Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

ALTERNUS ENERGY INC.

A Nevada Corporation
One World Trade Center, Suite 8500, New York, NY 10007
212-220-7434
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info@alternusenergy.com
4911

Quarterly Report
For the Period Ending: March 31, 2020
(the "Reporting Period")

As of March 31, 2020, the number of shares outstanding of our Common Stock was:

118,351,219 Class A Common and 15,000,000 Class B Common

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

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: March 31, 2020
Total shares outstanding:	119,801,219	as of date: March 31, 2020
Number of shares in the Public Float[2]:	4,875,365	as of date: March 31, 2020
Total number of shareholders of record:	128	as of date: March 31, 2020

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: March 31, 2020
Total shares outstanding:	15,000,000	as of date: March 31, 2020
Exact title and class of securities outstanding:	Preferred Stock	
Par or stated value:	$0.001	
Total shares authorized:	0	as of date: March 31, 2020
Total shares outstanding:	0	as of date: March 31, 2020

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	Business Development 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: 118,351,219 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	7,733	8,700	675	12/31/20	$0.20 / share	Yolande Cretton Volahalaina	Settlement for Investment
7/31/18	297,996	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	19,967	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	500,000	500,000	20,054	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	280,000	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	280,000	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	250,000	250,000	5,096	1/29/22	0.20 / share	Carsten Hagen	Loan

2/10/20	105,000	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	16.4MW	24.3MW
Germany	1.4 MW	7.2MW	8.6MW
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 European operations center located at Suite 11, Plaza 212, Blanchardstown Corporate Park 2, Dublin 15, D15 PK64, Ireland.

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

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

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

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

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

The Company's Netherlands subsidiary leases office space on a month-to-month basis; its office space is located at Schipol, Amsterdam. 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 42A, Ap4, Rm2 Bucharest, Romania	21,701,784	Common Class A	16.1%	Roberto Forlani
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 quarterly disclosure statement of Alternus Energy Inc.;

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

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

July 1, 2020

/s/ Vincent Browne

Principal Financial Officer:

I, Joseph E. Duey certify that:

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

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

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

July 1, 2020

/s/ Joseph E. Duey

ALTERNUS ENERGY INC.
AND SUBSIDIARIES

FINANCIAL STATEMENTS

AS OF AND FOR THE THREE MONTHS ENDED
MARCH 31, 2020 AND 2019

ALTERNUS ENERGY INC. AND SUBSIDIARIES

Index to the Unaudited Condensed Consolidated Financial Statements

ALTERNUS ENERGY INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2020 AND DECEMBER 31, 2019

	March 31, 2020	December 31, 2019
ASSETS		
Current Assets		
Cash and cash equivalents	$ 765,679	$ 1,076,995
Accounts receivable	88,502	210,032
Other receivable, sale of asset	29,937	383,819
Prepaid expenses and other current assets, short-term portion	535.102	502,054
Taxes recoverable	528,466	610.919
Total Current Assets	**1,947,685**	**2,783,819**
Investment in Energy Property and Equipment, Net	32,362,386	33,459,478
Construction in Process	7,580,763	7,270,194
Prepaid expenses and other current assets, long-term portion	317,931	396,639
Goodwill	1,438,013	1,353,998
Restricted cash	342,729	349,434
Total Assets	**$ 43,989,507**	**$ 45,613,562**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	$ 3,950,126	$ 3,700,796
Convertible and non-convertible promissory notes, current portion	23,107,839	22,705,665
Capital lease, current portion	86,101	87,785
Taxes payable	69,911	61,575
Total Current Liabilities	**27,213,977**	**26,555,821**
Convertible and non-convertible promissory notes, net of current portion	13,638,090	14,109,417
Capital lease, net of current portion	885,085	923,948
Asset retirement obligation	144,965	146,215
Total Liabilities	**41,876,997**	**41,735,401**
Commitments and Contingencies		
Shareholders' equity		
Preferred Shares, $0.001 par value; 50,000,000 shares authorized, 0 and 5,000,000 issued and outstanding as of March 31, 2020 and December 31, 2019	-	5,000
Common stock, $0.001 par value; 450,000,000 shares authorized, 118,351,219 and 68,182,602 shares issued and outstanding as of March 31, 2020 and December 31, 2019 respectively.	118,352	68,183
Common stock, $0.001 par value; 15,000,000 shares of Class B stock authorized, issued and outstanding as of March 31, 2020 and December 31, 2019 respectively	15,000	15,000
Additional paid in capital	15,426,099	15,442,118
Other comprehensive loss	(772,877)	(642,682)
Accumulated deficit	(12,679,182)	(11,009,458)
Total Shareholders' Equity	**2,107,392**	**3,878,161**
Total Liabilities and Shareholders' Equity	**$ 43,989,509**	**$ 45,613,652**

See accompanying notes to the unaudited condensed consolidated financial statements

ALTERNUS ENERGY INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019

	March 31, 2020	**March 31, 2019**
Revenues	$ 697,703	$ 370,131
Cost of revenues	(326,973)	(157,008)
Gross Profit	**370,730**	**213,123**
Operating Expenses		
Selling, general and administrative	868,866	542,557
Depreciation and amortization	509,332	167,471
Total Operating Expenses	1,378,198	710,028
Loss from Operations	**(1,007,468)**	**(496,905)**
Other Expense		
Interest expense	(664,641)	(887,374)
Total other expense	(664,641)	(887,374)
Loss before provision for income taxes	**(1,672,109)**	**(1,384,279)**
Provision for income taxes	**-**	**-**
Net Loss	**$ (1,672,109)**	**$ (1,384,279)**
Basic and diluted loss per share	($0.02)	($0.01)
Weighted average shares outstanding:		
Basic and diluted	**71,679,845**	**114,384,791**
Comprehensive loss:		
Net loss	(1,672,109)	(1,384,279)
Current translation adjustment unrealized loss	(130,263)	(317,664)
Comprehensive loss	**$ (1,802,372)**	**$ (1,701,943)**

See accompanying notes to the unaudited condensed consolidated financial statements

ALTERNUS ENEGY INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF MARCH 31, 2020 AND 2019

	Preferred Shares		Class A Common stock		Class B Common stock		Paid-In	Comprehensive	Accumulated	
	Series D	Amount	Shares	Amount	Shares	Amount	Capital	Income/(Loss)	(Deficit)	Total
Balance at January 1, 2019	**-**	**$ -**	**110,726,726**	**$ 110,727**	**-**	**$ -**	**$ 13,164,601**	**$ (260,424)**	**$ (7,980,540)**	**$ 5,034,364**
Stock Compensation	-	-	21,915,876	21,916	-	-	1,395,948	-	-	1,417,864
Amortization of debt discount	-	-	-	-	-	-	123,804	-	-	123,804
Unrealized loss on currency translation adjustment	-	-	-	-	-	-	-	(317,644)	-	(317,644)
Net Loss	-	-	-	-	-	-	-	-	(1,384,279)	(1,384,279)
Balance at March 31, 2019	**-**	**$ -**	**132,642,602**	**$ 132,643**	**-**	**$ -**	**$ 14,684,353**	**$ (578,068)**	**$ (9,364,819)**	**$ 4,874,109**

	Preferred Shares		Class A Common stock		Class B Common stock		Paid-In	Comprehensive	Accumulated	
	Series D	Amount	Shares	Amount	Shares	Amount	Capital	Income/(Loss)	(Deficit)	Total
Balance at January 1, 2020	**5,000,000**	**$ 5,000**	**68,182,601**	**$ 68,183**	**15,000,000**	**$ 15,000**	**$ 15,442,118**	**$ (642,614)**	**$ (11,009,458)**	**$ 3,878,229**
Conversion of preferred shares to Class A common shares	(5,000,000)	(5,000)	50,000,000	50,000	-	-	(45,000)	-	-	-
Stock Compensation	-	-	168,618	169	-	-	28,981	-	-	29,150
Unrealized loss on currency translation adjustment	-	-	-	-	-	-	-	(130,263)	-	(130,263)
Net Loss	-	-	-	-	-	-	-	-	(1,669,724)	(1,669,724)
Balance at March 31, 2020	**-**	**$ -**	**118,351,219**	**$ 118,352**	**15,000,000**	**$ 15,000**	**$ 15,426,099**	**$ (772,877)**	**$ (12,679,182)**	**$ 2,107,392**

See accompanying notes to the unaudited condensed consolidated financial statements

ALTERNUS ENERGY INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 and 2019

	March 31, 2020	March 31, 2019
Cash Flows from Operating Activities:		
Net loss	**$ (1,672,109)**	**$ (1,384,279)**
Adjustments to reconcile net loss to net cash used in operations		
Depreciation and amortization	509,332	167,470
Stock compensation costs	29,150	161,686
Amortization of debt discount	-	77,415
Changes in assets and liabilities, net of acquisition and disposals:		
Accounts receivable and other short-term receivables	536,017	(20,635)
Accounts payable & accrued liabilities	240,266	674,486
Energy incentives earned, not yet received	-	(52,675)
Vendor deposits & prepayments	40,777	243,136
Net Cash Used in Operating Activities	**(316,567)**	**(133,396)**
Cash Flows from Investing Activities:		
Cash used for construction in process	(518,107)	(726,267)
Net Cash Used In Investing Activities	**(518,107)**	**(726,267)**
Cash Flows from Financing Activities:		
Proceeds from debt, related parties	-	16,350
Payments of debt principal, related parties	(48,191)	-
Proceeds from debt, senior debt and promissory notes	838,183	826,772
Payments on debt principal, senior debt and promissory notes	(232,822)	(723,575)
Payments on leased assets, principal	(21,190)	-
Net Cash Provided by Financing Activities	**535,980**	**119,547**
Effect of exchange rate on cash	(19,327)	(60,016)
Net increase in cash and cash equivalents	(318,021)	(680,100)
Cash, cash equivalents, and restricted cash beginning of the period	1,426,429	1,026,533
Cash, cash equivalents, and restricted cash end of the period	**$1,108,408**	**$ 346,433**

See accompanying notes to the unaudited condensed consolidated financial statements

ALTERNUS ENERGY INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED SUPPLEMENTAL STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 and 2019

	March 31, 2020	March 31, 2019
Supplemental Cash Flow Disclosure		
Cash paid for interest	$ 142,818	$ 152,929

See accompanying notes to the unaudited condensed consolidated financial statements

1. Organization and Formation

Basis of Presentation

The unaudited condensed consolidated financial statements include the consolidated balance sheet, statements of operations, changes in shareholders' equity and cash flows of the Company and have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) from records maintained by the Company. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to the applicable rules and regulations of the Securities and Exchange Commission regarding interim financial reporting. As such, these unaudited condensed consolidated financial statements should be read in conjunction with the Company's 2019 unaudited annual consolidated financial statements and accompanying notes. The unaudited condensed consolidated financial statements reflect all normal recurring adjustments necessary, in management's opinion, to state fairly the Company's financial position and results of operations for the reported periods. The results of operations for the three months ended March 31, 2020 are not necessarily indicative of the operating results for the full fiscal year for any future period.

Alternus Energy 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 March 31, 2020:

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 unaudited condensed consolidated financial statements as of March 31, 2020 and 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 report.

The accompanying unaudited condensed 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 reflected in the accompanying financial statements, the Company had net loss of ($1,672,109) and a net loss of ($1,384,279) for the period ended March 31, 2020 and 2019, respectively.

The Company had accumulated shareholders' equity of $2,107,392 and $3,878,161 as of March 31, 2020 and December 31, 2019, respectively, and a working capital deficit of $25,266,292 and $23,772,002 as of March 31, 2020 and December 31, 2019, respectively. At March 31, 2020, the Company had $765,679 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 consolidation

The consolidated financial statements as of March 31, 2020 and December 31, 2019 include the accounts of the Company and the aforementioned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The results of subsidiaries acquired or disposed of during the respective periods are included in the unaudited condensed consolidated financial statements from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Use of estimates

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

Revenue Recognition

The Company derives revenues as single unit 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 customers 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.

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 Footnote 3 regarding going concern matters.

Fair Value of Financial Instruments

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

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

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

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable. The Company has level 3 asset and liabilities consisting of asset retirement obligations which are not material

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

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

Income Taxes

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 March 31, 2020 the Company has U.S. federal and state net operating loss carryovers of approximately $4,667,136, which will expire at various dates beginning in 2034 through 2037, if not utilized with exception of loss carryovers generated in 2018. 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 March 31, 2020, the Company has U.S. federal capital loss carryovers of approximately $949,875, 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 March 31, 2020.

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. As of March 31, 2020, the valuation allowance was $1,887,344.

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.

Stock-Based Compensation

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

Net income (loss) per common share

Net income (loss) per common share is computed pursuant to section 260 of the FASB Accounting Standards Codification. Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock and potentially outstanding shares of common stock during the period to reflect the potential dilution that could occur from common shares issuable through contingent shares issuance arrangement, stock options or warrants. As of March 31, 2020, the Company had 13,543,235 common shares underlying warrants, and 10,137,054 common shares underlying convertible notes associated with debt issuance. As of March 31, 2019, the Company had 13,543,235 common shares underlying warrants, and 1,218,681 common shares underlying convertible notes associated with debt issuance. For both 2020 and 2019, the potentially dilutive shares were excluded since 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 an immaterial net foreign exchange loss for the period ended March 31, 2020 and 2019, 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 March 31, 2020 and 2019, the increase in accumulated comprehensive loss was $130,263 and $317,664, respectively.

Preferred Stock

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

Subsequent Events

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

Recent Accounting Standards

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 March 31, 2020 and December 31, 2019 was related to debt service reserve and maintenance reserves required by third party senior lender. 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:

	March 31, 2020	December 31, 2019
Cash and cash equivalents	$ 765,679,	$ 1,076,995
Restricted cash	_ 342,729	349,434
Total cash, cash equivalents, and restricted cash	**$ 1,108,408**	**$ 1,426,429**

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. Investment in Energy Property and Equipment, Net

As of March 31, 2020, the Company had $32,362,386 of net investment in energy property, as outlined in the table below.

	March 31, 2020	December 31, 2019
Solar energy facilities operating	$ 35,440,178	$ 36,123,412
Less accumulated depreciation	(3,076,792)	(2,663,934)
Net Assets	**$ 32,362,386**	**$ 33,459,478**

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

Depreciation expense for the three months ended March 31, 2020 and 2019, was $509,332 and $167,471, respectively

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

	March 31, 2020	December 31, 2019
Finance lease right of use asset	$ 2,251,269	$ 2,311,255
Less accumulated depreciation	(341,965)	(321,821)
Net Assets	**$ 1,909,304**	**$ 1,989,434**

5. Capital Leases

We have acquired equipment through a capital lease obligation for the Sant'Angelo park in Italy. As of March 31, 2020, there was $971,186 remaining on the lease of which $86,101, 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 year 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	102,922
2021	137,322
2022	137,322
2023	137,322
2024	137,322
Thereafter	608,260
	1,260,540
Less Interest Expense	(289,355)
	$ 971,185

6. Convertible and Unconvertible Promissory Notes

The following table reflects the total debt balances of the Company as of March 31, 2020 and December 31, 2019:

	March 31, 2020	**December 31, 2019**
Short term line of credit	$ 34,123	$ 35,120
Promissory notes related parties	-	48,821
Convertible notes related parties	291,540	291,540
Senior secured debt	19,243,800	19,575794
Promissory notes	15,191,303	15,478,536
Convertible promissory notes	2,430,140	2,169,401
Gross debt	37,190,906	37,599,212
Debt discount	(444,977)	(784,130)
Net debt	36,745,929	36,815,082
Less Current Maturities	(23,107,839)	(22,705,665)
Long Term Debt, net of current maturities	**$ 13,638,090**	**$ 14,109,418**

Note principal payments next five years and thereafter:

	2020	**2021**	**2022**	**2023**	**2024**	**Thereafter**	**Total**
Gross debt	$23,409,856	$1,102,888	$1,108,229	$1,113,219	$1,118,312	$9,338,402	$37,190,906
Debt discount	(302,017)	(142,960)	-	-	-	-	(444,977)
Net debt	**$23,107,839**	**$959,928**	**$1,108,229**	**$1,113,219**	**$1,118,312**	**$9,338,402**	**$36,745,929**

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. As of March 31, 2020 there was $483,183 drawn on this loan.

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.

7. 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, 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 are $54,226 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 $137,859 for the first fifteen years and $55,969 for years sixteen through twenty five.

The Company's Romanian operations lease the land for its solar parks. The combined estimated annual cost of $16,042. The leases commenced in 2012 and run for 20 years.

	Total
2020	$ 156,312
2021	208,128
2022	208,128
2023	208,128
2024	208,128
Thereafter	2,275,275
	$ 3,264,099

8. Shareholder's Equity

Common Stock:

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.

Warrants:

As of March 31, 2020, warrants to purchase up to 13,543,235 shares of restricted common stock were issued and outstanding. For the three months ended March 31, 2020, the Company did not issue any warrants.

	March 31, 2020	
	Warrants	Average Exercise Price
Balance - beginning of period	13,543,235	$ 0.15
Exercised during the period	-	-
Granted during the period	-	-
Balance - end of period	13,543,235	$ 0.15
Exercisable - end of period	13,543,235	$ 0.15

10. Geographical Information

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

Revenues	Three Months Ended March, 2020	Three Months Ended March, 2019
Italy	$ 297,665	$ 160,270
Romania	182,665	187,639
Netherlands	197,083	-
Germany	20,290	22,222
Total	**$ 697,703**	**$ 370,131**
Cost of Revenues		
Italy	$ 130,684	$ 13,432
Romania	90,831	143,576
Netherlands	105,359	-
Germany	99	-
Total	**$ 326,973**	**$ 157,008**
Gross Profit		
Italy	$ 166,981	$ 146,838
Romania	91,834	44,063
Netherlands	91,724	
Germany	20,191	22,222
Total	**$ 370,730**	**$ 213,123**

Investment In Energy Property and Equipment, Net	March 31, 2020	December 31, 2019
Romania	$ 4,625,777	$ 4,772,109
Italy	16,489,583	17,067,553
Germany	1,608,323	1,661,516
Netherlands	9,638,703	9,958,300
	$ 32,362,386	**$ 33,459,478**

11. Subsequent Events

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

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.

On May 22, 2020, the Corporation issued 700,000 shares of Class A common stock to two consultants for services rendered. The total value was based on the closing stock price of our common stock on the various dates of issuance, and equals $77,000.

On June 12, 2020, Alternus Energy International Limited (“Alternus” or the “Purchaser”), a wholly owned subsidiary of the Company, and Sycamore Capital (Italy) Limited (the “Seller”) entered into a Share Purchase Agreement (the “SPA”). Pursuant to the terms of the SPA, the Seller agreed to sell to Alternus 100% of the share capital of Solar Sicily S.r.l., an Italian SPV that owns and is acquiring the project rights to develop and construct a 102 MW ground-mounted solar photovoltaic (PV) power plant in Sicily, Italy (the “Project”), in exchange for approximately $15.4 million (€14 million), to be paid on closing.

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.