

July 31, 2023



# Ameresco Reports Second Quarter 2023 Financial Results

***Record Total Project Backlog Increased 9% Sequentially, with \$493M in New Awards  
Added a Record 113 MWe of Energy Assets into Development  
Significant Battery Energy Storage Project Wins and Asset Activity  
EPA Action Supports Positive Multiyear RNG Revenue Outlook  
Reaffirms 2023 Guidance***

## **Second Quarter 2023 Financial Highlights:**

- Revenues of \$327.1 million
- Net income attributable to common shareholders of \$6.4 million
- GAAP EPS of \$0.12
- Non-GAAP EPS of \$0.15
- Adjusted EBITDA of \$37.4 million

FRAMINGHAM, Mass.--(BUSINESS WIRE)-- Ameresco, Inc. (NYSE:AMRC), a leading cleantech integrator specializing in energy efficiency and renewable energy, today announced financial results for the fiscal quarter ended June 30, 2023. The Company also furnished supplemental information in conjunction with this press release in a Current Report on Form 8-K. The supplemental information, which includes Non-GAAP financial measures, has been posted to the "Investors" section of the Company's website at [www.ameresco.com](http://www.ameresco.com). Reconciliations of Non-GAAP measures to the appropriate GAAP measures are included herein.

CEO George Sakellaris commented, "We had another strong quarter. I'm particularly pleased that our positive momentum continued to build strong growth in project backlog and assets in development, supporting both our 2023 guidance and our longer-term financial targets. Total project backlog increased by 9% sequentially, driven by the addition of \$493 million in new awards. Furthermore, we continue to see a considerable year-on-year increase in the dollar value of the projects we are bidding on and winning. We also increased our net assets in development by over 100 MW in the second quarter, the largest quarterly increase in our company's history.

"Battery storage is seeing tremendous growth given the need for greater resiliency, increased grid complexities from the rapid growth of renewables, and the financial benefits of the Inflation Reduction Act (IRA). Ameresco has emerged as a leader in the implementation of battery systems given our deep knowledge of deployable technologies, engineering expertise and supplier relationships as demonstrated by our significant project and asset wins and installations during the quarter. Another positive development during the quarter was the EPA's ruling concerning the final Renewable Fuel Standard (RFS) biofuel targets for 2023 – 2025. The outcome provides long term support to the RNG industry and increases our long-term visibility into this important revenue stream.

“During the quarter we published our third annual ESG report entitled ‘Doing Well by Doing Good’. We are proud that our renewable energy assets and customer projects have delivered a cumulative carbon offset of over 95 million metric tons of carbon dioxide. Looking ahead, Ameresco has set a target of achieving net zero carbon emissions from internal operations for scope 1 and scope 2 emissions by 2040 and has pledged to establish emissions reduction targets through the Science Based Targets initiative by 2025. We were also recognized with the Environmental Initiatives Award by the SEAL Business Sustainability Awards for our floating solar plant at Fort Bragg, which is the largest such installation in the southeast.”

## Second Quarter Financial Results

(All financial result comparisons made are against the prior year period unless otherwise noted.)

Total revenue of \$327.1 million exceeded the company’s guidance for the quarter, with faster than-expected execution on several larger projects. Energy Asset revenue increased 16.5% driven by continued growth in operating assets. O&M revenue increased 9.3% reflecting continued growth in long-term contracts. Other revenue increased 3.5% primarily due to strength in the Company’s utility SaaS and consulting business. Gross margin expanded year-on-year while SG&A increased slightly during the quarter to support growth in proposal activity and the integration of Enerqos. Net income attributable to common shareholders and adjusted EBITDA were \$6.4 million and \$37.4 million, respectively.

(in millions)

|                  | 2Q 2023        |                                |                | 2Q 2022        |                      |                |
|------------------|----------------|--------------------------------|----------------|----------------|----------------------|----------------|
|                  | Revenue        | Net<br>Income<br>(Loss)<br>(1) | Adj.<br>EBITDA | Revenue        | Net<br>Income<br>(1) | Adj.<br>EBITDA |
| Projects         | \$228.9        | (\$0.1)                        | \$6.1          | \$489.1        | \$15.8               | \$29.2         |
| Energy Assets    | \$50.0         | \$5.1                          | \$27.3         | \$42.9         | \$12.9               | \$24.7         |
| O&M              | \$23.0         | \$0.9                          | \$2.1          | \$21.1         | \$2.4                | \$4.0          |
| Other            | \$25.2         | \$0.5                          | \$2.0          | \$24.3         | \$1.1                | \$2.4          |
| <b>Total (2)</b> | <b>\$327.1</b> | <b>\$6.4</b>                   | <b>\$37.4</b>  | <b>\$577.4</b> | <b>\$32.2</b>        | <b>\$60.3</b>  |

(1) Net Income (Loss) represents net income (loss) attributable to common shareholders.

(2) Numbers in table may not sum due to rounding.

**(\$ in millions)****At June 30, 2023**

|   |                |
|---|----------------|
| Awarded Project Backlog <sup>(1)</sup>              | \$2,146        |
| Contracted Project Backlog                          | \$1,090        |
| <b>Total Project Backlog</b>                        | <b>\$3,236</b> |
| 12-month Contracted Backlog <sup>(2)</sup>          | \$745          |
| O&M Revenue Backlog                                 | \$1,239        |
| 12-month O&M Backlog                                | \$84           |
| Energy Asset Visibility <sup>(3)</sup>              | \$2,275        |
| Operating Energy Assets                             | 426 MWe        |
| Ameresco's Net Assets in Development <sup>(4)</sup> | 545 MWe        |

(1) Customer contracts that have not been signed yet

(2) We define our 12-month backlog as the estimated amount of revenues that we expect to recognize in the next twelve months from our fully-contracted backlog

(3) Estimated contracted revenue and incentives during PPA period plus estimated additional revenue from operating RNG assets over a 20-year period, assuming RINs at \$1.50/gallon and brown gas at \$3.50/MMBtu with \$3.00/MMBtu for LCFS on certain projects

(4) Net MWe capacity includes only our share of any jointly owned assets

**Project Highlights:**

- Reflecting the recent increase in battery storage activity, Ameresco announced that its joint venture with Atura Power was selected to build a 250 MW battery energy storage system, representing part of the largest BESS award in Canadian history. In addition to providing E&C services for the JV, Ameresco will also own 10.1% of the Asset or approximately 25 MW.
- Ameresco announced another significant battery storage win with a four site 379 MW project with Middle River Power at its California gas power plants helping to shift midday renewable energy flows to peak evening hours. The work is expected to commence in summer 2023 and reach completion in Q3 of 2024.
- Activity in the higher education market remained strong. Ameresco announced a comprehensive, multi-phase solar and energy efficiency project with St. John's College Santa Fe campus. This project will also include a large PV installation, along with 20 EV charging stations.

**Asset Highlights**

In the Second Quarter of 2023:

- Ameresco's Assets in Development ended the quarter at 594 MWe. After subtracting Ameresco's partners' minority interests, Ameresco's owned capacity of Assets in Development at quarter end was 545 MWe.
- We increased our net assets in development by 113 MW in the second quarter, the largest quarterly increase in our company's history.

**Summary and Outlook**

"The Ameresco team delivered strong results that provide confidence in our annual guidance and set the stage for continued growth for years to come. As customers begin to take advantage of the numerous benefits afforded by the IRA, Ameresco, with our deep technical and financial expertise, remains very well positioned to continue to capture additional market share. This momentum together with our rapidly growing Energy Asset business and

international opportunities support our long term growth targets,” Mr. Sakellaris concluded.

Our 2023 guidance, included in the table below, anticipates adjusted EBITDA growth of 5% at the midpoint.

**FY 2023 Guidance Ranges**

|                          |                |                |
|--------------------------|----------------|----------------|
| Revenue                  | \$1.45 billion | \$1.55 billion |
| Gross Margin             | 19.5%          | 20.0%          |
| Adjusted EBITDA          | \$210 million  | \$220 million  |
| Interest Expense & Other | \$30 million   | \$35 million   |
| Effective Tax Rate       | 10%            | 5%             |
| Non-GAAP EPS             | \$1.80         | \$1.90         |

The Company’s Adjusted EBITDA and Non-GAAP EPS guidance excludes the impact of redeemable non-controlling interest activity, one-time charges, asset impairment charges, changes in contingent consideration, restructuring activities, as well as any related tax impact.

We estimate third and fourth quarter revenue, adjusted EBITDA and Adjusted EPS to be in the range of:

|                 | Q3 2023 Guidance Ranges |               | Q4 2023 Guidance Ranges |               |
|-----------------|-------------------------|---------------|-------------------------|---------------|
| Revenue         | \$370 million           | \$400 million | \$550 million           | \$580 million |
| Adjusted EBITDA | \$50 million            | \$55 million  | \$90 million            | \$100 million |
| Non-GAAP EPS    | \$0.45                  | \$0.50        | \$1.20                  | \$1.25        |

We expect to place between 80 and 100 MWe of energy assets in service in 2023 including two RNG plants. A third plant we originally anticipated to be placed in service in 2023 is expected to be at mechanical completion by the end of the year, and fully commissioned in Q1 2024. Several additional RNG assets are in the late stages of development and construction, and we continue to expect that 4 or 5 of these will come online during 2024.

Two of the three Southern California Edison projects are currently in commissioning and are expected to achieve substantial completion in Q3. The third project, which was significantly impacted by the heavy rainfall in California, is expected to reach substantial completion in Q4. Based on this timing, we have requested an extension to mid December 2023 to the maturity date of our Delayed Draw Term Loan A under our Sr. Credit Facility.

### Conference Call/Webcast Information

The Company will host a conference call today at 4:30 p.m. ET to discuss second quarter 2023 financial results, business and financial outlook and other business highlights. Participants may access the earnings conference call by pre-registering [here](#) at least fifteen minutes in advance. A live, listen-only webcast of the conference call will also be available over the Internet. Individuals wishing to listen can access the call through the “Investors” section of the Company’s website at [www.ameresco.com](http://www.ameresco.com). If you are unable to listen to the live call, an archived webcast will be available on the Company’s website for one year.

### Use of Non-GAAP Financial Measures

This press release and the accompanying tables include references to adjusted EBITDA, Non-GAAP EPS, Non-GAAP net income and adjusted cash from operations, which are Non-GAAP financial measures. For a description of these Non-GAAP financial measures, including the reasons management uses these measures, please see the section following the accompanying tables titled "Exhibit A: Non-GAAP Financial Measures". For a reconciliation of these Non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP, please see Non-GAAP Financial Measures and Non-GAAP Financial Guidance in the accompanying tables.

### **About Ameresco, Inc.**

Founded in 2000, Ameresco, Inc. (NYSE:AMRC) is a leading cleantech integrator and renewable energy asset developer, owner and operator. Our comprehensive portfolio includes energy efficiency, infrastructure upgrades, asset sustainability and renewable energy solutions delivered to clients throughout North America and Europe. Ameresco's sustainability services in support of clients' pursuit of Net-Zero include upgrades to a facility's energy infrastructure and the development, construction, and operation of distributed energy resources. Ameresco has successfully completed energy saving, environmentally responsible projects with Federal, state, and local governments, healthcare and educational institutions, housing authorities, and commercial and industrial customers. With its corporate headquarters in Framingham, MA, Ameresco has more than 1,200 employees providing local expertise in the United States, Canada, and Europe. For more information, visit [www.ameresco.com](http://www.ameresco.com).

### **Safe Harbor Statement**

Any statements in this press release about future expectations, plans and prospects for Ameresco, Inc., including statements about market conditions, pipeline, visibility, and backlog, as well as estimated future revenues, net income, adjusted EBITDA, Non-GAAP EPS, gross margin, capital investments, other financial guidance and longer term outlook, statements about our agreement with SCE including the impact of any delays, the requested extension to the maturity date of our Delayed Draw Term Loan A and the impact of the IRA and macroeconomic conditions on our business, longer term outlook, and other statements containing the words "projects," "believes," "anticipates," "plans," "expects," "will" and similar expressions, constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by such forward looking statements as a result of various important factors, including the timing of, and ability to, enter into contracts for awarded projects on the terms proposed or at all; the timing of work we do on projects where we recognize revenue on a percentage of completion basis, including the ability to perform under signed contracts without delay and in accordance with their terms; demand for our energy efficiency and renewable energy solutions; our ability to complete and operate our projects on a profitable basis and as committed to our customers; our ability to arrange financing to fund our operations and projects and to comply with covenants in our existing debt agreements; changes in federal, state and local government policies and programs related to energy efficiency and renewable energy and the fiscal health of the government; the ability of customers to cancel or defer contracts included in our backlog; the output and performance of our energy plants and energy projects; the effects of our acquisitions and joint ventures; seasonality in construction and in demand for our products and services; a customer's

decision to delay our work on, or other risks involved with, a particular project; availability and cost of labor and equipment particularly given global supply chain challenges and global trade conflicts; our reliance on third parties for our construction and installation work; the addition of new customers or the loss of existing customers; the impact of macroeconomic challenges, weather related events and climate change on our business; global supply chain challenges, component shortages and inflationary pressures; market price of the Company's stock prevailing from time to time; the nature of other investment opportunities presented to the Company from time to time; the Company's cash flows from operations; cybersecurity incidents and breaches; regulatory and other risks inherent to constructing and operating energy assets; risks related to our international operation and international growth strategy; and other factors discussed in our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q. The forward-looking statements included in this press release represent our views as of the date of this press release. We anticipate that subsequent events and developments will cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we specifically disclaim any obligation to do so. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this press release.

**AMERESCO, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands, except share amounts)

|   | <u>June 30,</u><br><u>2023</u> | <u>December 31,</u><br><u>2022</u> |
|---|--------------------------------|------------------------------------|
|   | <u>(Unaudited)</u>             |                                    |
| <b>ASSETS</b>   |                                |                                    |
| Current assets:   |                                |                                    |
| Cash and cash equivalents   | \$ 48,999                      | \$ 115,534                         |
| Restricted cash   | 39,137                         | 20,782                             |
| Accounts receivable, net  | 123,361                        | 174,009                            |
| Accounts receivable retainage, net  | 37,803                         | 38,057                             |
| Costs and estimated earnings in excess of billings                                | 575,113                        | 576,363                            |
| Inventory, net  | 14,127                         | 14,218                             |
| Prepaid expenses and other current assets   | 58,874                         | 38,617                             |
| Income tax receivable   | 7,497                          | 7,746                              |
| Project development costs, net  | 16,956                         | 16,025                             |
| Total current assets  | 921,867                        | 1,001,351                          |
| Federal ESPC receivable   | 499,250                        | 509,507                            |
| Property and equipment, net   | 16,888                         | 15,707                             |
| Energy assets, net  | 1,417,690                      | 1,181,525                          |
| Deferred income tax assets, net   | 3,594                          | 3,045                              |
| Goodwill, net   | 77,846                         | 70,633                             |
| Intangible assets, net  | 8,142                          | 4,693                              |
| Operating lease assets  | 38,833                         | 38,224                             |
| Restricted cash, non-current portion  | 13,677                         | 13,572                             |
| Other assets  | 43,223                         | 38,564                             |
| Total assets  | <u>\$ 3,041,010</u>            | <u>\$ 2,876,821</u>                |
| <b>LIABILITIES, REDEEMABLE NON-CONTROLLING INTERESTS AND STOCKHOLDERS' EQUITY</b> |                                |                                    |
| Current liabilities:  |                                |                                    |
| Current portions of long-term debt and financing lease liabilities                | \$ 332,999                     | \$ 331,479                         |
| Accounts payable  | 290,284                        | 349,126                            |
| Accrued expenses and other current liabilities                                    | 81,008                         | 89,166                             |
| Current portions of operating lease liabilities                                   | 5,935                          | 5,829                              |
| Billings in excess of cost and estimated earnings                                 | 40,459                         | 34,796                             |
| Income taxes payable  | 1,564                          | 1,672                              |

|   |              |              |
|---|--------------|--------------|
| Total current liabilities   | 752,249      | 812,068      |
| Long-term debt and financing lease liabilities, net of current portion, unamortized discount and debt issuance costs  | 784,266      | 568,635      |
| Federal ESPC liabilities  | 464,566      | 478,497      |
| Deferred income tax liabilities, net  | 7,971        | 9,181        |
| Deferred grant income   | 7,319        | 7,590        |
| Long-term operating lease liabilities, net of current portion   | 32,487       | 31,703       |
| Other liabilities   | 70,175       | 49,493       |
| Redeemable non-controlling interests, net   | 47,994       | 46,623       |
| Stockholders' equity:   |              |              |
| Preferred stock, \$0.0001 par value, 5,000,000 shares authorized, no shares issued and outstanding at June 30, 2023 and December 31, 2022   | -            | -            |
| Class A common stock, \$0.0001 par value, 500,000,000 shares authorized, 36,302,405 shares issued and 34,200,610 shares outstanding at June 30, 2023, 36,050,157 shares issued and 33,948,362 shares outstanding at December 31, 2022 | 3            | 3            |
| Class B common stock, \$0.0001 par value, 144,000,000 shares authorized, 18,000,000 shares issued and outstanding at June 30, 2023 and December 31, 2022  | 2            | 2            |
| Additional paid-in capital  | 317,228      | 306,314      |
| Retained earnings   | 540,964      | 533,549      |
| Accumulated other comprehensive loss, net   | (2,884)      | (4,051)      |
| Treasury stock, at cost, 2,101,795 shares at June 30, 2023 and December 31, 2022  | (11,788)     | (11,788)     |
| Stockholder's equity before non-controlling interest  | 843,525      | 824,029      |
| Non-controlling interest  | 30,458       | 49,002       |
| Total stockholder's equity  | 873,983      | 873,031      |
| Total liabilities, redeemable non-controlling interests and stockholders' equity  | \$ 3,041,010 | \$ 2,876,821 |

**AMERESCO, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(In thousands, except per share amounts) (Unaudited)

|   | Three Months Ended June 30, |                     | Six Months Ended June 30, |                     |
|---|-----------------------------|---------------------|---------------------------|---------------------|
|   | 2023<br>(Unaudited)         | 2022<br>(Unaudited) | 2023<br>(Unaudited)       | 2022<br>(Unaudited) |
| Revenues  | \$ 327,074                  | \$ 577,397          | \$ 598,116                | \$ 1,051,399        |
| Cost of revenues  | 268,425                     | 496,094             | 489,519                   | 901,718             |
| Gross profit  | 58,649                      | 81,303              | 108,597                   | 149,681             |
| Earnings from unconsolidated entities   | 380                         | 352                 | 830                       | 989                 |
| Selling, general and administrative expenses  | 41,413                      | 38,601              | 82,714                    | 78,930              |
| Operating income  | 17,616                      | 43,054              | 26,713                    | 71,740              |
| Other expenses, net   | 9,198                       | 5,249               | 17,241                    | 12,330              |
| Income before income taxes  | 8,418                       | 37,805              | 9,472                     | 59,410              |
| Income tax provision (benefit)  | 5                           | 4,932               | (498)                     | 7,239               |
| Net income  | 8,413                       | 32,873              | 9,970                     | 52,171              |
| Net income attributable to non-controlling interests and redeemable non-controlling interests | (2,045)                     | (657)               | (2,500)                   | (2,571)             |
| Net income attributable to common shareholders  | \$ 6,368                    | \$ 32,216           | \$ 7,470                  | \$ 49,600           |
| Net income per share attributable to common shareholders:                                     |                             |                     |                           |                     |
| Basic   | \$ 0.12                     | \$ 0.62             | \$ 0.14                   | \$ 0.96             |
| Diluted   | \$ 0.12                     | \$ 0.61             | \$ 0.14                   | \$ 0.93             |
| Weighted average common shares outstanding:   |                             |                     |                           |                     |
| Basic   | 52,127                      | 51,818              | 52,045                    | 51,781              |
| Diluted   | 53,211                      | 53,173              | 53,232                    | 53,407              |

**AMERESCO, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (in thousands) (Unaudited)**

|  | <b>Six Months Ended June,</b> |                    |
|--|-------------------------------|--------------------|
|  | <b>2023</b>                   | <b>2022</b>        |
|  | <b>(Unaudited)</b>            | <b>(Unaudited)</b> |
| <b>Cash flows from operating activities:</b>                                     |                               |                    |
| Net income   | \$ 9,970                      | \$ 52,171          |
| Adjustments to reconcile net income to net cash flows from operating activities: |                               |                    |
| Depreciation of energy assets, net   | 27,725                        | 23,978             |
| Depreciation of property and equipment   | 1,607                         | 1,404              |
| Increase (decrease) in contingent consideration                                  | 155                           | (320)              |
| Accretion of ARO liabilities   | 130                           | 72                 |
| Amortization of debt discount and debt issuance costs                            | 2,364                         | 2,036              |
| Amortization of intangible assets  | 991                           | 1,020              |
| Provision for bad debts  | 579                           | 244                |
| Loss on write-off of long-lived assets   | 18                            | -                  |
| Earnings from unconsolidated entities  | (830)                         | (989)              |
| Net (gain) loss from derivatives   | (261)                         | 555                |
| Stock-based compensation expense   | 7,999                         | 7,206              |
| Deferred income taxes, net   | (3,177)                       | 3,606              |
| Unrealized foreign exchange (gain) loss  | 38                            | 467                |
| Changes in operating assets and liabilities:                                     |                               |                    |
| Accounts receivable  | 60,028                        | (44,334)           |
| Accounts receivable retainage  | 354                           | (458)              |
| Federal ESPC receivable  | (88,072)                      | (113,478)          |
| Inventory, net   | 91                            | (2,080)            |
| Costs and estimated earnings in excess of billings                               | 15,664                        | (358,603)          |
| Prepaid expenses and other current assets  | 1,312                         | (1,629)            |
| Project development costs  | (2,825)                       | (1,332)            |
| Other assets   | (1,867)                       | (10,020)           |
| Accounts payable, accrued expenses and other current liabilities                 | (80,555)                      | 126,783            |
| Billings in excess of cost and estimated earnings                                | 13,462                        | 4,073              |
| Other liabilities  | 1,240                         | 18                 |
| Income taxes receivable, net   | 11                            | 1,767              |
| Cash flows from operating activities   | <u>(33,849)</u>               | <u>(307,843)</u>   |
| <b>Cash flows from investing activities:</b>                                     |                               |                    |
| Purchases of property and equipment  | (2,662)                       | (2,525)            |
| Capital investment in energy assets  | (261,547)                     | (124,924)          |
| Capital investment in major maintenance of energy assets                         | (5,810)                       | (4,838)            |
| Acquisitions, net of cash received   | (9,184)                       | -                  |
| Loans to joint venture investments   | (39)                          | -                  |
| Cash flows from investing activities   | <u>(279,242)</u>              | <u>(132,287)</u>   |
| <b>Cash flows from financing activities:</b>                                     |                               |                    |
| Payments of debt discount and debt issuance costs                                | (5,074)                       | (2,756)            |
| Proceeds from exercises of options and ESPP                                      | 3,110                         | 2,814              |
| (Payments on) proceeds from senior secured revolving credit facility, net        | (80,000)                      | 120,000            |
| Proceeds from long-term debt financings  | 343,923                       | 307,911            |
| Proceeds from Federal ESPC projects  | 76,699                        | 121,731            |
| Net proceeds from energy asset receivable financing arrangements                 | 8,114                         | 4,651              |
| Contributions from non-controlling interests                                     | 499                           | 12,919             |
| Distributions to non-controlling interest  | (20,521)                      | -                  |
| Distributions to redeemable non-controlling interests, net                       | (338)                         | (561)              |
| Payments on long-term debt and financing leases                                  | (61,335)                      | (101,035)          |
| Cash flows from financing activities   | <u>265,077</u>                | <u>465,674</u>     |
| Effect of exchange rate changes on cash  | <u>(61)</u>                   | <u>(1,291)</u>     |
| Net (decrease) increase in cash, cash equivalents, and restricted cash           | <u>(48,075)</u>               | <u>24,253</u>      |
| Cash, cash equivalents, and restricted cash, beginning of period                 | 149,888                       | 87,054             |
| Cash, cash equivalents, and restricted cash, end of period                       | <u>\$ 101,813</u>             | <u>\$ 111,307</u>  |

## Non-GAAP Financial Measures (Unaudited, in thousands)

### Three Months Ended June 30, 2023

#### Adjusted EBITDA:

|   |                 |                  |                 |                 |                  |
|---|-----------------|------------------|-----------------|-----------------|------------------|
| Net (loss) income attributable to common shareholders           | \$ (50)         | \$ 5,055         | \$ 895          | \$ 468          | \$ 6,368         |
| Impact from redeemable non-controlling interests                | —               | 1,424            | —               | —               | 1,424            |
| Plus (less): Income tax provision (benefit)                     | (568)           | (227)            | 492             | 308             | 5                |
| Plus: Other expenses, net                                       | 2,596           | 6,275            | 96              | 231             | 9,198            |
| Plus: Depreciation and amortization                             | 1,106           | 14,126           | 308             | 496             | 16,036           |
| Plus: Stock-based compensation                                  | 2,772           | 606              | 279             | 305             | 3,962            |
| Plus: Contingent consideration, restructuring and other charges | 214             | 15               | 4               | 152             | 385              |
| Adjusted EBITDA   | <b>\$ 6,070</b> | <b>\$ 27,274</b> | <b>\$ 2,074</b> | <b>\$ 1,960</b> | <b>\$ 37,378</b> |
| Adjusted EBITDA margin  | <b>2.7%</b>     | <b>54.5%</b>     | <b>9.0%</b>     | <b>7.8%</b>     | <b>11.4%</b>     |

|   | Projects        | Energy Assets    | O&M             | Other           | Consolidated     |
|---|-----------------|------------------|-----------------|-----------------|------------------|
| Net (loss) income attributable to common shareholders           | \$ (50)         | \$ 5,055         | \$ 895          | \$ 468          | \$ 6,368         |
| Impact from redeemable non-controlling interests                | —               | 1,424            | —               | —               | 1,424            |
| Plus (less): Income tax provision (benefit)                     | (568)           | (227)            | 492             | 308             | 5                |
| Plus: Other expenses, net                                       | 2,596           | 6,275            | 96              | 231             | 9,198            |
| Plus: Depreciation and amortization                             | 1,106           | 14,126           | 308             | 496             | 16,036           |
| Plus: Stock-based compensation                                  | 2,772           | 606              | 279             | 305             | 3,962            |
| Plus: Contingent consideration, restructuring and other charges | 214             | 15               | 4               | 152             | 385              |
| Adjusted EBITDA   | <b>\$ 6,070</b> | <b>\$ 27,274</b> | <b>\$ 2,074</b> | <b>\$ 1,960</b> | <b>\$ 37,378</b> |
| Adjusted EBITDA margin  | <b>2.7%</b>     | <b>54.5%</b>     | <b>9.0%</b>     | <b>7.8%</b>     | <b>11.4%</b>     |

### Three Months Ended June 30, 2022

#### Adjusted EBITDA:

|  |                  |                  |                 |                 |                  |
|--|------------------|------------------|-----------------|-----------------|------------------|
| Net income attributable to common shareholders   | \$ 15,786        | \$ 12,886        | \$ 2,428        | \$ 1,116        | \$ 32,216        |
| Impact from redeemable non-controlling interests | —                | 657              | —               | —               | 657              |
| Plus (less): Income tax provision (benefit)      | 5,680            | (2,300)          | 1,056           | 496             | 4,932            |
| Plus: Other expenses, net                        | 3,719            | 1,278            | 104             | 148             | 5,249            |
| Plus: Depreciation and amortization              | 723              | 11,887           | 286             | 388             | 13,284           |
| Plus: Stock-based compensation                   | 3,110            | 273              | 134             | 158             | 3,675            |
| Plus: Restructuring and other changes            | 143              | —                | 26              | 72              | 241              |
| Adjusted EBITDA                                  | <b>\$ 29,161</b> | <b>\$ 24,681</b> | <b>\$ 4,034</b> | <b>\$ 2,378</b> | <b>\$ 60,254</b> |
| Adjusted EBITDA margin                           | <b>6.0%</b>      | <b>57.5%</b>     | <b>19.2%</b>    | <b>9.8%</b>     | <b>10.4%</b>     |

|  | Projects         | Energy Assets    | O&M             | Other           | Consolidated     |
|--|------------------|------------------|-----------------|-----------------|------------------|
| Net income attributable to common shareholders   | \$ 15,786        | \$ 12,886        | \$ 2,428        | \$ 1,116        | \$ 32,216        |
| Impact from redeemable non-controlling interests | —                | 657              | —               | —               | 657              |
| Plus (less): Income tax provision (benefit)      | 5,680            | (2,300)          | 1,056           | 496             | 4,932            |
| Plus: Other expenses, net                        | 3,719            | 1,278            | 104             | 148             | 5,249            |
| Plus: Depreciation and amortization              | 723              | 11,887           | 286             | 388             | 13,284           |
| Plus: Stock-based compensation                   | 3,110            | 273              | 134             | 158             | 3,675            |
| Plus: Restructuring and other changes            | 143              | —                | 26              | 72              | 241              |
| Adjusted EBITDA                                  | <b>\$ 29,161</b> | <b>\$ 24,681</b> | <b>\$ 4,034</b> | <b>\$ 2,378</b> | <b>\$ 60,254</b> |
| Adjusted EBITDA margin                           | <b>6.0%</b>      | <b>57.5%</b>     | <b>19.2%</b>    | <b>9.8%</b>     | <b>10.4%</b>     |

### Six Months Ended June 30, 2023

#### Adjusted EBITDA:

|   |                  |                  |                 |                 |                  |
|---|------------------|------------------|-----------------|-----------------|------------------|
| Net income (loss) attributable to common shareholders           | \$ (1,351)       | \$ 6,205         | \$ 1,427        | \$ 1,189        | \$ 7,470         |
| Impact from redeemable non-controlling interests                | —                | 1,456            | —               | —               | 1,456            |
| Plus (less): Income tax provision (benefit)                     | (1,452)          | (155)            | 619             | 490             | (498)            |
| Plus: Other expenses, net                                       | 5,085            | 11,181           | 332             | 643             | 17,241           |
| Plus: Depreciation and amortization                             | 1,767            | 27,247           | 612             | 697             | 30,323           |
| Plus: Stock-based compensation                                  | 5,501            | 1,213            | 611             | 674             | 7,999            |
| Plus: Contingent consideration, restructuring and other charges | 551              | 35               | 11              | 159             | 756              |
| Adjusted EBITDA   | <b>\$ 10,101</b> | <b>\$ 47,182</b> | <b>\$ 3,612</b> | <b>\$ 3,852</b> | <b>\$ 64,747</b> |
| Adjusted EBITDA margin  | <b>2.5%</b>      | <b>52.0%</b>     | <b>8.0%</b>     | <b>7.7%</b>     | <b>10.8%</b>     |

|   | Projects         | Energy Assets    | O&M             | Other           | Consolidated     |
|---|------------------|------------------|-----------------|-----------------|------------------|
| Net income (loss) attributable to common shareholders           | \$ (1,351)       | \$ 6,205         | \$ 1,427        | \$ 1,189        | \$ 7,470         |
| Impact from redeemable non-controlling interests                | —                | 1,456            | —               | —               | 1,456            |
| Plus (less): Income tax provision (benefit)                     | (1,452)          | (155)            | 619             | 490             | (498)            |
| Plus: Other expenses, net                                       | 5,085            | 11,181           | 332             | 643             | 17,241           |
| Plus: Depreciation and amortization                             | 1,767            | 27,247           | 612             | 697             | 30,323           |
| Plus: Stock-based compensation                                  | 5,501            | 1,213            | 611             | 674             | 7,999            |
| Plus: Contingent consideration, restructuring and other charges | 551              | 35               | 11              | 159             | 756              |
| Adjusted EBITDA   | <b>\$ 10,101</b> | <b>\$ 47,182</b> | <b>\$ 3,612</b> | <b>\$ 3,852</b> | <b>\$ 64,747</b> |
| Adjusted EBITDA margin  | <b>2.5%</b>      | <b>52.0%</b>     | <b>8.0%</b>     | <b>7.7%</b>     | <b>10.8%</b>     |

### Six Months Ended June 30, 2022

#### Adjusted EBITDA:

|  |                  |                  |                 |                 |                   |
|--|------------------|------------------|-----------------|-----------------|-------------------|
| Net income attributable to common shareholders   | \$ 25,946        | \$ 16,756        | \$ 5,058        | \$ 1,840        | \$ 49,600         |
| Impact from redeemable non-controlling interests | —                | 2,571            | —               | —               | 2,571             |
| Plus (less): Income tax provision (benefit)      | 8,979            | (4,084)          | 1,448           | 896             | 7,239             |
| Plus: Other expenses, net                        | 5,143            | 6,737            | 219             | 231             | 12,330            |
| Plus: Depreciation and amortization              | 1,574            | 23,372           | 621             | 835             | 26,402            |
| Plus: Stock-based compensation                   | 6,044            | 559              | 286             | 317             | 7,206             |
| Plus: Restructuring and other charges            | (12)             | (26)             | 12              | 58              | 32                |
| Adjusted EBITDA                                  | <b>\$ 47,674</b> | <b>\$ 45,885</b> | <b>\$ 7,644</b> | <b>\$ 4,177</b> | <b>\$ 105,380</b> |
| Adjusted EBITDA margin                           | <b>5.4%</b>      | <b>56.4%</b>     | <b>18.5%</b>    | <b>9.0%</b>     | <b>10.0%</b>      |

|  | Projects         | Energy Assets    | O&M             | Other           | Consolidated      |
|--|------------------|------------------|-----------------|-----------------|-------------------|
| Net income attributable to common shareholders   | \$ 25,946        | \$ 16,756        | \$ 5,058        | \$ 1,840        | \$ 49,600         |
| Impact from redeemable non-controlling interests | —                | 2,571            | —               | —               | 2,571             |
| Plus (less): Income tax provision (benefit)      | 8,979            | (4,084)          | 1,448           | 896             | 7,239             |
| Plus: Other expenses, net                        | 5,143            | 6,737            | 219             | 231             | 12,330            |
| Plus: Depreciation and amortization              | 1,574            | 23,372           | 621             | 835             | 26,402            |
| Plus: Stock-based compensation                   | 6,044            | 559              | 286             | 317             | 7,206             |
| Plus: Restructuring and other charges            | (12)             | (26)             | 12              | 58              | 32                |
| Adjusted EBITDA                                  | <b>\$ 47,674</b> | <b>\$ 45,885</b> | <b>\$ 7,644</b> | <b>\$ 4,177</b> | <b>\$ 105,380</b> |
| Adjusted EBITDA margin                           | <b>5.4%</b>      | <b>56.4%</b>     | <b>18.5%</b>    | <b>9.0%</b>     | <b>10.0%</b>      |

|   | Three Months Ended<br>June 30, |             | Six Months Ended June<br>30, |              |
|---|--------------------------------|-------------|------------------------------|--------------|
|   | 2023                           | 2022        | 2023                         | 2022         |
| <b>Non-GAAP net income and EPS:</b>                             |                                |             |                              |              |
| Net income attributable to common shareholders                  | \$ 6,368                       | \$ 32,216   | \$ 7,470                     | \$ 49,600    |
| Adjustment for accretion of tax equity financing fees           | (28)                           | (27)        | (55)                         | (54)         |
| Impact from redeemable non-controlling interests                | 1,424                          | 657         | 1,456                        | 2,571        |
| Plus: Contingent consideration, restructuring and other charges | 385                            | 241         | 756                          | 32           |
| (Less) Plus: Income tax effect of Non-GAAP adjustments          | (100)                          | (63)        | (196)                        | (9)          |
| Non-GAAP net income   | 8,049                          | 33,024      | 9,431                        | 52,140       |
| <b>Diluted net income per common share</b>                      |                                |             |                              |              |
| Diluted net income per common share                             | \$ 0.12                        | \$ 0.61     | \$ 0.14                      | \$ 0.93      |
| Effect of adjustments to net income                             | 0.03                           | 0.01        | 0.04                         | 0.05         |
| Non-GAAP EPS  | \$ 0.15                        | \$ 0.62     | \$ 0.18                      | \$ 0.98      |
| <b>Adjusted cash from operations:</b>                           |                                |             |                              |              |
| Cash flows from operating activities                            | \$ (92,621)                    | \$ (31,721) | \$ (33,849)                  | \$ (307,843) |
| Plus: proceeds from Federal ESPC projects                       | 34,390                         | 56,943      | 76,699                       | 121,731      |
| Adjusted cash from operations                                   | \$ (58,231)                    | \$ 25,222   | \$ 42,850                    | \$ (186,112) |

## Other Financial Measures (Unaudited, in thousands)

|                                  | Three Months Ended<br>June 30, |            | Six Months Ended<br>June 30, |            |
|----------------------------------|--------------------------------|------------|------------------------------|------------|
|                                  | 2023                           | 2022       | 2023                         | 2022       |
| <b>New contracts and awards:</b> |                                |            |                              |            |
| New contracts                    | \$ 311,280                     | \$ 148,600 | \$ 458,240                   | \$ 375,300 |
| New awards <sup>(1)</sup>        | \$ 493,055                     | \$ 223,100 | \$ 965,155                   | \$ 661,100 |

(1) Represents estimated future revenues from projects that have been awarded, though the contracts have not yet been signed

## Non-GAAP Financial Guidance

### Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA):

Year Ended December 31, 2023

|  | Low           | High          |
|--|---------------|---------------|
| Operating income <sup>(1)</sup>                | \$132 million | \$140 million |
| Depreciation and amortization                  | \$63 million  | \$65 million  |
| Stock-based compensation                       | \$16 million  | \$17 million  |
| Non-controlling interest and other adjustments | \$(1) million | \$(2) million |
| Adjusted EBITDA                                | \$210 million | \$220 million |

(1) Although net income is the most directly comparable GAAP measure, this table reconciles adjusted EBITDA to operating income because we are not able to calculate forward-looking net income without unreasonable efforts due to significant uncertainties with respect to the impact of accounting for our redeemable non-controlling interests and taxes.

## Exhibit A: Non-GAAP Financial Measures

We use the Non-GAAP financial measures defined and discussed below to provide investors and others with useful supplemental information to our financial results prepared in accordance with GAAP. These Non-GAAP financial measures should not be considered as an alternative to any measure of financial performance calculated and presented in accordance with GAAP. For a reconciliation of these Non-GAAP measures to the most

directly comparable financial measures prepared in accordance with GAAP, please see Non-GAAP Financial Measures and Non-GAAP Financial Guidance in the tables above.

We understand that, although measures similar to these Non-GAAP financial measures are frequently used by investors and securities analysts in their evaluation of companies, they have limitations as analytical tools, and investors should not consider them in isolation or as a substitute for the most directly comparable GAAP financial measures or an analysis of our results of operations as reported under GAAP. To properly and prudently evaluate our business, we encourage investors to review our GAAP financial statements included above, and not to rely on any single financial measure to evaluate our business.

### **Adjusted EBITDA and Adjusted EBITDA Margin**

We define adjusted EBITDA as net income attributable to common shareholders, including impact from redeemable non-controlling interests, before income tax (benefit) provision, other expenses net, depreciation, amortization of intangible assets, accretion of asset retirement obligations, contingent consideration expense, stock-based compensation expense, energy asset impairment, restructuring and other charges, gain or loss on sale of equity investment, and gain or loss upon deconsolidation of a variable interest entity. We believe adjusted EBITDA is useful to investors in evaluating our operating performance for the following reasons: adjusted EBITDA and similar Non-GAAP measures are widely used by investors to measure a company's operating performance without regard to items that can vary substantially from company to company depending upon financing and accounting methods, book values of assets, capital structures and the methods by which assets were acquired; securities analysts often use adjusted EBITDA and similar Non-GAAP measures as supplemental measures to evaluate the overall operating performance of companies; and by comparing our adjusted EBITDA in different historical periods, investors can evaluate our operating results without the additional variations of depreciation and amortization expense, accretion of asset retirement obligations, contingent consideration expense, stock-based compensation expense, impact from redeemable non-controlling interests, restructuring and asset impairment charges. We define adjusted EBITDA margin as adjusted EBITDA stated as a percentage of revenue.

Our management uses adjusted EBITDA and adjusted EBITDA margin as measures of operating performance, because they do not include the impact of items that we do not consider indicative of our core operating performance; for planning purposes, including the preparation of our annual operating budget; to allocate resources to enhance the financial performance of the business; to evaluate the effectiveness of our business strategies; and in communications with the board of directors and investors concerning our financial performance.

### **Non-GAAP Net Income and EPS**

We define Non-GAAP net income and earnings per share (EPS) to exclude certain discrete items that management does not consider representative of our ongoing operations, including energy asset impairment, restructuring and other charges, impact from redeemable non-controlling interest, gain or loss on sale of equity investment, and gain or loss upon deconsolidation of a variable interest entity. We consider Non-GAAP net income and Non-GAAP EPS to be important indicators of our operational strength and performance of our business because they eliminate the effects of events that are not part of the Company's

core operations.

### **Adjusted Cash from Operations**

We define adjusted cash from operations as cash flows from operating activities plus proceeds from Federal ESPC projects. Cash received in payment of Federal ESPC projects is treated as a financing cash flow under GAAP due to the unusual financing structure for these projects. These cash flows, however, correspond to the revenue generated by these projects. Thus, we believe that adjusting operating cash flow to include the cash generated by our Federal ESPC projects provides investors with a useful measure for evaluating the cash generating ability of our core operating business. Our management uses adjusted cash from operations as a measure of liquidity because it captures all sources of cash associated with our revenue generated by operations.

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