

August 5, 2024



Ameresco Reports Second Quarter 2024 Financial Results

Strong Revenue Growth Led by 45% Increase in Project Revenue

Total Project Backlog Increased 36% Y/Y to a Record \$4.4 billion; Contracted Backlog up 51%

Record 155 MWe Energy Assets Placed into Operation During the Quarter

Adjusting 2024 Guidance

Second Quarter 2024 Financial Highlights:

- Revenues of \$438.0 million
- Net income attributable to common shareholders of \$5.0 million
- GAAP EPS of \$0.09
- Non-GAAP EPS of \$0.10
- Adjusted EBITDA of \$45.1 million, reflecting the impact of SoCal Ed cost budget revisions of \$6.6 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, 2024. 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. Reconciliations of Non-GAAP measures to the appropriate GAAP measures are included herein. All financial result comparisons made are against the prior year period unless otherwise noted.

CEO George Sakellaris commented, "the second quarter was another quarter of substantial business achievements for Ameresco as we delivered excellent year-on-year revenue and Adjusted EBITDA growth of 34% and 21%, respectively, led by the exceptional strength of our projects business while also placing a record number of assets into operation. At the same time, we continued to generate significant new business opportunities across our platform, reflecting how well aligned Ameresco's expertise and capabilities are with market demand. We continue to be disciplined with business selection and benefit from the actions we have taken to optimize our organization to capture the significant growth and profit opportunities ahead of us.

"Our second quarter results were impacted by \$6.6 million of cost budget revisions on the Southern California Edison Company (SCE) projects as they continued to stretch out longer than anticipated. SCE has approved the performance testing and together we are working closely on the final checklist for substantial completion for two of the three projects.

Commissioning and testing activities have begun on the third project, which was significantly impacted by the heavy rainfall in California in 2023. This last site is expected to reach substantial completion in September of 2024.

“We generated significant new business in the second quarter, adding to our record backlog and future revenue streams. Our total Project Backlog reached a record \$4.4 billion at the end of the quarter, an increase of 36% or nearly \$1.2 billion from one year ago levels with contracted backlog growing even faster at 51%. We placed a record 155 MWe of assets into operation in Q2, bringing the year-to-date total to 168 MWe, representing significant progress toward achieving our 200 MWe target for this year. Our record backlog, together with our revenue visibility from our growing Energy Assets and O&M businesses give the Company approximately \$8.3 billion of total revenue visibility.”

Second Quarter Financial Results

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

| (in millions) | Q2 2024 | | | Q2 2023 | | |
|-----------------------------|----------------|----------------------------------|---------------|----------------|----------------------------------|---------------|
| | Revenue | Net Income (Loss) ⁽¹⁾ | Adj. EBITDA | Revenue | Net Income (Loss) ⁽¹⁾ | Adj. EBITDA |
| Projects | \$330.8 | (\$2.5) | \$7.1 | \$228.9 | (\$0.1) | \$6.1 |
| Energy Assets | \$53.4 | \$2.9 | \$31.2 | \$50.0 | \$5.1 | \$27.3 |
| O&M | \$26.2 | \$3.1 | \$3.9 | \$23.0 | \$0.9 | \$2.1 |
| Other | \$27.6 | \$1.5 | \$2.9 | \$25.2 | \$0.5 | \$2.0 |
| Total ⁽²⁾ | \$438.0 | \$5.0 | \$45.1 | \$327.1 | \$6.4 | \$37.4 |

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

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

Total revenue increased 33.9% to \$438.0 million led by 44.5% growth in Projects revenue, as our focus on execution and conversion of our backlog continued to yield results. Energy Assets revenue grew 6.8% driven by growth in operating assets placed in service, improved production and stronger RIN prices. O&M revenue increased 13.7% reflecting a solid attach rate and execution on our O&M contracts. Other revenue increased 9.5%. Gross margin of 14.9% was impacted by the \$6.6 million cost budget revisions on the SCE projects and a mix of larger lower-margin projects. The year-to-date impact of the SCE cost budget revisions now total approximately \$7.3 million. Net income attributable to common shareholders was \$5.0 million compared to net income of \$6.4 million during the same period last year due to higher interest and depreciation expenses, with GAAP and Non-GAAP EPS of \$0.09 and \$0.10, respectively. Adjusted EBITDA of \$45.1 million increased 20.7%.

Balance Sheet and Cash Flow Metrics

(\$ in millions)

Total Corporate Debt ⁽¹⁾
 Corporate Debt Leverage Ratio ⁽²⁾

Total Energy Asset Debt ⁽³⁾
 Energy Asset Book Value ⁽⁴⁾
 Energy Debt Advance Rate ⁽⁵⁾

Q2 Cash Flows from Operating Activities
 Plus: Q2 Proceeds from Federal ESPC Projects
 Equals: Q2 Adjusted Cash from Operations

8-quarter rolling average Cash Flows from Operating Activities
 Plus: 8-quarter rolling average Proceeds from Federal ESPC Projects
 Equals: 8-quarter rolling average Adjusted Cash from Operations

June 30, 2024

| |
|-----------|
| \$273.4 |
| 2.9X |
| \$1,329.4 |
| \$1,813.6 |
| 73% |
| \$53.3 |
| \$100.6 |
| \$153.9 |
| (\$3.3) |
| \$48.9 |
| \$45.6 |

- (1) Subordinated Debt, term loans and drawn amounts on the revolving line of credit
 (2) Debt to EBITDA, as calculated under our Sr. Secured Credit Facility
 (3) Term loans, sale-leasebacks and construction loan project financings for our Energy Assets in operations and in-construction and development
 (4) Book Value of our Energy Assets in operations and in-construction and development
 (5) Total Energy Asset Debt divided by Energy Asset Book Value

The Company ended the quarter with \$150.3 million in cash. Our total corporate debt including our subordinated debt, term loans and drawn amounts on our revolving line of credit was \$273.4 million, with a corporate leverage ratio as calculated under our Sr. Secured Credit Facility of 2.9X, below our 3.5X covenant level. At the end of the quarter, we successfully raised \$100.0 million in subordinated debt with Nuveen Energy Infrastructure Credit. Our Energy Asset Debt was \$1.3 billion with an Energy Debt Advance rate of 73% on the Energy Asset Book Value. Our Adjusted Cash from Operations during the quarter was \$153.9 million. Our 8-quarter rolling average Adjusted Cash from Operations was \$45.6 million. We are providing this number given the volatility of quarterly Adjusted Cash from Operations as it better represents our average implementation cycle.

(\$ in millions)

Awarded Project Backlog ⁽¹⁾
 Contracted Project Backlog
Total Project Backlog
 12-month Contracted Backlog ⁽²⁾

O&M Revenue Backlog
 12-month O&M Backlog
 Energy Asset Visibility ⁽³⁾
 Operating Energy Assets
 Ameresco's Net Assets in Development ⁽⁴⁾

At June 30, 2024

| |
|---------|
| \$2,762 |
| \$1,651 |
| \$4,413 |
| \$817 |
| \$1,186 |
| \$90 |
| \$2,736 |
| 661 MWe |
| 635 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

- Ameresco's Assets in Development ended the quarter at 641 MWe. After subtracting Ameresco's partners' minority interests, Ameresco's owned capacity of Assets in Development at quarter end was 635 MWe.
- Ameresco brought 155 MWe of Energy Assets into operations, including the 42 MWe AC solar and 42 MWe/168 MWh battery storage from Kūpono Solar and over 50 MWe battery storage from 5 of the 8 United Power sites.
- Europe is also quickly adopting BESS technology as seen by our 300MWe/624MWh Cellarhead project in the U.K. The project represents one of the largest BESS installations in the U.K. and also includes an O&M contract.
- The strength of the battery market continues as Ameresco added 50 MW of BESS to the Assets in Development, and \$250 million of BESS to the project backlog during the quarter.
- City street light conversions to LED technology continues to generate a lot of interest given the quick pay-back period to cities and municipalities driven by both lower energy expense as well as lower maintenance expense. Ameresco will be converting over 30,000 streetlights in Henderson, NV. The Company also won an award for its LED streetlighting, controls and networking project, in partnership with Memphis Light, Gas and Water and the City of Memphis.

Subsequent Event

Today Ameresco announced that Doran Hole has resigned as Executive Vice President and Chief Financial Officer to pursue other opportunities. "We appreciate the contributions that Doran has made during his tenure with us. Doran has been a valuable member of our executive leadership team, and we wish him the best with his future endeavors," said George Sakellaris. Mr. Hole will continue to serve as CFO until August 30, 2024, at which time Mark Chiplock, Senior Vice President and Chief Accounting Officer, will be promoted to Executive Vice President, Chief Financial Officer and continue to serve as Chief Accounting Officer.

Summary and Outlook

"We continue to benefit from the actions we have taken to optimize our business structure and focus our resources on capturing the most attractive and profitable opportunities. Demand for our solutions remains robust, and Ameresco is well positioned to thrive within most business and economic environments given the increasing need for infrastructure resilience and the cost effectiveness of our solutions," Mr. Sakellaris concluded.

Ameresco has adjusted its full year 2024 guidance which is included in the table below. We are increasing our revenue range based on the financial performance for the first half of the year and our visibility for the remainder of the year. Our new gross margin range reflects the expected full year impact of the cost budget revisions on the SCE projects of approximately \$10 million. Our new guidance range reflects revenue and Adjusted EBITDA growth of 27% and 35%, respectively, at the midpoints. The Company still expects to place approximately 200 MWe of energy assets in service for all of 2024, of which 168 MWe have already achieved commercial operations. Our expected capex for 2024 remains \$350 million to \$400 million, the majority of which we continue to expect to fund with project financing.

FY 2024 Guidance Ranges

| | | |
|--------------------------|----------------|----------------|
| Revenue | \$1.70 billion | \$1.80 billion |
| Gross Margin | 16.0% | 16.5% |
| Adjusted EBITDA | \$210 million | \$230 million |
| Interest Expense & Other | \$60 million | \$65 million |
| Non-GAAP EPS | \$1.15 | \$1.35 |

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.

Conference Call/Webcast Information

The Company will host a conference call today at 4:30 p.m. ET to discuss second quarter 2024 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. 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 solutions that help customers reduce costs, decarbonize to net zero, and build energy resiliency while leveraging smart, connected technologies. From implementing energy efficiency and infrastructure upgrades to developing, constructing, and operating distributed energy resources – we are a trusted sustainability partner. Ameresco has successfully completed energy saving, environmentally responsible projects with Federal, state and local governments, utilities, healthcare and educational institutions, housing authorities, and commercial and industrial customers. With its corporate headquarters in Framingham, MA, Ameresco has more than 1,500 employees providing local expertise in North America and Europe. For more information, visit 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, backlog, pending agreements, financial guidance including estimated future revenues, net income, adjusted EBITDA, Non-GAAP EPS, gross margin, effective tax rate, and capital investments, as well as statements about our financing plans, the impact the IRA, supply chain

disruptions, shortage and cost of materials and labor, and other macroeconomic and geopolitical challenges; our expectations related to our agreement with SCE including the impact of delays and any requirement to pay liquidated damages, 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: demand for our energy efficiency and renewable energy solutions; 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; the ability to perform under signed contracts without delay and in accordance with their terms and related liquidated and other damages we may be subject to; the fiscal health of the government and the risk of government shutdowns; our ability to complete and operate our projects on a profitable basis and as committed to our customers; our cash flows from operations and our ability to arrange financing to fund our operations and projects; our customers’ ability to finance their projects and credit risk from our customers; our ability to comply with covenants in our existing debt agreements including the requirement to raise additional subordinated debt; the impact of macroeconomic challenges, weather related events and climate change on our business; our reliance on third parties for our construction and installation work; availability and cost of labor and equipment particularly given global supply chain challenges and global trade conflicts; global supply chain challenges, component shortages and inflationary pressures; changes in federal, state and local government policies and programs related to energy efficiency and renewable energy; the ability of customers to cancel or defer contracts included in our backlog; the output and performance of our energy plants and energy projects; cybersecurity incidents and breaches; regulatory and other risks inherent to constructing and operating energy assets; 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; the addition of new customers or the loss of existing customers; market price of our Class A Common stock prevailing from time to time; the nature of other investment opportunities presented to our Company from time to time; 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 our quarterly reports 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)

| | June 30, 2024 | December 31, 2023 |
|---------------------------|------------------|----------------------|
| | (Unaudited) | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 150,278 | \$ 79,271 |
| Restricted cash | 68,082 | 62,311 |

| | | |
|--|--------------|--------------|
| Accounts receivable, net | 154,665 | 153,362 |
| Accounts receivable retainage, net | 39,225 | 33,826 |
| Costs and estimated earnings in excess of billings | 651,748 | 636,163 |
| Inventory, net | 12,484 | 13,637 |
| Prepaid expenses and other current assets | 134,375 | 123,391 |
| Income tax receivable | 4,819 | 5,775 |
| Project development costs, net | 24,280 | 20,735 |
| Total current assets | 1,239,956 | 1,128,471 |
| Federal ESPC receivable | 552,376 | 609,265 |
| Property and equipment, net | 16,995 | 17,395 |
| Energy assets, net | 1,813,649 | 1,689,424 |
| Deferred income tax assets, net | 29,512 | 26,411 |
| Goodwill, net | 75,245 | 75,587 |
| Intangible assets, net | 5,639 | 6,808 |
| Operating lease assets | 68,194 | 58,586 |
| Restricted cash, non-current portion | 14,740 | 12,094 |
| Other assets | 148,796 | 89,735 |
| Total assets | \$ 3,965,102 | \$ 3,713,776 |

LIABILITIES, REDEEMABLE NON-CONTROLLING INTERESTS AND STOCKHOLDERS' EQUITY

Current liabilities:

| | | |
|---|------------|------------|
| Current portions of long-term debt and financing lease liabilities, net | \$ 523,832 | \$ 322,247 |
| Accounts payable | 497,026 | 402,752 |
| Accrued expenses and other current liabilities | 100,198 | 108,831 |
| Current portions of operating lease liabilities | 13,618 | 13,569 |
| Billings in excess of cost and estimated earnings | 97,493 | 52,903 |
| Income taxes payable | 220 | 1,169 |
| Total current liabilities | 1,232,387 | 901,471 |

Long-term debt and financing lease liabilities, net of current portion, unamortized discount and debt issuance costs

| | | |
|--|-----------|-----------|
| Long-term debt and financing lease liabilities, net of current portion, unamortized discount and debt issuance costs | 1,078,995 | 1,170,075 |
| Federal ESPC liabilities | 511,226 | 533,054 |
| Deferred income tax liabilities, net | 4,365 | 4,479 |
| Deferred grant income | 6,669 | 6,974 |
| Long-term operating lease liabilities, net of current portion | 48,545 | 42,258 |
| Other liabilities | 97,946 | 82,714 |
| Redeemable non-controlling interests, net | \$ 43,777 | \$ 46,865 |

Stockholders' equity:

| | | |
|---|--------------|--------------|
| Preferred stock, \$0.0001 par value, 5,000,000 shares authorized, no shares issued and outstanding at June 30, 2024 and December 31, 2023 | — | — |
| Class A common stock, \$0.0001 par value, 500,000,000 shares authorized, 36,504,310 shares issued and 34,402,515 shares outstanding at June 30, 2024, 36,378,990 shares issued and 34,277,195 shares outstanding at December 31, 2023 | 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, 2024 and December 31, 2023 | 2 | 2 |
| Additional paid-in capital | 332,356 | 320,892 |
| Retained earnings | 597,930 | 595,911 |
| Accumulated other comprehensive loss, net | (3,800) | (3,045) |
| Treasury stock, at cost, 2,101,795 shares at June 30, 2024 and December 31, 2023 | (11,788) | (11,788) |
| Stockholders' equity before non-controlling interest | 914,703 | 901,975 |
| Non-controlling interests | 26,489 | 23,911 |
| Total stockholders' equity | 941,192 | 925,886 |
| Total liabilities, redeemable non-controlling interests and stockholders' equity | \$ 3,965,102 | \$ 3,713,776 |

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|-----------------------------|------------|---------------------------|------------|
| | 2024 | 2023 | 2024 | 2023 |
| Revenues | \$ 437,982 | \$ 327,074 | \$ 736,388 | \$ 598,116 |
| Cost of revenues | 372,813 | 268,425 | 624,226 | 489,519 |
| Gross profit | 65,169 | 58,649 | 112,162 | 108,597 |
| Earnings from unconsolidated entities | 10 | 380 | 565 | 830 |
| Selling, general and administrative expenses | 44,226 | 41,413 | 83,781 | 82,714 |
| Operating income | 20,953 | 17,616 | 28,946 | 26,713 |
| Other expenses, net | 15,759 | 9,198 | 29,930 | 17,241 |
| Income (loss) before income taxes | 5,194 | 8,418 | (984) | 9,472 |
| Income tax provision (benefit) | — | 5 | — | (498) |
| Net income (loss) | 5,194 | 8,413 | (984) | 9,970 |
| Net (income) loss attributable to non-controlling interests and redeemable non-controlling interests | (184) | (2,045) | 3,057 | (2,500) |
| Net income attributable to common shareholders | \$ 5,010 | \$ 6,368 | \$ 2,073 | \$ 7,470 |
| Net income per share attributable to common shareholders: | | | | |
| Basic | \$ 0.10 | \$ 0.12 | \$ 0.04 | \$ 0.14 |
| Diluted | \$ 0.09 | \$ 0.12 | \$ 0.04 | \$ 0.14 |
| Weighted average common shares outstanding: | | | | |
| Basic | 52,355 | 52,127 | 52,322 | 52,045 |
| Diluted | 53,113 | 53,211 | 53,016 | 53,232 |

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

| | Six Months Ended June 30, | |
|---|---------------------------|----------|
| | 2024 | 2023 |
| Cash flows from operating activities: | | |
| Net (loss) income | \$ (984) | \$ 9,970 |
| Adjustments to reconcile net (loss) income to net cash flows from operating activities: | | |
| Depreciation of energy assets, net | 35,685 | 27,725 |
| Depreciation of property and equipment | 2,452 | 1,607 |
| Increase in contingent consideration | — | 155 |
| Accretion of ARO liabilities | 154 | 130 |
| Amortization of debt discount and debt issuance costs | 2,322 | 2,364 |
| Amortization of intangible assets | 1,076 | 991 |
| Provision for bad debts | 1,211 | 579 |
| Loss on disposal of assets and impairment loss | 382 | 18 |
| Non-cash project revenue related to in-kind leases | (2,347) | — |
| Earnings from unconsolidated entities | (565) | (830) |
| Net gain from derivatives | (3,968) | (261) |
| Stock-based compensation expense | 6,704 | 7,999 |
| Deferred income taxes, net | 687 | (3,177) |
| Unrealized foreign exchange loss | 1,027 | 38 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 5,943 | 60,028 |
| Accounts receivable retainage | (5,525) | 354 |
| Federal ESPC receivable | (85,788) | (88,072) |
| Inventory, net | 1,153 | 91 |
| Costs and estimated earnings in excess of billings | (27,779) | 15,664 |
| Prepaid expenses and other current assets | 24,698 | 1,312 |
| Income taxes receivable, net | 21 | 11 |
| Project development costs | (3,719) | (2,825) |
| Other assets | (3,118) | (1,867) |
| Accounts payable, accrued expenses and other current liabilities | 72,777 | (80,555) |
| Billings in excess of cost and estimated earnings | 46,969 | 13,462 |

| | | |
|--|------------|------------|
| Other liabilities | 4,663 | 1,240 |
| Cash flows from operating activities | 74,131 | (33,849) |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | (2,066) | (2,662) |
| Capital investments in energy assets | (227,383) | (261,547) |
| Capital investments in major maintenance of energy assets | (10,527) | (5,810) |
| Net proceeds from equity method investments | 12,956 | — |
| Contributions to equity method investments | (6,192) | — |
| Acquisitions, net of cash received | — | (9,184) |
| Loans to joint venture investments | — | (39) |
| Cash flows from investing activities | (233,212) | (279,242) |
| Cash flows from financing activities: | | |
| Payments of debt discount and debt issuance costs | (6,008) | (5,074) |
| Proceeds from exercises of options and ESPP | 1,494 | 3,110 |
| Payments on senior secured revolving credit facility, net | (34,900) | (80,000) |
| Proceeds from long-term debt financings | 359,331 | 343,923 |
| Proceeds from Federal ESPC projects | 120,128 | 76,699 |
| Net proceeds from energy asset receivable financing arrangements | 5,280 | 8,114 |
| Contributions from non-controlling interests | 30,792 | 499 |
| Distributions to non-controlling interest | (1,004) | (20,521) |
| Distributions to redeemable non-controlling interests, net | (263) | (338) |
| Payment on seller's promissory note | (29,441) | — |
| Payments on debt and financing leases | (206,974) | (61,335) |
| Cash flows from financing activities | 238,435 | 265,077 |
| Effect of exchange rate changes on cash | 70 | (61) |
| Net increase (decrease) in cash, cash equivalents, and restricted cash | 79,424 | (48,075) |
| Cash, cash equivalents, and restricted cash, beginning of period | 153,676 | 149,888 |
| Cash, cash equivalents, and restricted cash, end of period | \$ 233,100 | \$ 101,813 |

Non-GAAP Financial Measures (Unaudited, in thousands)

Three Months Ended June 30, 2024

| Adjusted EBITDA: | Projects | Energy Assets | O&M | Other | Consolidated |
|---|------------|---------------|----------|----------|--------------|
| Net (loss) income attributable to common shareholders | \$ (2,485) | \$ 2,892 | \$ 3,141 | \$ 1,462 | \$ 5,010 |
| Plus: Other expenses, net | 5,383 | 9,590 | 296 | 490 | 15,759 |
| Plus: Depreciation and amortization | 1,038 | 18,242 | 314 | 781 | 20,375 |
| Plus: Stock-based compensation | 2,799 | 441 | 212 | 226 | 3,678 |
| Plus: Contingent consideration, restructuring and other charges | 232 | 68 | 5 | 4 | 309 |
| Adjusted EBITDA | \$ 6,967 | \$ 31,233 | \$ 3,968 | \$ 2,963 | \$ 45,131 |
| Adjusted EBITDA margin | 2.1% | 58.5% | 15.2% | 10.7% | 10.3% |

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: Restructuring and other changes | 214 | 15 | 4 | 152 | 385 |
| Adjusted EBITDA | \$ 6,070 | \$ 27,274 | \$ 2,074 | \$ 1,960 | \$ 37,378 |
| Adjusted EBITDA margin | 2.7% | 54.5% | 9.0% | 7.8% | 11.4% |

| | 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: Restructuring and other changes | 214 | 15 | 4 | 152 | 385 |
| Adjusted EBITDA | \$ 6,070 | \$ 27,274 | \$ 2,074 | \$ 1,960 | \$ 37,378 |
| Adjusted EBITDA margin | 2.7% | 54.5% | 9.0% | 7.8% | 11.4% |

Six Months Ended June 30, 2024

Adjusted EBITDA:

| | | | | | |
|---|------------------|------------------|-----------------|-----------------|------------------|
| Net (loss) income attributable to common shareholders | \$ (8,450) | \$ 2,396 | \$ 6,801 | \$ 1,326 | \$ 2,073 |
| Impact from redeemable non-controlling interests | — | (2,855) | — | — | (2,855) |
| Plus: Other expenses, net | 11,039 | 16,835 | 841 | 1,215 | 29,930 |
| Plus: Depreciation and amortization | 2,033 | 35,089 | 636 | 1,455 | 39,213 |
| Plus: Stock-based compensation | 4,871 | 879 | 469 | 485 | 6,704 |
| Plus: Contingent consideration, restructuring and other charges | 712 | 84 | 10 | 91 | 897 |
| Adjusted EBITDA | \$ 10,205 | \$ 52,428 | \$ 8,757 | \$ 4,572 | \$ 75,962 |
| Adjusted EBITDA margin | 1.9% | 54.3% | 17.0% | 8.6% | 10.3% |

| | Projects | Energy Assets | O&M | Other | Consolidated |
|---|------------------|----------------------|-----------------|-----------------|---------------------|
| Net (loss) income attributable to common shareholders | \$ (8,450) | \$ 2,396 | \$ 6,801 | \$ 1,326 | \$ 2,073 |
| Impact from redeemable non-controlling interests | — | (2,855) | — | — | (2,855) |
| Plus: Other expenses, net | 11,039 | 16,835 | 841 | 1,215 | 29,930 |
| Plus: Depreciation and amortization | 2,033 | 35,089 | 636 | 1,455 | 39,213 |
| Plus: Stock-based compensation | 4,871 | 879 | 469 | 485 | 6,704 |
| Plus: Contingent consideration, restructuring and other charges | 712 | 84 | 10 | 91 | 897 |
| Adjusted EBITDA | \$ 10,205 | \$ 52,428 | \$ 8,757 | \$ 4,572 | \$ 75,962 |
| Adjusted EBITDA margin | 1.9% | 54.3% | 17.0% | 8.6% | 10.3% |

Six Months Ended June 30, 2023

Adjusted EBITDA:

| | | | | | |
|---|------------------|------------------|-----------------|-----------------|------------------|
| Net (loss) income 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 | \$ 10,101 | \$ 47,182 | \$ 3,612 | \$ 3,852 | \$ 64,747 |
| Adjusted EBITDA margin | 2.5% | 52.0% | 8.0% | 7.7% | 10.8% |

| | Projects | Energy Assets | O&M | Other | Consolidated |
|---|------------------|----------------------|-----------------|-----------------|---------------------|
| Net (loss) income 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 | \$ 10,101 | \$ 47,182 | \$ 3,612 | \$ 3,852 | \$ 64,747 |
| Adjusted EBITDA margin | 2.5% | 52.0% | 8.0% | 7.7% | 10.8% |

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------------------------|-------------|---------------------------|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| Non-GAAP net income (loss) and EPS: | | | | |
| Net income attributable to common shareholders | \$ 5,010 | \$ 6,368 | \$ 2,073 | \$ 7,470 |
| Adjustment for accretion of tax equity financing fees | (27) | (28) | (54) | (55) |
| Impact from redeemable non-controlling interests | — | 1,424 | (2,855) | 1,456 |
| Plus: Contingent consideration, restructuring and other charges | 309 | 385 | 897 | 756 |
| Less: Income tax effect of Non-GAAP adjustments | (80) | (100) | (233) | (196) |
| Non-GAAP net income (loss) | 5,212 | 8,049 | (172) | 9,431 |
| Diluted net income per common share | | | | |
| Diluted net income per common share | \$ 0.09 | \$ 0.12 | \$ 0.04 | \$ 0.14 |
| Effect of adjustments to net income (loss) | 0.01 | 0.03 | (0.04) | 0.04 |
| Non-GAAP EPS | \$ 0.10 | \$ 0.15 | \$ — | \$ 0.18 |
| Adjusted cash from operations: | | | | |
| Cash flows from operating activities | \$ 53,314 | \$ (92,621) | \$ 74,131 | \$ (33,849) |
| Plus: proceeds from Federal ESPC projects | 100,547 | 34,390 | 120,128 | 76,699 |
| Adjusted cash from operations | \$ 153,861 | \$ (58,231) | \$ 194,259 | \$ 42,850 |

Other Financial Measures (Unaudited, in thousands)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|----------------------------------|-----------------------------|------------|---------------------------|------------|
| | 2024 | 2023 | 2024 | 2023 |
| New contracts and awards: | | | | |
| New contracts | \$ 513,583 | \$ 311,280 | \$ 848,116 | \$ 458,240 |
| New awards ⁽¹⁾ | \$ 715,601 | \$ 493,055 | \$ 1,055,399 | \$ 965,155 |

(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, 2024

| | Low | High |
|---------------------------------|---------------|---------------|
| Operating income ⁽¹⁾ | \$112 million | \$130 million |
| Depreciation and amortization | \$85 million | \$86 million |
| Stock-based compensation | \$14 million | \$15 million |
| Restructuring and other charges | \$(1) million | \$(1) million |
| Adjusted EBITDA | \$210 million | \$230 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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