FORM DEFA14A

Additional definitive proxy soliciting materials and Rule 14(a)(12) material

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
April 12, 2023

CLEAN EARTH ACQUISITIONS CORP.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**001-41306**	**87-1431377**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

12600 Hill Country Blvd, Building R, Suite 275 Bee Cave, Texas	**78738**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: **(800) 508-1531**

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☒ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbols**	**Name of each exchange on which registered**
Units, each consisting of one share of Class A common stock, $0.0001 par value per share, one right and one-half of one redeemable warrant	CLINU	The Nasdaq Stock Market LLC
Class A common stock included as part of the units, par value $0.0001 per share	CLIN	The Nasdaq Stock Market LLC
Rights included as part of the units to acquire one-tenth (1/10) of one share of Class A common stock	CLINR	The Nasdaq Stock Market LLC
Warrants included as part of the units, each whole warrant exercisable for one share of Class A common stock at an exercise price of $11.50 per share	CLINW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01 Entry Into a Material Definitive Agreement

First Amendment to the Business Combination Agreement

On April 12, 2023, Clean Earth Acquisitions Corp., a Delaware corporation (the "Company"), entered into that certain First Amendment to the Business Combination Agreement (the "First Amendment to the Business Combination Agreement") with Alternus Energy Group Plc, a public limited company incorporated under the laws of Ireland (the "Seller"), and Clean Earth Acquisitions Sponsor, LLC (the "Sponsor"), in its capacity as representative of the Company and solely for certain sections of the Business Combination Agreement (as defined below), which amends the Business Combination Agreement, dated as of October 12, 2022, by and among the Company, the Seller, and the Sponsor (the "Business Combination Agreement").

The First Amendment to the Business Combination Agreement was approved by the board of directors of the Company and the board of directors of the Seller.

Below is a description of the First Amendment to the Business Combination Agreement. The description below does not purport to be complete and is qualified in its entirety by the terms and conditions of the First Amendment to the Business Combination Agreement, a copy of which is attached hereto as Exhibit 2.1.

Reduction in Valuation

The Business Combination Agreement had contemplated that, as consideration for the transactions contemplated by the Business Combination Agreement, the Company would issue to the Seller a number of shares of Class A Common Stock of the Company (the "Common Stock"), valued at $10 per share, equal to $550,000,000 plus or minus an estimated working capital adjustment (which will be not greater or less than $10,000,000), of which 1,000,000 shares of Common Stock will be deposited into a working capital escrow account to satisfy any post-closing working capital adjustments.

The First Amendment to the Business Combination Agreement amended the Business Combination Agreement by reducing the $550,000,000 amount to $275,000,000.

As a result of the First Amendment to the Business Combination Agreement, as consideration for the transactions contemplated by the Business Combination Agreement, the Company will issue to the Seller a number of shares of Common Stock, valued at $10 per share, equal to $275,000,000 plus or minus an estimated working capital adjustment (which will be not greater or less than $10,000,000), of which 1,000,000 shares of Common Stock will be deposited into a working capital escrow account to satisfy any post-closing working capital adjustments.

Reduction in Earnout Shares and Modification of Earnout Milestones

In addition, the Business Combination Agreement had contemplated that, at the closing of the transactions contemplated by the Business Combination Agreement, 35,000,000 shares of Common Stock would be deposited into an earnout escrow account and will be released, in whole or part, to the Seller if certain earnout milestones are met.

The First Amendment to the Business Combination Agreement amended the Business Combination Agreement by (i) reducing the 35,000,000 shares to 20,000,000 shares and (ii) modifying the earnout milestones.

As a result of the First Amendment to the Business Combination Agreement, at the closing of the transactions contemplated by the Business Combination Agreement, 20,000,000 shares of Common Stock (the "Earnout Shares") will be deposited into an earnout escrow account and will be released, in whole or part, to the Seller if certain earnout milestones are met at the end of fiscal years ending December 31, 2023, December 31, 2024 and December 31, 2025. The earnout milestones are: (i) if the Adjusted EBITDA (as defined below) for the fiscal year ending on December 31, 2023 is at least $16,000,000 and the Company's share price is at least $11.00 for a minimum number of trading days (as set forth in the Business Combination Agreement), then 6,000,000 Earnout Shares will be released to the Seller, (ii) if Adjusted EBITDA for the fiscal year ending on December 31, 2024 is at least $52,000,000 and the Company's share price is at least $13.00 for a minimum number of trading days (as set forth in the Business Combination Agreement), then 6,000,000 Earnout Shares will be released to the Seller, and (iii) if Adjusted EBITDA for the fiscal year ending on December 31, 2025 is at least $156,000,000 and the Company's share price is at least $15.00 for a minimum number of trading days (as set forth in the Business Combination Agreement), then 8,000,000 Earnout Shares will be released to the Seller. If any of the earnout milestones are not met, the Earnout Shares that would have been released to the Seller will be released to the Seller if a subsequent earnout milestone is met. In addition, if any earnout milestone based on Adjusted EBITDA has been met, but the corresponding earnout milestone based on share price has not been met, Earnout Shares may be released to the Seller if share price targets or a calculated share price based on a multiple of Adjusted EBITDA reduced by net debt are met during the five-year period from the date of the applicable milestone (i.e., 5 years after 2023 for the first earnout milestone, 5 years after 2024 for the second earnout milestone and 5 years after 2025 for the third earnout milestone). Any Earnout Shares remaining in the earnout escrow account that have not been released to the Seller will be released to the Company. Adjusted EBITDA, which is defined as "Adjusted EBITDA" as set forth in the Company's Annual Report on Form 10-K in the Management's Discussion and Analysis, is a non-GAAP measure and should not be construed as more relevant measures of operational performance than financial information under generally accepted accounting principles (GAAP).

Citigroup Forfeiture of Remaining Deferred Discount

On April 17, 2023, Citigroup Global Markets Inc. ("Citigroup"), one of the underwriters of the Company's initial public offering, agreed to forfeit the remaining deferred discount payment of $3,622,500 that is to be paid to Citigroup upon the consummation of the Company's initial business combination, such that when taken together with that certain letter agreement, dated July 6, 2022, between Citigroup and the Company, Citigroup agrees to forfeit the entire deferred discount payment of $7,245,000 that is to be paid to Citigroup upon the consummation of the Company's initial business combination. The foregoing is only a summary of the deferred discount forfeiture and does not purport to be complete and is qualified in its entirety by reference to the full text of the letter agreement. A copy of the letter agreement is attached to this Current Report on Form 8-K as Exhibit 10.2 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Exhibit
2.1	First Amendment to the Business Combination Agreement, dated as of April 12, 2023, by and among Clean Earth Acquisitions Corp., Alternus Energy Group Plc and Clean Earth Acquisitions Sponsor LLC.
10.2	Letter Agreement, dated April 17, 2023
104	The cover page of this Current Report on Form 8-K, formatted in Inline XBRL

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 18, 2023

Clean Earth Acquisitions Corp.

By: /s/ Aaron T. Ratner
Name: Aaron T. Ratner
Title: Chief Executive Officer

Exhibit 2.1

FIRST AMENDMENT TO THE BUSINESS COMBINATION AGREEMENT

This First Amendment to the Business Combination Agreement (this "Amendment") is entered into as of April 12, 2023 by and among Clean Earth Acquisitions Corp., a Delaware corporation ("Purchaser"), Alternus Energy Group Plc, a public limited company incorporated under the laws of Ireland ("Seller"), and Clean Earth Acquisitions Sponsor, LLC, a Delaware limited liability company, in its capacity as the representative of Purchaser and solely for purposes of certain specified sections of the Business Combination Agreement (as defined below) (the "Purchaser Representative") . All capitalized terms used herein but not defined shall have the meanings assigned to them in the Business Combination Agreement.

WHEREAS, Purchaser, Seller and the Purchaser Representative are parties to that certain Business Combination Agreement, dated as of October 12, 2022 (the "Business Combination Agreement"); and

WHEREAS, the parties desire to amend the Business Combination Agreement as set forth below in accordance with Section 9.07(b) of the Business Combination Agreement.

NOW THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Amendments**. The parties hereby agree to amend the Business Combination Agreement as follows:

a. The definition of "Closing Consideration" in Section 1.01 of the Business Combination Agreement is hereby replaced in its entirety with the following:

"Closing Consideration" means an amount equal to (a) $275,000,000, plus (b) the Estimated Net Working Capital Adjustment (which, for the avoidance of doubt, may be a negative number thereby reducing the Closing Consideration).

b. The definition of "Earnout Escrow Shares" in Section 1.01 of the Business Combination Agreement is hereby replaced in its entirety with the following:

"Earnout Escrow Shares" means 20,000,000 shares of Purchaser Common Stock.

c. The definition of "Final Consideration" in Section 1.01 of the Business Combination Agreement is hereby replaced in its entirety with the following:

"Final Consideration" means an amount equal to (a) $275,000,000, plus (b) the Net Working Capital Adjustment (which, for the avoidance of doubt, may be a negative number thereby reducing the Final Consideration).

d. Section 2.09(b) of the Business Combination Agreement is hereby replaced in its entirety with the following:

(b) Earnout Payment.

(i) If (x) the Adjusted EBITDA for the fiscal year ending on December 31, 2023 is equal to or greater than $16,000,000 as finally determined pursuant to Section 2.09(a) ("Earnout Milestone 1") and (y) the Share Price is equal to or greater than $11.00 for at least 20 out of 30 consecutive trading days (counting only those trading days in which there is trading activity) immediately preceding the date of the Earnout Statement for which Earnout Milestone 1 is satisfied ("Share Price Milestone 1"), then the Purchaser Representative and Seller shall prepare, execute and deliver to the Escrow Agent a joint written instruction instructing the Escrow Agent to release 6,000,000 of the Earnout Escrow Shares from the Earnout Escrow Account to Seller. If Earnout Milestone 1 is satisfied but Share Price Milestone 1 is not satisfied, then Share Price Milestone 1 will be deemed to be satisfied if either of the following are met: (1) the Share Price is equal to or greater than $11.00 for at least 20 out

of 30 consecutive trading days (counting only those trading days in which there is trading activity) from January 1, 2024 through December 31, 2028 or (ii) the Calculated Share Price is equal to or greater than $11.00 as of December 31, 2028.

(ii) If (x) the Adjusted EBITDA for the fiscal year ending on December 31, 2024 is equal to or greater than $52,000,000 as finally determined pursuant to Section 2.09(a) ("Earnout Milestone 2") and (y) the Share Price is equal to or greater than $13.00 for at least 20 out of 30 consecutive trading days (counting only those trading days in which there is trading activity) immediately preceding the date of the Earnout Statement for which Earnout Milestone 2 is satisfied ("Share Price Milestone 2"), then the Purchaser Representative and Seller shall prepare, execute and deliver to the Escrow Agent a joint written instruction instructing the Escrow Agent to release (i) 6,000,000 of the Earnout Escrow Shares *plus* (ii) to the extent that no Earnout Escrow Shares were released to the Seller pursuant to Section 2.09(b)(i), 6,000,000 of the Earnout Escrow Shares, in each case, from the Earnout Escrow Account to Seller. If Earnout Milestone 2 is satisfied but Share Price Milestone 2 is not satisfied, then Share Price Milestone 2 will be deemed to be satisfied if either of the following are met: (1) the Share Price is equal to or greater than $13.00 for at least 20 out of 30 consecutive trading days (counting only those trading days in which there is trading activity) from January 1, 2025 through December 31, 2029 or (ii) the Calculated Share Price is equal to or greater than $13.00 as of December 31, 2029.

(iii) If (x) the Adjusted EBITDA for the fiscal year ending on December 31, 2025 is equal to or greater than $156,000,000 as finally determined pursuant to Section 2.09(a) ("Earnout Milestone 3") and (y) Share Price is equal to or greater than $15.00 for at least 20 out of 30 consecutive trading days (counting only those trading days in which there is trading activity) immediately preceding the date of the Earnout Statement for which Earnout Milestone 3 is satisfied ("Share Price Milestone 3"), then the Purchaser Representative and Seller shall prepare, execute and deliver to the Escrow Agent a joint written instruction instructing the Escrow Agent to release (i) 8,000,000 of the Earnout Escrow Shares *plus* (ii) to the extent that no Earnout Escrow Shares were released to the Seller pursuant to Section 2.09(b)(i), 6,000,000 of the Earnout Escrow Shares, *plus* (iii) to the extent that no Earnout Escrow Shares were released to the Seller pursuant to Section 2.09(b)(ii), 6,000,000 of the Earnout Escrow Shares, in each case, from the Earnout Escrow Account to Seller. If Earnout Milestone 3 is satisfied but Share Price Milestone 3 is not satisfied, then Share Price Milestone 3 will be deemed to be satisfied if either of the following are met: (1) the Share Price is equal to or greater than $15.00 for at least 20 out of 30 consecutive trading days (counting only those trading days in which there is trading activity) from January 1, 2026 through December 31, 2030 or (ii) the Calculated Share Price is equal to or greater than $15.00 as of December 31, 2030.

(iv) If there are any Earnout Escrow Shares remaining in the Earnout Escrow Account after application of Sections 2.09(b)(i)-(iii), then the Purchaser Representative and Seller shall prepare, execute and deliver to the Escrow Agent a joint written instruction instructing the Escrow Agent to release such remaining Earnout Escrow Shares from the Earnout Escrow Account to Purchaser, which shares will then be held as treasury shares or canceled by Purchaser, at Purchaser's election.

(v) Any payment made pursuant to this Section 2.09 shall be treated as an adjustment to the purchase price for all Tax purposes, except to the extent otherwise required by applicable Law (including, for the avoidance of doubt, with respect to any amounts required to be treated as interest pursuant to Section 483 of the Code or otherwise).

2. **Miscellaneous**. Except as set forth in this Amendment, all terms and provisions of the Business Combination Agreement shall remain in full force and effect. In the event of any conflict or discrepancy between this Amendment and the Business Combination Agreement, the provisions of this Amendment shall control. This Amendment may be executed and delivered in counterpart signature pages executed and delivered via email with scan attachment, or any electronic signature complying with the U.S. federal ESIGN Act of 2000 (including DocuSign) and shall be as effective as delivery of a manually executed counterpart of this Amendment.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment on the date first written above.

CLEAN EARTH ACQUISITIONS CORP.

By: /s/ Aaron Ratner
Name: Aaron Ratner
Title: CEO

ALTERNUS ENERGY GROUP PLC

By: /s/ Vincent Browne
Name: Vincent Browne
Title: CEO

CLEAN EARTH ACQUISITIONS SPONSOR, LLC, in its capacity as the Purchaser Representative and solely for purposes of certain specified sections of the Business Combination Agreement

By: /s/ Martha Ross
Name: Martha Ross
Title: Authorized Representative

[Signature Page to First Amendment to the Business Combination Agreement]

Exhibit 10.2

April 17, 2023

Clean Earth Acquisitions Corp.
12600 Hill Country Blvd, Building R, Suite 275
Bee Cave, Texas 78738

Re: Clean Earth Acquisitions Corp.—Forfeiture of Remaining Deferred Discount

Ladies and Gentlemen:

This letter references (i) the underwriting agreement (the "**Underwriting Agreement**"), dated February 23, 2022, between Citigroup Global Markets Inc. (" **Citigroup**"), as representative of the underwriters named on Schedule I of the Underwriting Agreement (the "**Underwriters**"), and Clean Earth Acquisitions Corp., a Delaware corporation (the "**Company**"), providing for the issuance and sale to the several Underwriters of an aggregate of 20,000,000 units of the Company, in addition to 3,000,000 units of the Company on exercise of the over-allotment option and (ii) that certain letter agreement (the "**First Letter Agreement**, dated July 26, 2022, between Citigroup and the Company providing for the forfeiture by Citigroup of 50% of its shares of the Deferred Discount. Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Underwriting Agreement.

Solely in the event the Company consummates an Initial Business Combination with Alternus Energy Group Plc, Citigroup agrees to forfeit (and irrevocably waives any right to) the remaining 50% of its share of the Deferred Discount (or $3,622,500[1]) that is to be paid to the Underwriters upon the consummation of such Initial Business Combination and paid out of the proceeds of the Offering held in the Trust Account in accordance with Sections 2(c) and 5(bb) of the Underwriting Agreement. For the avoidance of doubt, taking into account the First Letter Agreement and this letter, Citigroup has agreed to forfeit (and has agreed to irrevocably waive any right to) 100% of its share of the Deferred Discount (or $7,245,000) that is to be paid to the Underwriters upon the consummation of such Initial Business Combination and paid out of the proceeds of the Offering held in the Trust Account in accordance with Sections 2(c) and 5(bb) of the Underwriting Agreement. The amount waived and forfeited by Citigroup may, in the discretion of the Company, be allocated to the other Underwriter or, to the extent not allocated, reduce the Deferred Discount. Except as modified by this paragraph and the First Letter Agreement, the Underwriting Agreement shall otherwise remain in full force and effect.

Sincerely,

CITIGROUP GLOBAL MARKETS INC.

By: /s/ Pavan Bellur
Name: Pavan Bellur
Title: Managing Director

Acknowledged and accepted by:

CLEAN EARTH ACQUISITIONS CORP.

By: /s/ Aaron T. Ratner
Name: Aaron T. Ratner
Title: CEO

1 Represents 50% of the Deferred Discount of $8,050,000 (including the over-allotment option) multiplied by Citigroup's 90% share of the Deferred Discount.