

Alternus Energy CEO Letter to Shareholders

Dublin/Oslo, February 11 2021

Highlights

- Revenues increased by over 75% from calendar year 2019
- Over 300MW (megawatt) of additional solar PV projects contracted – 10 times the volume owned at end of 2019
- Completed successful placement of EUR 110 million (NOK 1.15 billion) green bonds in December
- New institutional led private placement of EUR 27 million (NOK 260 million) equity completed in December
- 109MW of contracted projects to be completed in Q1 and Q2 2021 from these funds
- On completion annual run-rate revenues expected to increase to circa EUR 22 million from approximately EUR 4 million in 2020
- Continued to grow strategic partnerships resulting in over 1,200MW of current project pipeline
- Delisted from US OTC market and listed on NOTC Oslo market on January 11, 2021

Dear Alternus Energy Shareholder,

Firstly, on behalf of all the team here at Alternus Energy Group, I hope that all our stakeholders and your families are all well and safe. I am sure I don't need to tell you how challenging 2020 has been for many people personally and for businesses across the world.

Despite this turmoil and life interruption, Alternus ended 2020 very successfully, with the closing of EUR 110 million in Green Bonds and an institutional led private placement of EUR 27 million of equity – both arranged by Arctic Securities in Oslo – which closed in late December and settled at the beginning of January. These activities represent significant events for our company that the dedicated team at Alternus has been working towards for the past few years.

The quality of the institutional investors we now have as shareholders coupled with the planned public listing in Norway provides a solid financial platform for us to advance further the opportunity we have created and capture our share of the fast-growing solar market. We now have the capital structure and quality investor base to show the market that we are a strong and reliable partner, which will further advance our ongoing acquisition activities.

The funds raised in the above process will be used to complete the acquisition of 109 MW of operating photovoltaic (PV) solar parks and for general working capital purposes. All of these parks were contracted during 2020, to add to our existing portfolio of 30MW of parks across Europe. We will increase our presence in Italy and Romania, while entering the Polish market as new geography for Alternus in our push to be a pan-European Independent Power Producer (IPP).

In numbers the growth is as follows

Installed Capacity	2019	2020	After Acquisition	Company Goal by 2025
Operational – owned	30 MW	30 MW	139 MW	
Development – owned	-	14 MW	14 MW ¹	
Ready-to-build – contracted	-	-	170 MW ¹	
TOTAL	30 MW	44 MW	323 MW	2,000+ MW

Management is now focused on completing the 109MW transactions that will be immediately accretive to current annual run-rate revenues with contracted long-term annual revenues expected to increase by over 400% to approximately EUR 22 million at an average of 80% operating margins.

In addition, we have signed exclusive agreements to acquire 170MW of projects in Italy and Ireland that we will complete when they reach construction-ready status, expected during 2021. Both projects are estimated to be operational in 2022, and are expected to further increase annual revenues by circa EUR 13 million with an average of 75% operating margins over their 30+ year useful lives.

We have continued to grow our network of leading development partners across Europe, that feed our growing acquisition pipeline which currently stands at over 1,200MW.

I am personally very proud of our achievements during 2020 even with the challenges that the world has faced in this period and look forward to continuing our current growth trajectory delivering strong shareholder value in the process.

Our Vision and Mission remain the same

The world is currently undergoing a crucial and essential revolution in renewable energy and our core goal is to be part of this revolution in supporting the transition from a fossil fuel-based economy to a sustainable, renewables-based economy. We aspire to be a conscientious driver in the green energy transition.

¹ Expected to become operational in 2022.

The company's solar PV parks produce clean green energy and replace polluting, greenhouse gas-emitting, carbon-based energy. Europe is a leader in renewables and the solar industry is one of the fastest growing in the world. Alternus Energy intends to take full advantage of and play its part in the transition to the green economy.

Alternus Energy's mission is to become a leading pan-European independent power producer (IPP). As part of its core goal, the company is committed to growing its portfolio of clean energy solar PV parks across Europe with a target to own and operate at least 2 GW (gigawatt) of solar PV parks by 2025.

At this level, Alternus Energy will help to avoid approximately 2 million tons of CO₂ equivalent emissions annually equating to the carbon sequestered from 33 million tree seedlings grown over 10 years or the removal of 430,000 fossil fuel-based passenger vehicles off the road.

The company intends to achieve this through responsible acquisitions of solar PV parks across multiple countries, thus maximizing macro-environmental factors that support the long-term growth of solar PV and renewable energy and cater to the ever-growing need for clean energy. The company's strategy allows it to enhance return on investment and maximize shareholder values while also ensuring alignment with its core goal of supporting the ongoing green energy transition.

Minimal financial impact from Covid-19

- Business performance has not been materially impacted by Covid-19.
- One of the strong features of the Alternus business model is that over 80% of revenues are currently from fixed price contracts with investment grade off-takers.
- Park performance was largely in line with forecasts, as well as prior periods, since the parks are mostly managed remotely with limited intervention required.
- In Italy, there were slight delays in accessing the site if a fault was found via remote monitoring during the height of the Covid-19 pandemic earlier on in 2020
- Experienced marginal negative impact on the spot market energy prices in Italy
 - Approximately 3% of Alternus' current portfolio is exposed to Italian spot energy prices and which saw a marginal impact from this development
 - The spot energy market in Italy has since then moved towards a recovery.
- Are experiencing ongoing delays on certain solar PV rooftop construction projects in Germany
 - Rooftop park construction was somewhat delayed due to limited site access during the height of the Covid-19 pandemic earlier in 2020
 - The supply chain for materials has been adversely affected, causing some component shortages and delays in component deliveries

Relisting to Norway

As part of the funding process and providing a platform to support the growth ambitions of the business, Alternus Energy decided during 2020 to move from the US OTC public listing to the Oslo Stock Exchange, part of Euronext. The company considered this a more suitable public platform for the business given the European activities and in line with the bond

placement. The transactions related to this move are further described in an attachment to this letter.

On January 11, 2021, Alternus Energy Group plc was listed on the Norwegian OTC market with the ticker ALT (<https://www.notc.no/eng/NOTC/the-NOTC-list>). It should be noted that not all shares are tradeable as depository receipts as there is an ongoing process in transferring some shares that were held in the US listed company prior to November 13, 2020. Please see the attached section below this letter relating to that activity.

As previously announced, we plan to move to the Euronext Growth Market as soon as possible during the first half of 2021 which is now more likely to be in Q2 2021 to allow for the completion of the pending acquisitions in advance of such a move.

To conclude, we are looking back at an eventful and successful 2020. We have already secured important building blocks which will add further growth to the company, and we are well placed to explore new opportunities for the benefit of the environment and society, for our many business partners and for our shareholders.

We thank you all for your continued support.

Best regards


Vincent Browne
Chairman and CEO

***Forward Looking Statements:** Certain information contained in this letter, including any information on the group's plans or future financial or operating performance and other statements that express the group's management's expectations or estimates of future performance, constitute forward-looking statements (when used in this document, the words "anticipate", "believe", "estimate" and "expect" and similar expressions, as they relate to the group or its management, are intended to identify forward-looking statements). Such statements are based on a number of estimates and assumptions that, while considered reasonable by management at the time, are subject to significant business, economic and competitive uncertainties. The group cautions that such statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of the group to be materially different from the group's estimated future results, performance or achievements expressed or implied by those forward-looking statements.*

Attachment

For those shareholders who held shares in Alternus Energy Inc on November 13, 2020

Details of the transition activities from US listing to Norway for shareholders of Alternus Energy Inc (ALTN)

On November 13, 2020, FINRA (the US financial regulator) approved the 100:1 reverse split of ALTN shares and also approved the merger of ALTN into a newly formed US Corporation setup for that purpose (ALTAM Inc.) following a majority shareholder vote for both activities. This transaction was performed as a merger and resulted in the owners of ALTN having the same ownership in ALTAM Inc. that they originally had in ALTN. This made ALTN a private company and the ticker subsequently disappeared on the OTC markets board and shares were no longer tradeable in the US market.

Thereafter, ALTAM spun-out its Irish owned company, Alternus Energy Group Plc (previously named Alternus Energy International Ltd. (“AEI”)), by issuing an AEI share dividend to the ALTAM Shareholders in the amount of 1.5 new shares in AEI for every 1 share held in ALTAM.

As the Irish company had no assets at the time of the dividend, the shares issued had no deemed value for tax purposes of the existing ALTN shareholders. Immediately after this, a majority of ALTAM shareholders approved a share for share exchange with AEI, whereby AEI issued 4.5 new shares in AEI to ALTAM Shareholders for every 1 share held in ALTAM in order to acquire 100% of ALTAM, making ALTAM a wholly owned subsidiary of AEI. This completed the group restructuring and resulted in the Irish company now being the parent of the original group.

Effects of the above for existing ALTN shareholders from the relisting process.

Shareholders of ALTN that held over 100 shares at November 13, 2020 were issued new shares in Alternus Energy Group Plc (AEI), which is now listed as ‘ALT’ on the NOTC.

- Shareholders in ALTN who held over 100 shares prior to the reverse split therefore simply divide the ALTN shares by 100 and multiply by 6 to calculate how many ALT shares they now hold.
- If you held your shares in US brokerage at that time, then your broker should provide you with instructions on how to trade the ALT shares.
- If your shares were not held in a brokerage account but with ALTN’s transfer agent (Cleartrust LLC) then you will be receiving a letter from us over the next few weeks enclosing your new AEI share certificate with instructions on how to register them for trading in Oslo.
- If you held less than 100 shares in ALTN at the time of the reverse split then you should have received a cash payment of \$0.10 per share (pre-split) being the value of your shares at the time of the reverse split.