/23/19	New Issue	100,000	Common	0.16	No	Austine George	Project Management Services	Restricted	Reg S Exempt
05/23/19	New Issue	150,000	Common	0.16	No	JMR Consultant	Financial Advisory Services	Restricted	Reg S Exempt
08/19/19	Cancellation	(50,000,000)	Common	0.001	No	GrowthCap Investments / Vincent Browne	Stock Exchange Agreement	Restricted	Reg D Exempt
08/19/19	New Issue	5,000,000	Series E Preferred	0.001	No	GrowthCap Investments / Vincent Browne	Stock Exchange Agreement	Restricted	Reg D Exempt
10/09/19	Cancellation	(15,000,000)	Class A Common	0.001	No	VestCo Corp. / Vincent Browne	Stock Exchange Agreement	Restricted	Reg D Exempt
10/09/19	New Issue	15,000,000	Class B Common	0.001	No	VestCo Corp. / Vincent Browne	Stock Exchange Agreement	Restricted	Reg D Exempt
11/21/19	New Issue	145,000	Class A Common	0.19	No	Adar Alef LLC / Aryeh Goldstein	Securities Purchase Agreement	Restricted	Reg D Exempt
11/21/19	New Issue	145,000	Class A Common	0.19	No	GS Capital Partners / Gabe Sayegh	Securities Purchase Agreement	Restricted	Reg D Exempt
1/27/20	New Issue	107,368	Class A Common	0.19	No	Carter, Terry & Company / Timothy Terry	Financial Services Fees	Restricted	Reg D Exempt
2/17/20	New Issue	28,000	Class A Common	0.15	No	Carter, Terry & Company / Timothy Terry	Financial Services Fees	Restricted	Reg D Exempt
2/17/20	New Issue	18,667	Class A Common	0.15	No	Richard P. Brown Jr.	Financial Services Fees	Restricted	Reg D Exempt
3/20/20	New Issue	50,000,000	Class A Common	0.001	No	Growthcap Investments Inc. / Vincent Browne	Preferred Series E Conversion	Restricted	Reg D Exempt
3/20/20	Cancellation	(5,000,000)	Series E Preferred	0.001	No	Growthcap Investments Inc. / Vincent Browne	Preferred Series E Conversion	Restricted	Reg D Exempt
3/20/20	New Issue	14,583	Class A Common	0.12	No	Richard P. Brown Jr.	Financial Services Fees	Restricted	Reg D Exempt
Shares Outstanding on 3/31/20:	Ending Balance: Common Class A: 119,801,219 Common Class B: 15,000,000 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 all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

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.)
7/29/16	108,000	121,500	10,672	12/31/20	$0.20 / share	Regis Exquis, Nadine Exquis and Elaine Marie Exquis	Settlement for Investment
7/29/16	109,867	123,600	9,578	12/31/20	$0.20 / share	Jaqueline Oberson	Settlement for Investment
7/29/16	19,200	21,600	1,674	12/31/20	$0.20 / share	Jean Francois Bobillier	Settlement for Investment
7/29/16	8,409	8,700	675	12/31/20	$0.20 / share	Yolande Cretton Volahalaina	Settlement for Investment
7/31/18	307,987	258,700	65,653	1/30/20	$0.20 / share	S.C. Oresi Energy S.R.L. / Ovidiu Flaviu	Loan
7/23/18	80,000	80,000	16,933	1/30/20	$0.20 / share	S.C. Oresi Energy S.R.L. / Ovidiu Flaviu	Loan
2/19/19	291,540	291,540	0	2/19/21	$0.20 / share	VestCo Corp. / Vincent Browne	Loan
2/19/19	205,882	352,941	0	2/19/21	$0.20 / share	Brian O'Connor; Brett Macune; Carlo Farina; Tom Drelles	Loan
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	520,301	500,000	20,301	5/30/21	$0.20 / share	Carsten Hagen	Loan
6/5/19	29,412	29,412	0	6/5/21	$0.25 / share	One Ton Consulting / James Tansey	Loan
6/11/19	58,824	58,824	0	6/11/21	$0.25 / share	Olivia & Drew Velting	Loan
11/21/19	376,059	280,000	96,059	11/21/20	70% of lowest trading price over previous 15 trading days	Adar Alef LLC / Aryeh Goldstein	Loan
11/21/19	376,059	280,000	96,059	11/21/20	70% of lowest trading price over previous 15 trading days	GS Capital LLC / Gabe Sayegh	Loan
1/29/20	255,096	250,000	5,096	1/29/22	0.20 / share	Carsten Hagen	Loan

2/10/20	106,438	105,000	1,438	2/10/21	65% of lowest trading price over previous 15 trading days	Geneva Roth Remark Holdings / Curt Kramer	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:

X 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

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 is a global independent power producer ("IPP"). We co-develop, own and operate solar PV parks that connect directly to national power grids. Our current revenue streams are generated from long-term, government-

[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.

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 Footnote 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 currently has operational plants in Romania, Italy, Germany and the Netherlands.

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:

Country	**MWs Owned,** (Installed and Operational)	**MWs Owned** (Not Yet Operational)	**Total Owned**
Romania	6.1 MW	—	6.1MW
Italy	7.9 MW	10.0MW	17.9MW
Germany	1.4 MW	13.6MW	15.0MW
Netherlands	11.8 MW	--	11.8MW
Total	**27.2 MW**	**23.6MW**	**50.8MW**

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 corporate headquarters located at Suite 11, Plaza 212, Blanchardstown Corporate Park 2, Dublin 15, D15 PK64, Ireland.

The Company leases office space for its operations 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. As part of the Rilland acquisition, the Company acquired a twenty-five year lease. The annual lease payment is $139,923 for the first fifteen years and $55,969 for years sixteen through twenty five.

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 (Class A & B)	50.0%	Includes: i) 50,587,571 shares held by Growthcap Investments Inc., ii)15,000,000 Class B common shares, and 500,000 shares through VestCo Corp., and iv) 1,250,000 shares held by VestCo I Corp.
Joseph E. Duey	Chief Financial Officer	Tega Cay / SC	3,000,000	Common Class A	2.2%	______
Taliesin Durant	General Counsel and Corporate Secretary	East Kingston / NH	3,000,000	Common Class A	2.2%	All shares held through DART Business Services LLC
John Thomas	Director	Spring Lake / NJ	4,675,000	Common Class A	3.4%	3,000,000 shares held through Doonbeg Partners LLC
John McQuillan	Director	Wicklow / Ireland	1,175,000	Common Class A	0.9%	______
Telenergia Europe S.R.L.	>5% Owner	Strada Madrigalului	21,701,784	Common Class A	16.1%	Roberto Forlani

		42A, Ap4, Rm2 Bucharest, Romania				
Gaia Energy S.R.L.	>5% Owner	Xona Asi Aversa Nord Italy	10,000,000	Common Class A	7.4%	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 annual 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.

June 15, 2020

/s/ Vincent Browne

Principal Financial Officer:

I, Joseph E. Duey certify that:

1. I have reviewed this annual 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.

June 15, 2020

/s/ Joseph E. Duey

ALTERNUS ENERGY INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

	December 31, 2019 (unaudited)	December 31, 2018 (audited)
ASSETS		
Current Assets		
Cash and cash equivalents	$1,076,995	$1,026,533
Accounts receivable	210,032	307,307
Other receivables, sale of asset	383,819	531,717
Unbilled energy incentives earned	-	164,687
Prepaid expenses and other current assets, short term portion	502,054	334,078
Taxes recoverable	610,919	178,995
Total Current Assets	2,783,819	2,543,317
Investment in Energy Property and Equipment, Net	33,459,478	14,739,767
Construction in Process	7,270,194	6,979,080
Prepaid expenses and other current assets, long term portion	396,639	-
Goodwill	1,353,998	-
Restricted cash	349,434	8,857,966
Total Assets	**$45,613,562**	**$33,120,130**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	$3,700,796	$1,696,200
Convertible and non-convertible promissory notes, current portion	22,705,665	14,510,204
Capital lease, current portion	87,785	85,325
Derivative liability	-	338,861
Taxes payable	61,575	27,451
Total Current Liabilities	**26,555,821**	**16,658,041**
Convertible and non-convertible promissory notes, net of current portion	14,109,417	10,320,240
Capital lease, net of current portion	923,948	1,032,453
Asset retirement obligation	146,215	75,032
Total Liabilities	**41,735,401**	**28,085,766**
Commitments and Contingencies Note 8		
Shareholders' Equity		
Preferred Shares, $0.001 par value; 50,000,000 shares authorized, 5,000,000 issued and outstanding (Liquidation value of $5,000 as of December 31, 2019)	5,000	-
Common stock, $0.001 par value; 435,000,000 shares authorized as of December 31, 2019, and 450,000,000 shares authorized as of December 31, 2018, 68,182,602 of Class A shares and 110,726,725 Class A shares issued and outstanding as of December 31, 2019 and December 31, 2018, respectively.	68,183	110,727
Common stock, $0.001 par value, 15,000,000 and 0 shares of Class B stock authorized, issued and outstanding as of December 31, 2019 and December 31, 2018, respectively	15,000	-
Additional paid in capital	15,442,118	13,164,601
Accumulated other comprehensive loss	(642,682)	(260,424)
Accumulated deficit	(11,009,458)	(7,980,540)
Total Shareholders' Equity	**3,878,161**	**5,034,364**
Total Liabilities and Shareholders' Equity	**$45,613,562**	**$ 33,120,130**

See accompanying notes to the consolidated financial statements.

ALTERNUS ENERGY INC. AND SUBSIDIARIES
CONSOLIDATED
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	For the Year Ended December 31, 2019 (unaudited)	For the Year Ended December 31, 2018 (audited)
Revenues	$2,585,568	$ 2,592,964
Cost of revenues	(738,097)	(1,278,614)
Gross Profit	**1,847,471**	**1,314,350**
Operating Expenses		
Selling, general and administrative	4,453,155	1,817,567
Loss on disposal of investment in energy asset	-	681, 421
Depreciation and amortization	1,193,107	699,573
Total Operating Expenses	**5,646,262**	**3,198,561**
Loss from Operations	(3,798,791)	(1,884,211)
Other income (expense)		
Interest expense	(3,210,299)	(1,412,864)
Other Income	-	480
Change in fair value of derivative liability	(132,976)	-
Gain on bargain purchase	4,113,148	1,623,883
Total other income	**769,873**	**211,499**
Net Loss before Provision for Income Taxes	**(3,028,918)**	**(1,672,712)**
Provision for Income Taxes	-	(180,000)
Net Loss	**$(3,028,918)**	**$(1,852,712)**
Basic and diluted loss per share	($0.03)	($0.02)
Weighted average shares outstanding:		
Basic and diluted	**97,969,579**	**75,195,218**
Comprehensive loss:		
Net loss	$(3,028,918)	$(1,852,712)
Unrealized loss on currency translation adjustment	(382,190)	(466,299)
Comprehensive loss	**$(3,411,108)**	**$(2,319,011)**

See accompanying notes to the consolidated financial statements.

ALTERNUS ENEGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR YEARS ENDED DECEMBER 31, 2019 AND 2018

	Preferred Shares		**Class A Common stock issued**		**Class B Common stock issued**		**Additional Paid-In**	**Accumulated Other Comprehensive**	**Accumulated**	
	Series	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**	**Capital**	**Income/(Loss)**	**Deficit**	**Total**
Balance at January 1, 2018	**30,000,000 -**	**$30,000**	**71,476,725**	**$71,477**	**-**	**-**	**$11,949,748**	**$205,875**	**$(6,127,827)**	**$6,129,273**
Conversion of preferred shares Series D to commons shares	(30,000,000)	(30,000)	30,000,000	30,000	-	-	-	-	-	-
Restricted shares stock compensation	-	-	9,250,000	9,250	-	-	507,250	-	-	516,500
Warrant expense related to financing	-	-	-	-	-	-	707,603	-	-	707,603
Unrealized loss on currency translation adjustment	-	-	-	-	-	-	-	(466,299)	-	(466,299)
Net loss	-	-	-	-	-	-	-	-	(1,852,712)	(1,852,712)
Balance at December 31, 2018	**-**	**-**	**110,726,725**	**$110,727**	**-**	**-**	**$13,164,601**	**$(260,424)**	**$(7,980,540)**	**$5,034,364**
Transfer of Common Shares to Preferred Shares Series E	5,000,000	$5,000	(50,000,000)	$(50,000)	-	-	45,000	-	-	-
Transfer of Class A Common Shares to Class B Common Shares			(15,000,000)	(15,000)	15,000,000	15,000				-
Stock Compensation	-	-	22,455,876	22,456	-	-	1,490,758	-	-	1,513,214
Fair value of debt discount	-	-	-	-	-	-	269,922	-	-	269,922
Reclassification of derivative liability	-	-	-	-	-	-	471,837	-	-	471,837
Unrealized loss on currency translation adjustment	-	-	-	-	-	-	-	(382,190)	-	(382,190)
Net loss	-	-	-	-	-	-	-	-	(3,028,918)	(3,028,918)
Balance at December 31, 2019	**5,000,000**	**$5,000**	**68,182,601**	**$68,183**	**15,000,000**	**$15,000**	**$15,442,118**	**$(642,614)**	**$(11,009,458)**	**$3,878,161**

See accompanying notes to the consolidated financial statements.

ALTERNUS ENERGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

	For the Year Ended December 31, 2019 (unaudited)	For the Year Ended December 31, 2018 (audited)
Cash Flows from Operating Activities:		
Net loss	**$ (3,028,918)**	**$ (1,852,712)**
Adjustments to reconcile net (loss) to net cash (used in) provided by operations		
Depreciation and amortization	1,193,107	699,573
Stock compensation costs	1,513,214	516,500
Amortization of debt discount	269,922	707,603
Change in fair value of derivative liability	132,976	-
Warrant liability	-	338,861
Loss on sale of investment in energy asset	-	681,421
Gain on bargain purchase	(4,113,148)	(1,623,883)
Changes in assets and liabilities, net of acquisition and disposals:		
Accounts receivable and other short-term receivables	28,630	(655,334)
Other short term receivables	147,898	-
Prepaid expenses	(702,780)	(129,565)
Energy incentives earned, not yet received	146,285	428,083
Accounts payable and accrued liabilities	1,943,751	943,229
Net Cash (Used in) Provided by Operating Activities	**(2,469,063)**	**53,776**
Cash Flows from Investing Activities:		
Cash used for construction in process	(55,120)	(7,003,171)
Cash acquired in acquisitions, net	1,076,096	-
Proceeds from sale of energy property and equipment, net	-	3,760,155
Deposits paid under acquisition contracts	(348,782)	-
Cash paid for acquisition of subsidiaries	(8,486,927)	-
Cash used for energy property, and equipment net	(1,250,478)	(6,871,219)
Net Cash Used In Investing Activities	**(9,065,211)**	**(10,114,235)**
Cash Flows from Financing Activities:		
Proceeds from debt, related parties	-	147,000
Payments of debt principal, related parties	(159,563)	-
Proceeds from debt, senior debt	5,002,577	23,491,575
Payments on debt principal, senior debt	(373,741)	(3,836,815)
Net proceeds from lines of credit	(35,346)	5,033
Payments on notes payable related to acquisition of solar parks	(1,335,889)	(282,200)
Net Cash Provided by Financing Activities	**3,098,038**	**19,524,593**
Effect of exchange rate on cash	(21,834)	289,999
Net (decrease) increase in cash, cash equivalents and restricted cash	(8,458,070)	9,754,133
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	**$1,426,429**	**$ 9,884,499**

See accompanying notes to the consolidated financial statement.

ALTERNUS ENERGY INC. AND SUBSIDIARIES
CONSOLIDATED SUPPLEMENTAL STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

	December 31, 2019 (unaudited)	December 31, 2018 (audited)
Supplemental Cash Flow Disclosure		
Cash paid for interest	$ 1,573,936	$ 281,210
Reclassification of derivative liability	$ 471,837	-
2019 Acquisition of Zonnerpark Rilland		
Working Capital Net	395,058	-
Investment in Energy Property, Net	9,853,884	-
Senior Bank Loan Assumed	(8,007,696)	-
Related party promissory note assumed	(1,683,436)	-
Goodwill	1,798,113	-
Cash paid	**2,355,923**	**-**
2019 Acquisition of Risen Italian operating asset		
Investment in Energy Property, Net	6,131,004	-
Cash paid	**6,131,004**	**-**
2018 Acquisition of Liquid Sun Italian operating asset:		
Working Capital Net	-	131,394
Investment in Energy Property, Net	-	4,177,206
Cash paid	**-**	**4,308,600**
2018 Disposal of Tre Vallie Italian operating company		
Investment in Energy Property, Net	-	4,346,507
Less: cash received prior to close	-	(586,352)
Net Working Capital Adjustment	-	246,636
Loss on Sale of Asset and Related Operating Companies	-	(681,421)
Cash proceeds from sale	**-**	**3,325,370**

See accompanying notes to the consolidated financial statements

ALTERNUS ENERGY INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Formation

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. During the quarter ended March 31, 2017, this company completed the acquisition of the Sant’Angelo Energia S.r.l. in Italy which operates a 702kW PV solar park. Subsequently, in April of 2019, PC-Italia-02 acquired four additional SPVs in Italy, CIC Rooftop 2 S.r.l., CIC RT Treviso S.r.l., SPV White One S.r.l., CTS Power 2 S.r.l.

PCG_HoldCo GmbH & PCG_GP UG
In June of 2018, the Company acquired 100% of the share capital of two companies in Germany which were renamed as PCG_HoldCo GmbH 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 year ended December 31, 2018, PCG_HoldCo 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 another company 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. During the quarter ended December 31, 2019, this company completed the acquisition of Zonnepark Rilland B.V. in the Netherlands, which operates a 11.75MW PV solar park.

In summary, Alternus Energy is a holding company that operates through the following twenty operating subsidiaries as of December 31, 2019:

Subsidiary	Principal Activity	Date Acquired / Established	ALTN Ownership	Country of Operation
Power Clouds SRL	SPV	March 31, 2015	99.5%*	Romania
F.R.A.N. Energy Investment SRL	SPV	March 31, 2015	99.5%*	Romania

AE Europe B.V.	Holding Company	August 2016	100%	Netherlands
PC-Italia-01 S.R.L.	Sub-Holding	June 2015	100% (via PCE)	Italy
PC-Italia-02 S.p.A.	SPV	August 2016	100% (via PCE)	Italy
Sant'Angelo Energia S.r.l.	SPV	March 30, 2017	100% (via PC_Italia_02)	Italy
PCG_HoldCo GmbH	Holding Company	July 6, 2018	100%	Germany
PCG_GP UG	General Partner (Management Company)	August 30, 2018	100%	Germany
PSM 20 UG	SPV	November 14, 2018	100% (via PCG_HoldCo)	Germany
PSM 40 UG	SPV	December 28, 2018	100% (via PCG_HoldCo)	Germany
GRK 17.2 GmbH & Co KG	SPV	November 17, 2018	100% (via PCG_HoldCo)	Germany
GRT 1.1 GmbH & Co KG	SPV	December 21, 2018	100% (via PCG_HoldCo)	Germany
ALTN HoldCo UG	SPV	December 14, 2018	100% (via PCG HoldCo)	Germany
Alternus Energy International Ltd.	European Operational Centre	March 1, 2019	100%	Ireland
CIC Rooftop 2 S.r.l.	SPV	April 23, 2019	100% (via PC-Italia-02)	Italy
CIC RT Treviso S.r.l.	SPV	April 23, 2019	100% (via PC-Italia-02)	Italy
SPV White One S.r.l.	SPV	April 23, 2019	100% (via PC-Italia-02)	Italy
CTS Power 2 S.r.l.	SPV	April 23, 2019	100% (via PC-Italia-02)	Italy
AEN 01 B.V.	SPV	June 13, 2019	100%	Netherlands
Zonnepark Rilland B.V.	SPV	December 20, 2019	100%	Netherlands

Summary:
*Non-controlling interest is not material

2. Going Concern

Our consolidated financial statements for the year ended December 31,2019 identifies the existence of certain conditions that raise substantial doubt about our ability to continue as a going concern for twelve months from the issuance of this Annual Report on Form 10-K.

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying consolidated financial statements during the year ended December 31, 2019, the Company had net loss of ($3,028,918) and a net loss of ($1,852,712) for the year ended December 31, 2019 and 2018, respectively. The Company had accumulated shareholders' equity of $3,878,161 and $5,034,364 as of December 31, 2019 and December 31, 2018, respectively, and a working capital deficit of $23,772,002 and $14,114,724 as of December 31, 2019 and December 31, 2018, respectively. At December 31, 2019, the Company had $1,076,995 of cash on hand.

Our operating revenues are insufficient to fund our operations and our assets already are pledged to secure our indebtedness to various third party secured creditor, respectively. The unavailability of additional financing could require us to delay, scale back or terminate our acquisition efforts as well as our own business activities, which would have a material adverse effect on the Company and its viability and prospects.

The terms of our indebtedness, including the covenants and the dates on which principal and interest payments on our indebtedness are due, increases the risk that we will be unable to continue as a going concern. To continue as a going concern over the next twelve months, we must make payments on our debt as they come due and comply with the covenants in the agreements governing our indebtedness or, if we fail to do so, to (i) negotiate and obtain waivers of or forbearances with respect to any defaults that occur with respect to our indebtedness, (ii) amend, replace, refinance or restructure any or all of the agreements governing our indebtedness, and/or (iii) otherwise secure additional capital. However, we cannot provide any assurances that we will be successful in accomplishing any of these plans.

The recent outbreak of the corona virus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the corona virus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which the corona virus may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in the United States and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time.

3. Summary of Significant Accounting Policies

Basis of Presentation

The 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 of America (GAAP) from records maintained by the Company.

Basis of consolidation

The consolidated financial statements as of December 31, 2019 and December 31, 2018 and for the years then ended 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 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 consolidated financial statements in conformity with 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 valuation of the assets acquired, calculation of stock and warrant compensation expense, asset retirement obligations and impairment of long-lived assets. Actual results could differ from these estimates.

Cash and Cash Equivalents

The Company considers cash, demand deposits and highly liquid investments with maturities of less than three months when purchased to be cash and cash equivalents. The Company maintains cash and cash equivalents with major financial institutions, which may at times exceed federally insured limits. The Company periodically assesses the financial condition of the institutions and believes the risk of loss to be remote.

Accounts Receivable

Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within that period. Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Management establishes an allowance for doubtful customer accounts through a review of historical losses, specific customer balances, and industry economic conditions. Customer accounts are charged off against the allowance for doubtful accounts when management determines that the likelihood of eventual collection is remote. The Company extends credit based on an evaluation of customers' financial conditions and determines any additional collateral requirements. Exposure to losses on receivables is principally dependent on each customer's financial condition. The Company considers invoices past due when they are outstanding longer than the stated term. Additionally, the Company monitors its exposure for credit losses and maintains allowances for anticipated losses. At December 31, 2019 and 2018, management determined that an allowance for doubtful accounts was not material.

Energy Property and Equipment

Acquired energy property and equipment is recognized at fair value at the date of acquisition, less depreciation. Energy property constructed by the Company is recognized at its cost, less depreciation. The Company provides for depreciation utilizing the straight-line method by charges to operations over the estimated useful lives of the solar energy facilities, which is twenty years. Expenditures during the construction of new solar energy facilities are capitalized to development in progress as incurred until achievement of the commercial operation date (COD). Expenditures for maintenance and repairs are charged to expense as incurred. Upon retirement, sale or other disposition of equipment, the cost and accumulated depreciation are removed from the accounts and the related gain or loss, if any, is reflected in the year of disposal. When the Company abandons the anticipated construction of a new solar energy facility during the development phase, costs previously capitalized to development in progress are written off.

Goodwill and Indefinite-Lived Intangible Assets

The Company has goodwill and certain indefinite-lived intangible assets that have been recorded in connection with the acquisition of a business. Goodwill and indefinite-lived assets are not amortized, but instead are tested for impairment at least annually. Goodwill represents the excess of the purchase price of an acquired business over the estimated fair value of the underlying net tangible and intangible assets acquired. For purposes of the goodwill impairment test, the Company has determined that it currently operates as a single reporting unit. If it is determined that an impairment has occurred, the Company adjusts the carrying value accordingly, and charges the impairment as an operating expense in the period the determination is made. Although the Company believes goodwill is appropriately stated in the consolidated financial statements, changes in strategy or market conditions could significantly impact these judgments and require an adjustment to the recorded balance.

Intangible Assets

Intangible assets consist of long-term operating contracts acquired through the acquisition of solar energy facilities. Intangible assets are initially recognized at their fair value and are amortized over the term of the related Power Purchase Agreement (PPAs) using the straight-line method. For solar energy facilities that are purchased and then put into construction, intangible assets are recorded at cost, and are amortized over the term of the related PPAs using the straight-line method.

Impairment of Long-Lived Assets

The Company reviews its investment in energy property and PPAs for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When evaluating impairment, if the undiscounted cash flows estimated to be generated by the energy property are less than its carrying amount, the differential carrying amount is determined to be not recoverable. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value.

Asset Retirement Obligation

In connection with the acquisition or development of solar energy facilities, the Company may have the legal requirement to remove long-lived assets constructed on leased property and to restore the leased property to its condition prior to the construction of the long-lived assets. This legal requirement is referred to as an asset retirement obligation (ARO). If the Company determines that an ARO is required for a specific solar energy facility, the Company records the present value of the estimated future liability when the solar energy facility is placed in service. AROs recorded for owned facilities are recorded by increasing the carrying value of investment in energy property and depreciated over the solar energy facility's useful life, while an ARO recorded for a leasing arrangement is accounted for as a liability in the initial period recognized and amortized over the term of the solar energy facility's useful life. After initial recognition of the liability, the Company accretes the ARO to its future value over the solar energy facility's useful life. As of December 31, 2019 and 2018, the Company's asset retirement obligations were not material.

Revenue Recognition

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and has since issued amendments thereto (collectively referred to as "ASC 606"). The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, and the guidance defines a five-step process to achieve this core principle. ASC 606 also mandates additional disclosure about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The Company modified retrospective adopted ASC 606 as of January 1, 2019. Results for the reporting periods beginning after January 1, 2019 are presented under ASC 606, while prior period results are not adjusted and continue to be reported in accordance with its historic accounting under ASC Topic 605. The Company determined that the new standard did not have any material impact on revenue recognition and measurement in its consolidated financial statements.

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.

Disaggregated Revenues

The following table shows the Company's revenues disaggregated by pricing plans offered to customers:

Net Revenue, by Offtake Type	2019	2018
Feed in Tariff	$ 1,653,186	$ 829,794
Green Certificates	631,740	789,740
Energy Offtake Agreements	300,642	973,430
Total	**$ 2,585,568**	**$ 2,592,964**

During the year ended December 31, 2019, two customers represented 56% and 30% of revenues and 37% and 9% of accounts receivable balance. During the year ended December 31, 2018, one of same customer and one different customer represented 32% and 21% of revenues.

Unbilled Energy Incentives Earned

The Company derives revenues from the sale of green certificates for the Romania projects. The green certificates revenues are recognized in the month they are generated by the solar project and registered with the local authority. The Company considers them unbilled at the end of the period if they have not been invoiced to a third party customer.

Taxes Recoverable

The Company records taxes recoverable, when there has been an overpayment of taxes due to timing of the Value Added Tax (VAT) between vendors and customers. The VAT tax can also be offset against a Country's income taxes where the VAT was registered.

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 2 regarding going concern matters.

Fair Value of Financial Instruments

The Company measures its financial instruments at fair value under 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 assets and liabilities consisting of asset retirement obligations and warrant liabilities. The asset retirement obligations are not material.

As of April 15, 2019 the exercise price of the warrants previously issued in conjunction with the Inmost note became fixed at a price of $0.122 and the derivative liability of $471,837 was reclassified to equity. During the year ended December 31, 2019, the Company recorded a change in fair value of $132,976.

	December 31, 2019	December 31, 2018
Balance - beginning of the year	338,861	--
Derivative liability		338,861
Change in fair value of derivative liability	132,976	-
Reclassification of derivative liability	(471,837)	-
Balance - end of year	-	338,861

We valued the derivative using the Black Scholes method. We calculated the stock price as of the data of revaluation, with a remaining term of the warrants of 2.5 years. The volatility was calculated at 3.3 using the historical stock price and share volume of the company. We used 2.94% as the risk free rate, based on the Treasury rates for the similar period. The warrants were valued using the floor price of $0.122 with a valuation date of April 15, 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.

Income Taxes

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences, operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

As of December 31, 2019 and 2018, the Company has U.S. federal and state net operating loss carryovers of approximately $4,667,136 and $1,727,412 respectively, which will expire at various dates beginning in 2034 through 2037, if not utilized with exception of loss carryovers generated in 2018 and 2019. As a result of Tax Cuts and Jobs Act, net operating losses generated in 2018 and beyond have indefinite lives, but limited to 80% of taxable income in each year. Additionally, as of December 31, 2019 and 2018, the Company has U.S. federal capital loss carryovers of approximately $949,875 and $949,875 respectively, which will expire at various dates beginning in 2020 through 2022, if not utilized against capital gain income. In accordance with Section 382 of the internal revenue code, deductibility of the Company's U.S. net operating loss carryovers may be subject to an annual limitation in the event of a change of control as defined under the Section 382 regulations. Quarterly ownership changes for the past 3 years were analyzed and it was determined that there was no change of control as of December 31, 2019.

In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. After consideration of all of the information available, management believes that significant uncertainty exists with respect to future realization of the deferred tax assets and has therefore established a full valuation allowance. For the years ended December 31, 2019 and 2018, the change in valuation allowance was $926,792 and $960,552, respectively. As of December 31, 2019 and 2018, the valuation allowance was $1,887,344 and $960,552, respectively.

The Company evaluated the provisions of ASC 740 related to the accounting for uncertainty in income taxes recognized in their financial statements. ASC 740 prescribes a comprehensive model for how a company should recognize, present, and disclose uncertain positions that the company has taken or expects to take in its return. For those benefits to be recognized, a tax position must be more-likely-than- not to be sustained upon examination by taxing authorities. Differences between two positions taken or expected to be taken in a tax return and the benefit recognized and measured pursuant to the interpretation are referred to as "unrecognized benefits". A liability is recognized for an unrecognized tax benefit because it represents an enterprise's potential future obligation to the taxing-authority for a tax position that was not recognized as a result of applying the provisions of ASC 740.
Penalties and interest assessed by income tax authorities would be included in income tax expense. For the period ended December 31, 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 loss per common share

Net loss per common share is computed pursuant to section 260 of the FASB Accounting Standards Codification. Basic net loss per common share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Diluted net loss per common share is computed by dividing net 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 December 31, 2019, the Company had 5,000,000 shares of Series E Convertible Preferred Stock which convert into 50,000,000 shares of common stock, 13,053,235 of warrants, and 8,828,233 of convertible shares associated with debt issuance for a total of 71,881,468 shares of Class A common stock. As of December 31, 2018, the Company had 12,286,213 of warrants, and 4,360,105 of convertible shares associated with debt issuance for a total of 16,646,318 shares of Class A common stock. These shares were not included because they were anti-dilutive.

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 immaterial net foreign exchange loss for the period ended December 31, 2019 and 2018, respectively. The foreign currency exchange gains and losses are included as a component of general and administrative expenses in the accompanying Consolidated Statements of Operations and Comprehensive (Loss). For the period ended December 31, 2019 and 2018, the increase (decrease) in accumulated comprehensive gain (loss) was ($382,190) and ($466,299), 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.

As of December 31, 2019, the Company had 5,000,000 shares of Series E Convertible Preferred Stock issued and outstanding which convert into 50,000,000 shares of common stock. The Series E Convertible Preferred, with respect to dividends, rank pari passu with the Common Stock, and with respect to distributions upon liquidation, dissolution or winding up of the Company, rank senior to the Common Stock and junior to any other series of Preferred Stock.

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 Adopted

On January 1, 2019, the Company adopted ASU 2016-18. The adoption had an impact on the Company's beginning of the period and end of the period cash and cash equivalents balance in its statement of cash flows. Restricted cash at the end of December 31, 2019 was related to debt service reserve and maintenance reserves required by third party senior lender. The restricted cash at the end of December 31, 2108 related to future acquisition of Italian parks that was completed in 2019. The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported in the consolidated balance sheet that equals the total of the same amounts reported in the consolidated statement of cash flows:

	December 31, 2019	**December 31, 2018**
Cash and cash equivalents	$1,076,995	$ 1,026,533
Restricted cash	349,434	8,857,966
Total cash, cash equivalents, and restricted cash	**$1,426,429**	**$ 9,884,499**

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.

Recent Accounting Standards Not Adopted
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.

On December 18, 2019, the FASB issued Accounting Standards Update 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes (the ASU), as part as part of its overall simplification initiative to reduce costs and complexity of applying accounting standards while maintaining or improving the usefulness of the information provided to users of financial statements. The FASB's amendments primarily impact ASC 740, Income Taxes, and may impact both interim and annual reporting periods. The Company is currently evaluating the effect that the adoption of ASU 2019-12 will have on its consolidated financial statement.

4. Acquisitions and Dispositions

2019 Acquisition of Zonepark Rilland.
On December 20, 2019, AEN 01 BV ("Buyer"), a Netherlands company and a wholly-owned subsidiary of Alternus Energy Inc. ("ALTN"), completed the acquisition of an 11.75 MW ground-mounted solar photovoltaic (PV) power plant in Rilland, the Netherlands (the "Project") from Coöperatie Unisun Energy U.A., a Netherlands corporation ("Seller") for $11.7 million plus a working capital adjustment ("Purchase Price"). The Purchase Price includes the assumption of a third-party senior bank debt facility in the amount $8.3 million, that amortizes equally over the next 14 years. We also acquired the various offtake and operations contracts for the solar plant. In addition to the Purchase Price, the Seller will be entitled to receive additional consideration from ALTN of up to a maximum $560,000 in the form of an earn-out payment based on net cash proceeds to equity received over and above a set annual power output of 10,865 MwH. (See Note 7 for details on the debt associated with the acquisition).

The Project has been operational since January 2019 and enjoys a 15-year government counterparty 'Feed-in-Tariff' ("FiT") contract at fixed sales prices, in addition to a Power Purchase Agreement ("PPA") with a local energy operator. The combined contracts provide long-term predictable positive cash flows to Alternus. Based on current energy production Rilland is expected to add approximately $1.3 million in annual revenues for at least 15 years at average 75% gross margins to Alternus.

The Buyer funded $2.1 million of the Purchase Price through the issuance of a $2.4 million issued to an accredited investor, bearing interest at 8%, amortizing over 8 years and secured by collateral, including the shares of the Buyer. ALTN incurred approximately $0.6 million in transaction fees related to the acquisition, some of which were paid from the proceeds of the Bond Subscription Agreement.

Additionally, the Seller issued a $1.9 million loan to ALTN which is due by January 31, 2020 (the "Loan"), pursuant to a Loan Agreement by and among the Seller, the Buyer and ALTN. If ALTN does not repay the Loan by February 1, 2020, the investor has the right under the Call Option Agreement to require ALTN to sell the shares of Buyer to the investor in exchange for the total amount of the Loan (See note 12-subsequent events) .

Cost of Acquisition	
Acquisition price	$11,651,997
Net working capital acquired	419,011
Total Acquisition Cost	**12,071,008**

Fair Value of Assets Acquired	
Present value of the future cash flows	9,853,884
Net working capital acquired	419,011
	10,272,895
Goodwill	**$ 1,798,113**

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 $9.9 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 manufacture of product for the solar industry and not an operator. Part of their strategy to increase product sales is to develop and construct solar projects. The seller is not a long-term operator like Alternus, so their strategy is to not keep operating assets on their books for the long-term. Also, because of the small size of the operating assets we purchased and the fact that they were spread out across Italy made it more difficult for Risen to manage the assets since they are not an operator. This led to their willingness to sale the assets at a market discount. Subsequent to the acquisition of Risen facility, Alternus Energy signed a letter of intent with Risen to purchase an additional 10MWs of similar solar Projects at a price of 18.5M (euros). The price per MW was 1.85M (Euros) for an uninstalled asset as compared to the 1.35M (euros) they sold the operating asset for. This further supports that the Company position that Risen was a motivated seller and did not want to be an operator. Further, at the time of sale, Alternus has no side agreement or other commitment to purchase any assets from Risen.

	Total
Cost of acquisitions	
Cash paid for assets	$6,131,004
Total acquisition cost	**$6,131,004**
Fair value of assets acquired	
Investment in energy property	9,939,414
Net working capital acquired	384,397
Asset retirement liability	(65,114)
	$10,258,697
Gain on bargain purchase	**$4,127,693**

2018 Acquisition of PSM 20 GmbH & Co KG:
On June 7, 2018, ALTN entered into a Purchase and Transfer Agreement, to acquire PSM 20 GmbH & Co KG (“PSM”),$115 in cash paid and the deposit of approximately $1.3M in cash deposited into an escrow account pursuant to an Escrow Agreement by and among the Company, as part of the above transaction, the Seller is constructing 7 photovoltaic installations with a total of 3,084 KW of power.

2018 Acquisition of GRK 17.2 GmbH & Co KG:
On November 20, 2018, Alternate Energy’s wholly owned German subsidiary, PCG_HoldCo UG (“PCG”) entered into a Purchase and Transfer Agreement (pursuant to which PCG purchased one hundred percent (100%) of GRK 17.2’s entire share capital in exchange for $115 in cash paid at Closing and the deposit of approximately $419,408 in cash deposited into GRK 17.2.As part of the above transaction, the Seller is constructing 7 photovoltaic installations s in Germany with a total of 2,521KW of power.

2018 Acquisition of PSM 40 GmbH & Co KG:
On or about December 28, 2018, Alternate Energy’s wholly owned German subsidiary, PCG_HoldCo UG (“PCG”) entered into a Purchase and Transfer Agreement pursuant to which PCG purchased 100% of the share capital of PSM 40 in exchange for i) $115.00 in cash paid at Closing and ii) $570,000 in cash, a portion of which, $427,500, was immediately paid and the remaining $142,500 will be disbursed when certain conditions being met related to Grid Connection. As part of the above transaction, the Seller is constructing 6 photovoltaic installations in Germany with a total of 2,645kW of power.

2018 Acquisition of GRT 1.1 GmbH:
On or about December 21, 2018 , PCG_HoldCo UG (“PCG”), a wholly owned German subsidiary of ALTN entered into a Share Purchase and Assignment Agreement for the purchase of 100% of the share capital of GRT 1.1 GmbH (“GRT 1.1”) in exchange for i) $26,434 in cash paid at Closing, ii) the repayment of a third party cash advance in the amount of $160,845, iii) full settlement of third party liabilities in the amount of $43,046, and iv) the assumption of a senior bank loan in the amount of $876,005. As part of the above transaction, the Seller is constructing 5 photovoltaic installations in Germany with a total of 2,100 KW of power.

2018 Acquisition of Liquid Sun S.R.L.
On December 18, 2018, PC_Italia_02 S.R.l., a wholly owned subsidiary of Power Clouds Europe BV (“PC Europe”), ALTN’s Netherlands’ subsidiary, closed the acquisition of certain assets, agreements and liabilities of Liquid Sun Srl, an Italian company, related to three photovoltaic installations located on three power plants with a total of 2,244.37 KW of power located in the Budrio and Anagni regions of Italy in exchange for approximately $4.3M, plus working capital, and transaction costs, commissions and required Italian taxes.

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.

Acquisition Cost	
Cash paid for assets	$ 4,177,206
Taxes paid at closing	131,394
Total acquisition cost	**4,308,600**

Fair value of assets acquired	
NPV of discounted cash flow	5,790,731
Net working capital acquired	148,685
Less asset retirement obligation	(57,013)
Net fair value of assets acquired	**$ 5,882,403**
Gain on bargain purchase	**$ 1,573,803**

2018 Disposition of Tre Valli Energia S.R.L

On September 30, 2018, PC Italia 01 S.R.L. sold 100% of the share capital of Tre Valli Energia S.R.L. The net aggregate consideration received in exchange for the sale was $3,760,155.

Proceeds from sale	$ 3,760,155
Net carrying cost of asset at time of sale	(4,688,212)
Net working capital adjustment	246,636
Loss on sale of asset and related operating companies	**$ (681,421)**

Proforma Results

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

	2019	**2018**
Revenues, net	$ 4,347,671	$4,011,556
Net (loss)	$(6,544,295)	$(3,208,498))
Net (loss) per share	$(0.07)	$(0.04)
Basic weighted average number of shares outstanding	97,969,579	71,600,361

5. Investment in Energy Property and Equipment, Net

As of December 31, 2019, the Company had $33,459,478 of net investment in energy property, as outlined in the table below.

	December 31, 2019	**December 31, 2018**
Solar energy facilities operating	$ 36,123,412	$ 16,278,252
Less accumulated depreciation and amortization	(2,663,934)	(1,538,485)
Net Assets	**$ 33,459,478**	**$ 14,739,767**

The estimated useful life remaining on the investment in energy property and intangible asset is between 14 and 20 years.

Depreciation and amortization expense for the nine months ended December 31, 2019 and 2018, was $1,193,107 and $699,573, respectively.

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

	December 31, 2019	**December 31, 2018**
Capitalized costs relating to PV plants	$ 2,311,255	$ 2,358,588
Less accumulated amortization	(321,821)	(208,989)
Net Assets	**$ 1,989,434**	**$ 2,149,599**

6. Capital Leases

We have acquired equipment through a capital lease obligations for the Sant'Angelo park in Italy. As of December 31, 2019, there was $1,011,734 remaining on the lease of which $87,785, net of interest, 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:

2020	140,009
2021	140,009
2022	140,009
2023	140,009
2024	140,009
Thereafter	606,704
	1,306,749
Less Interest Expense	(295,015)
	$ 1,011,734

7. Convertible and Unconvertible Promissory Notes

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

	December 31, 2019	**December 31, 2018**
Short term line of credit	$ 35,120	$ 73,560
Promissory notes related parties	48,821	207,753
Convertible notes related parties	291,540	284,000
Senior secured debt	19,575,794	10,192,603
Promissory notes	15,478,536	13,278,803
Convertible promissory notes	2,169,401	1,097,289
Gross debt	37,599,212	25,134,007
Debt discount	(784,130)	(303,563)
Net debt	36,815,082	24,830,444
Less current maturities	(22,705,665)	(14,510,204)
Long Term Debt, net of current maturities	**$ 14, 109,418**	**$ 10,320,240**

	2020	**2021**	**2022**	**2023**	**2024**	**Thereafter**
Gross debt	$23,129,751	$1,102,888	$1,108,229	$1,113,219	$1,118,312	$10,026,813
Debt discount	(424,084)	(360,046)				
Net debt	**$22,705,667**	**$742,842**	**$1,108,229**	**$1,113,219**	**$1,118,312**	**10,026,813**

Line of Credit:
In 2016, Power Clouds S.R.L entered into a 300,000 RON ($77,000) line of credit with OTP Bank. The credit line is a revolving credit facility available for the payment of trade payables up to the agreed limit. The initial term is twelve months which was renewed by agreement of both parties. Drawn funds accrue interest annually at a rate of ROBOR 3M + 3.3%, which was 6.64% as of December 31, 2019 and 6.6% as of December 31, 2018. The Company had used $35,120 and $73,560 of the facility as of December 31, 2019 and 2018.

Related Party Promissory Notes:
As of December 31, 2019 and 2018, there was an advance from PCH of $48,821 and $207,753 which is short term in nature and non-interest bearing.

Related Party Convertible 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, 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 $291,540, 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 Class A common stock, exercisable at $0.25 per share or through its cashless exercise provision and having a 4 year term. As at December 31, 2018, $284,000 was past due under loan notes issued to the CEO, VestCo Corp, and therefore classified as current.

Senior secured debt:
In 2016, the Company guaranteed a 6.5 million RON (equivalent to approximately US$1,592,500) promissory note issued by one of its subsidiaries, Power Clouds S.R.L., a Romanian company ("Power Clouds Romania") to OTP Bank in Romania, which is secured in first position against the Romanian solar parks and customer contracts held by Power Clouds Romania, accruing interest annually at a rate of ROBOR 3M + 3.3% and having a term of 60 months. The Company had principal outstanding of $423,783 and $698,820 as of December 31, 2019 and 2018. The net book value of the collateralized asset was $2,766,577 and $3,055,976 as of December 31, 2019 and 2018.

In October of 2018, in order to complete additional solar park acquisitions in Germany, the Company entered into the following agreements with a third party accredited investor (the "Lender"), in connection with the Company's German subsidiary, PCG_HoldCo UG (PCG) with an interest rate of 12% and a term of 2 years. The Company had principal outstanding of $3,585,366 and $3,644,585 as of December 31, 2019 and 2018.

In December of 2018, PSM 20 GmbH & Co KG entered into a senior secured loan with Sparkase Bank in Germany. This relates to the acquisition of 7 photovoltaic installations as part of the PSM 20 GmbH & Co KG acquisition with an interest rate of 2.10% and a term of 18 years. The Company had principal outstanding of $2,251,298 and $2,587,081 as of December 31, 2019 and 2018. The net book value of the collateralized asset was $2,775,033 and $2,763,652 as of December 31, 2019 and 2018.

In April of 2018, PSM 40 GmbH & Co KG entered into a senior secured loan with GLS Bank in Germany. This relates to the acquisition of 6 photovoltaic installations as part of the PSM 40 GmbH & Co KG acquisition with an interest rate of 2.0% and a term of 18 years. The Company had principal outstanding of $2,515,866 and $2,2,529,212 as of December 31, 2019 and 2018. The net book value of the collateralized asset was $3,069,655 and $3,191,370 as of December 31, 2019 and 2018.

In October of 2018, GRT 1.1 GmbH entered into a senior secured loan with MVB Bank in Germany. This relates to the acquisition of 1 photovoltaic installations as part of the GRT GmbH acquisition, with an interest rate of 2.05% and a term of 19 years. The Company had principal outstanding of $671,446 and $718,683as of December 31, 2019 and 2018. The net book value of the collateralized asset was $820,857 and $881,724 as of December 31, 2019 and 2018.

In December of 2019, as part of the acquisition of Zonnepark Rilland BV we assumed a third-party senior bank debt facility in the amount of approximately $7.7 million, with an interest rate of 1.7% and a term of 14 years. The Company had principal outstanding of $7,366,816 as of December 31, 2019, which was net of the required debt service reserve fund and maintenance reserve fund. The net book value of the collateralized asset was $9,958,300 as of December 31, 2019.

In December of 2019, as part of the acquisition of Zonnepark Rilland BV we entered into a $2.4 million bond offering issued by an accredited investor, bearing interest at 8%, amortizing over 8 years. The Company had principal outstanding of $2,411,167 as of December 31, 2019.

Promissory Notes:
In December of 2018, in order to complete additional solar park acquisitions in Italy, the Company entered into the following agreements with a third party accredited investor (the "Lender"), in connection with the Company's German subsidiary, PCG_HoldCo UG (PCG) issuing a loan note, with an interest rate of 12% and a term of 6 months. The Company had principal outstanding of $504,667 and $4,421,147 as of December 31, 2019 and 2018.

In December of 2018, in order to complete additional solar park acquisitions in Italy, the Company entered into the following agreements with a third party accredited investor (the "Lender"), in connection with the Company's Netherlands subsidiary, Power Clouds Europe B.V. (PCE) issuing a loan note, with an interest rate of 12% and a term of 6 months. The Company had principal outstanding of $8,857,656 as of December 31, 2018 and the loan was repaid in 2019.

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, with an interest rate of 12% and a term of twelve months. The proceeds of which were used to pay down existing senior secured debt. The Company had principal outstanding of $3,398,063 as of December 31, 2019.

In June of 2019, 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, with an interest rate of 7.5% until October of 2019 and then 10% thereafter and a term of ten months. The proceeds of which were used to pay down existing senior secured debt. The Company had principal outstanding of $9,676,069 as of December 31, 2019. The loan maturity date was extended until May 31, 2020.

In December of 2019, as part of the acquisition of Zonnepark Rilland BV, we issued a $1.9 million loan to the Seller which is due January 31, 2020, with no interest rate. The Company had principal outstanding of $1,895,137 as of December 31, 2019 (see note 12 subsequent events).

On September 30, 2015, as part of the transaction with World Global Assets Pte. Ltd. (WGA), in conjunction with the spin out of WRMT, $492,000 was assigned to various third parties, is not convertible, with interest of 7.5% and a maturity date of December 31, 2020. The Company had principal outstanding of $509,267 as of December 31, 2019 and December 31, 2018, which was included in convertible promissory notes in the above table.

Convertible Promissory Notes:
On September 30, 2015, the Company issued a convertible loan note for $1,000,000 to World Global Assets Pte. Ltd. (WGA), in conjunction with the spin out of WRMT. The note had a three-year term, accrued no interest, and was convertible at a fixed price of $0.20 per share, subject to certain triggers and restrictions. In 2016 a portion of the convertible loan note of approximately $300,000 was assigned to various third parties and is now convertible at market price, with a floor price of $0.20 per share. The Company had principal outstanding of $244,800 and $244,800 as of December 31, 2019 and 2018.

In July of 2018, the Company issued a convertible promissory note to a third party foreign investor in exchange for a cash provided to the Company for working capital purposes. The note accrues 15% annual interest and is convertible into shares of restricted common stock at $0.20 per share, at the noteholder's option, and is repayable on January 30, 2020. As the conversion price was above the market price at the time of at the time of issuance of the note no beneficial costs were recorded. The Company had principal outstanding of $304,294 and $251,666 as of December 31, 2019 and 2018.

In July of 2018, the Company issued a €80,000 convertible promissory note to a third party foreign consultant in exchange for sales commissions owed. The note accrues 15% annual interest and is convertible into shares of restricted common stock at $0.20 per share, at the noteholder's option, and is repayable on January 30, 2020. As the conversion price was above the market price at the time of at the time of issuance of the note no beneficial costs were recorded. The Company had principal outstanding of $89,718 and $91,555 as of December 31, 2019 and 2018.

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 Class A 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. The Company recorded a debt discount of $123,805 related to the warrants issued for both the February 2019, related party note and convertible promissory note. The Company had principal outstanding of $294,118 as of December 31, 2019.

In May of 2019, the Corporation entered into Securities Purchase Agreements with 4 accredited investors (the "Lenders"), in connection with an investment of up to a total amount of $150,000, 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 Class A 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 $36,000 for the warrant cost allocated to debt discount and $110,118 for the beneficial conversion cost related to the convertible debt. The Company had principal outstanding of $176,471 as of December 31, 2019.

In 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. The Company had principal outstanding of $500,000 as of December 31, 2019.

In November of 2019, the Company issued two convertible promissory notes to two accredited investors in the amount of $280,000 each, convertible at 70% of the lowest trading price of the Company's Common Stock for the last 15 trading days prior to conversion, and accruing 12% interest per annum and each having a $25,000 original issue discount, with a maturity date of November 21, 2020. As part of the consideration for this investment, the Company issued 145,000 shares of restricted Class A common stock to each of the investors, as well as 725,000 shares of restricted Class A common stock to each investor that shall be returned to the Company provided that the Company repays the Notes in full by May of 2020. The Company had principal outstanding of $560,000 as of December 31, 2019.

8. Commitments and Contingencies

Litigation
The Company is not currently involved in or aware of any litigation that could result in a material 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, litigation claim 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 estimated payments is $55,038 per annum, to be paid quarterly. Also the Company paid a six month security deposit in the sum of $36,820.

As part of the Rilland acquisition, the company acquired a twenty-five year lease. The annual lease payment is $139,923 for the first fifteen years and $55,969 for years sixteen through twenty five.

The Company's Romanian operations lease the land for the solar park. The combined estimated annual cost of $16,331 for 2020 and $16,283 thereafter. The leases commenced in 2012 and run for 20 years.

	Total Lease Expense
2020	$ 211,291
2021	211,291
2022	211,291
2023	211,291
2024	211,291
Thereafter	2,309,328
	$ 3,365,591

9. Shareholder's Equity

Common Stock Issuances:
For the year ended December 31, 2019, 5,855,000 shares of common stock were issued to consultants for services rendered, 600,876 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 equal to $1,513,214.

During the twelve months ended December 31, 2018, the Company issued a total of 9,250,000 shares of restricted Class A common stock in exchange for services rendered. The value was based on the stock price of the various dates of issuance equal to $516,500.

Common to Common Class B Stock Exchange
On October 9, 2019 a Stock Exchange Agreement was entered into by and among Company and VestCo Corp. ("VestCo"), a company owned and controlled by Vincent Browne, our Chairman and CEO, whereby VestCo returned 15,000,000 shares of ALTN common stock, which were cancelled and returned to the total authorized but unissued shares of Class A common stock of the Company, in exchange for 15,000,000 shares of Class B Common Stock of the Company. The rights of the holders of Class A Common Stock and Class B Common Stock shall be identical other than voting rights; the holder of each share of Class B Common Stock shall be entitled to five votes for each such share (see note 12-subsequent events)

Preferred Stock Issuance:
On August 19, 2019 a Stock Exchange Agreement was entered into by and among Alternus Energy Inc. (the "Company") and its majority shareholder, Growthcap Investments Inc. ("GII") whereby GII returned 50,000,000 shares of ALTN Class A common stock, which were cancelled and returned to the total authorized but unissued shares of common stock of the Company, in exchange for 5,000,000 shares of Series E Convertible Preferred Stock of the Company. The shareholder has the right to convert at his discretion. The Series E Convertible Preferred, with respect to dividends, rank pari passu with the Common Stock, and with respect to distributions upon liquidation, dissolution or winding up of the Company, rank senior to the Common Stock and junior to any other series of Preferred Stock. The fair value attributed to the liquidation preference was not deemed material and was limited to the stated value of the preferred stock.

Preferred Stock Conversion:
On November 27, 2018 the 30,000,000 shares of Series D Convertible Preferred Stock held by Power Clouds Holdings Pte. Ltd. automatically converted into 30,000,000 shares of restricted Class A common stock due to the increase in total authorized common shares to 450,000,000.

Stock Incentive Plan:
In June, 2019, the Board of Directors 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 December 31, 2019 no awards have been granted.

Warrants:
As of December 31, 2019, warrants to purchase up to 13,053,235 shares of restricted Class A common stock were issued and outstanding. For the year end December 31, 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 150,000 warrants exercisable at $.30 per share having a 3 year term from the date of issuance. These warrants related to financing activities and were recorded as a debt discount using the relative fair value method. We valued the debt discount using the Black Shoals method. We calculated the stock price as of the data of revaluation, with a remaining term of the warrants of 3 and 4 years. The volatility was calculated at 3.2 using the historical stock price and share volume of the company. We used 1.9% as the risk free rate, based on the Treasure rates for the similar period.

During December 31, 2018, warrants to purchase up to 11,646,213 shares of restricted common stock were issued and outstanding. The Company issued 1,687,500 warrants exercisable at $0.20 per share and having a 5 year term from the date of issuance, which was related to a short term bridge facility and was recorded as a debt discount in the current year. The Company also issued 4,659,328 warrants exercisable at $.122 and having a 3 year term from the date of issuance, which was related to a short term loan facility and was recorded as a debt discount in the current year The Company also issued 5,299,385 warrants exercisable at a floor of $.122 and having a 3 year term from the date of issuance, which was related to two year loan facility. The value of the warrant is based on 80% of the last 10 days trading six months after the warrants were issued, which as of December 31, 2018 was unknow and therefor created the warrant liability. For these warrants, the Company recorded a derivative liability and debt discount of $338,861. In 2018, the Company recorded amortization expense totaling $707,603 related to the aforementioned warrants.

	December 31, 2019			December 31, 2018		
	Warrants	Weighted Average Exercise Price		Warrants	Weighted Average Exercise Price	
Balance - beginning of the year	12,286,213	$	0.13	1,240,000	$	0.20
Expired during the year	(640,000)		0.20	(600,000)	$	.20
Granted during the year	1,407,022		0.26	11,646,213		0.13
Balance - end of year	13,053,235	$	0.15	12,286,213	$	0.13
Exercisable - end of year	13,053,235	$	0.15	12,286,213	$	0.13

10. Related Party Transactions

In October of 2018, the Company entered into a settlement agreement with the CTO and Telenergia Europe S.r.l., (TES) a company controlled by the CTO the Company agreed to pay $100,000 to TES in settlement of all amounts due and owed to the CTO and TES and the gain on the settlement was not material.

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 years ended 2019 and 2018 respectively. As of June 28, 2019, this agreement was terminated.

11. 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	**2019**	**2018**
Italy	$ 1,533,298	$ 829,794
Romania	932,382	1,763,170
Germany	106,734	-
Netherlands	13,154	-
Total	**$ 2,585,568**	**$ 2,592,964**

Cost of Revenues		
Italy	$ 206,149	$ 132,776
Romania	490,001	1,145,838
Germany	41,947	-
Netherlands	-	-
Total	**$ 738,097**	**$ 1,278,614**

Gross Profit		
Italy	$ 1,327,149	$ 697,018
Romania	442,381	617,332
Germany	64,787	-
Netherlands	13,154	-
Total	**$ 1,847,471**	**$ 1,314,350**

	December 31,	
Investment In Energy Property and Equipment, Net	**2019**	**2018**
Romania	$ 4,772,109	$ 5,272,802
Italy	17,067,553	8,048,477
Germany	1,661,516	-
Netherlands	9,958,300	1,418,488
	$33,459,478	**$14,739,767**

12. Subsequent Events

In accordance with ASC 855, Subsequent Events, we have evaluated subsequent events through the date of issuance of these financial statements.

In January 2020, the Company entered into a Securities Purchase Agreement with another accredited investor (the "Lender"), in connection with an investment of $250,000, and pursuant to which the Company 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 $0.20 per share.

In January of 2020, ALTN HoldCo UG entered into a construction financing loan of $3.9 million with MVB Bank in Germany. This relates to the construction of 6 photovoltaic installations in Germany with an interest rate of 1.74% and a term of one year.

In February of 2020, the Corporation entered into a Securities Purchase Agreement with another accredited investor (the "Lender"), in connection with an investment of $105,000, and pursuant to which the Company issued a promissory note convertible at 65% of the lowest trading price of the Company's Class A Common Stock for the last 15 trading days prior to conversion, and accruing 10% interest per annum, with a maturity date of February 10, 2021.

In the first quarter of 2020, the Corporation issued 135,368 shares of Class A common stock as fees related to third party investment, and 33,250 shares of restricted Class A common stock were issued to a consultant for services rendered. The total value was based on the closing stock price of our common stock on the various dates of issuance, and equal to $29,150.

On March 20, 2020, the Company received a notice of conversion from Growthcap Investments Inc. ("GII") to convert the entirety of its shares of Series E Convertible Preferred Stock, with a stated value of $0.001 per share, into an aggregate of 50,000,000 shares of the Company's Class A Common Stock (the "Conversion"). On March 20, 2020, the Company effected the Conversion and issued to GII an aggregate of 50,000,000 shares of Class A Common Stock.

On March 24, 2020 the Company and Ultramar Energy Ltd., a foreign institutional accredited investor (the "Investor"), entered into a $3.0 million securities purchase agreement (the "Securities Purchase Agreement") pursuant to which the Company will sell and issue to the Investor an aggregate of 30,000,000 shares of the Company's Class A Common Stock, par value $0.001 per share, at a price of $0.10 per share (the "Private Placement"). Pursuant to the Securities Purchase Agreement, the Company will also issue to the Investor a one-year warrant ("Class A Warrant") to purchase up to 12,000,000 shares of the Class A Common Stock. Class A Warrant will have an exercise price equal to $0.125, subject to the additional terms of Class A Warrant. However, as of the date of this filing, the proceeds have not been received from Ultramar Energy Ltd. and there is no guarantee that the Company will ever receive the proceeds.

On April 7, 2020 the Company entered into a Settlement Agreement with Unisun whereby the Company agreed to pay Unisun $2,000,000 as full settlement for all the outstanding amounts owed under the loan from Unisun and related to the acquisition of Zonnepark Rilland, other than the potential earn out as described in Note 4. On April 16, 2020, the Company received a Notice of Default from Unisun regarding the Settlement Agreement, and on April 23, 2020 Unisun terminated the Settlement Agreement due to nonpayment.

The recent outbreak of the corona virus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the corona virus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which the corona virus may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in the United States and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time.