

REFINITIV

## DELTA REPORT

### 10-Q

AMRC - AMERESCO, INC.

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 640

█ CHANGES 207

█ DELETIONS 158

█ ADDITIONS 275

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, 2024** **June 30, 2024**

OR  TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number: 001-34811

**Ameresco, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

**04-3512838**

(State or Other Jurisdiction of  
Incorporation or Organization)

(I.R.S. Employer  
Identification No.)

**111 Speen Street, Suite 410**  
**Framingham, Massachusetts**

**01701**

(Address of Principal Executive Offices)

(Zip Code)

**(508) 661-2200**

(Registrant's Telephone Number, Including Area Code)

**N/A**

(Former name, former address and former fiscal year, if changed since last report)

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

Title of Each Class	Trading Symbol	Name of exchange on which registered
Class A Common Stock, par value \$0.0001 per share	AMRC	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated Filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Shares outstanding as of <b>May 1, 2024</b> <b>August 2, 2024</b>
Class A Common Stock, \$0.0001 par value per share	<b>34,338,602</b> <b>34,402,515</b>
Class B Common Stock, \$0.0001 par value per share	18,000,000

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### Part I - Financial Information

#### Item 1. Condensed Consolidated Financial Statements

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

March 31,

2024

December 31, 2023

	June 30, 2024	December 31, 2023
(Unaudited)		
<b>ASSETS</b>		
<b>ASSETS</b>		
<b>ASSETS</b>		
Current assets:		
Current assets:		
Current assets:		
Cash and cash equivalents (1)		
Cash and cash equivalents (1)		
Cash and cash equivalents (1)		
Restricted cash (1)		
Accounts receivable, net of allowance of \$898 and \$903, respectively (1)		
Accounts receivable, net of allowance of \$2,060 and \$903, respectively (1)		
Accounts receivable retainage, net		
Costs and estimated earnings in excess of billings (1)		
Inventory, net		
Prepaid expenses and other current assets (1)		
Income tax receivable		
Income taxes receivable		
Project development costs, net		
Total current assets (1)		
Federal ESPC receivable		
Property and equipment, net (1)		
Energy assets, net (1)		
Deferred income tax assets, net		
Goodwill, net		
Intangible assets, net		
Operating lease assets (1)		
Restricted cash, non-current portion (1)		
Other assets (1)		
Total assets (1)		
<b>LIABILITIES, REDEEMABLE NON-CONTROLLING INTERESTS, AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Current portions of long-term debt and financing lease liabilities, net (1)		
Current portions of long-term debt and financing lease liabilities, net (1)		
Current portions of long-term debt and financing lease liabilities, net (1)		
Accounts payable (1)		
Accrued expenses and other current liabilities (1)		
Current portions of operating lease liabilities (1)		

Billings in excess of cost and estimated earnings		
Income taxes payable		
<b>Total current liabilities <sup>(1)</sup></b>		
Long-term debt and financing lease liabilities, net of current portion, unamortized discount and debt issuance costs <sup>(1)</sup>		
Federal ESPC liabilities		
Deferred income tax liabilities, net		
Deferred grant income		
Long-term operating lease liabilities, net of current portion <sup>(1)</sup>		
Other liabilities <sup>(1)</sup>		
Commitments and contingencies (Note 10)	<b>Commitments and contingencies (Note 10)</b>	<b>Commitments and contingencies (Note 10)</b>
Redeemable non-controlling interests, net		

<sup>(1)</sup> Includes restricted assets of consolidated variable interest entities ("VIEs") at March 31, 2024 June 30, 2024 and December 31, 2023 of \$194,752 \$196,379 and \$312,701, respectively. Includes liabilities of consolidated VIEs at March 31, 2024 June 30, 2024 and December 31, 2023 of \$45,878 \$43,071 and 199,063, \$199,063, respectively. See Note 13.

**AMERESCO, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share amounts) (Continued)

	March 31, 2024	December 31, 2023
Stockholders' equity:		
Stockholders' equity:		
Stockholders' equity:		
Preferred stock, \$0.0001 par value, 5,000,000 shares authorized, no shares issued and outstanding at March 31, 2024 and December 31, 2023		
Preferred stock, \$0.0001 par value, 5,000,000 shares authorized, no shares issued and outstanding at March 31, 2024 and December 31, 2023		
Preferred stock, \$0.0001 par value, 5,000,000 shares authorized, no shares issued and outstanding at March 31, 2024 and December 31, 2023		
Class A common stock, \$0.0001 par value, 500,000,000 shares authorized, 36,421,956 shares issued and 34,320,161 shares outstanding at March 31, 2024, 36,378,990 shares issued and 34,277,195 shares outstanding at December 31, 2023		
Class B common stock, \$0.0001 par value, 144,000,000 shares authorized, 18,000,000 shares issued and outstanding at March 31, 2024 and December 31, 2023		
Preferred stock, \$0.0001 par value, 5,000,000 shares authorized, no shares issued and outstanding at June 30, 2024 and December 31, 2023		
Preferred stock, \$0.0001 par value, 5,000,000 shares authorized, no shares issued and outstanding at June 30, 2024 and December 31, 2023		
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		
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		
Additional paid-in capital		
Retained earnings		
Accumulated other comprehensive loss, net		

Treasury stock, at cost, 2,101,795 shares at March 31, 2024 and December 31, 2023
Treasury stock, at cost, 2,101,795 shares at June 30, 2024 and December 31, 2023
Stockholders' equity before non-controlling interest
Non-controlling interests
Total stockholders' equity
Total liabilities, redeemable non-controlling interests, and stockholders' equity

See notes to condensed consolidated financial statements.

AMERESCO, INC.	CONDENSED CONSOLIDATED STATEMENTS OF (LOSS) INCOME (In thousands, except share and per share amounts) (Unaudited)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues				
Revenues				
Revenues				
Cost of revenues				
Cost of revenues				
Cost of revenues				
Gross profit				
Gross profit				
Gross profit				
Earnings from unconsolidated entities				
Earnings from unconsolidated entities				
Earnings from unconsolidated entities				
Selling, general and administrative expenses				
Selling, general and administrative expenses				
Selling, general and administrative expenses				
Operating income				
Operating income				
Operating income				
Other expenses, net				
Other expenses, net				
Other expenses, net				
(Loss) income before income taxes				
(Loss) income before income taxes				
(Loss) income before income taxes				
Income (loss) before income taxes				
Income tax provision (benefit)				
Income tax provision (benefit)				
Income tax provision (benefit)				
Net (loss) income				
Net (loss) income				
Net (loss) income				
Net loss (income) attributable to non-controlling interests and redeemable non-controlling interests				
Net loss (income) attributable to non-controlling interests and redeemable non-controlling interests				

Net loss (income) attributable to non-controlling interests and redeemable non-controlling interests
Net (loss) income attributable to common shareholders
Net (loss) income attributable to common shareholders
Net (loss) income attributable to common shareholders
Net income (loss)
Net (income) loss attributable to non-controlling interests and redeemable non-controlling interests
Net income attributable to common shareholders
Net (loss) income per share attributable to common shareholders:
Net (loss) income per share attributable to common shareholders:
Net (loss) income per share attributable to common shareholders:
Net income attributable to common shareholders
Net income attributable to common shareholders
Net income attributable to common shareholders
Basic
Basic
Basic
Diluted
Diluted
Diluted
Weighted average common shares outstanding:
Weighted average common shares outstanding:
Weighted average common shares outstanding:
Basic
Basic
Basic
Diluted
Diluted
Diluted

See notes to condensed consolidated financial statements.

	AMERESCO, INC. CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME (In thousands) (Unaudited)	
	Three Months Ended June 30,	
	2024	2023
Net income		
Other comprehensive (loss) income:		
Unrealized gain from interest rate hedges, net of tax		
Unrealized gain from interest rate hedges, net of tax		
Unrealized gain from interest rate hedges, net of tax		
Foreign currency translation adjustments		
Total other comprehensive (loss) income		
Comprehensive income		
Comprehensive (income) loss attributable to non-controlling interests and redeemable non-controlling interests:		
Net income		

	Three Months Ended March 31,	Six Months Ended June 30,		
	2024	2023	2024	2023
Net income				
Net income				
Foreign currency translation adjustments				
Comprehensive income attributable to non-controlling interests and redeemable non-controlling interests				
Comprehensive income attributable to common shareholders				
Net (loss) income				
Other comprehensive income (loss):				
Other comprehensive (loss) income:				
Unrealized gain (loss) from interest rate hedges, net of tax				
Unrealized gain (loss) from interest rate hedges, net of tax				
Unrealized gain (loss) from interest rate hedges, net of tax				
Foreign currency translation adjustments				
Total other comprehensive loss				
Total other comprehensive (loss) income				
Comprehensive (loss) income				
Comprehensive (loss) income attributable to non-controlling interests and redeemable non-controlling interests:				
Comprehensive loss (income) attributable to non-controlling interests and redeemable non-controlling interests:				
Net loss (income)				
Net loss (income)				
Net loss (income)				
Foreign currency translation adjustments				
Comprehensive loss (income) attributable to non-controlling interests and redeemable non-controlling interests				
Comprehensive (loss) income attributable to common shareholders				
Comprehensive income attributable to common shareholders				

See notes to condensed consolidated financial statements.

**AMERESCO, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN REDEEMABLE NON-CONTROLLING INTERESTS AND STOCKHOLDERS' EQUITY**  
**For the Three Months Ended March 31, 2024 June 30, 2024 and 2023**  
**(In thousands, except share amounts) (Unaudited)**

	Class A		Class B				Treasury					
	Common	Stock	Common	Stock	Additional	Other	Accumulated	Stock	Non-	Total	Non-	Total
	Redeemable	Non-	Redeemable	Non-	Paid-in	Comprehensive	Other	Stock	controlling	Stockholders'	Controlling	Stockholders'
	Non-	controlling	Non-	controlling	Additional	Other	Accumulated	Treasury	Stockholders'	Equity	Non-	Stockholders'
	controlling	Interests	Redeemable	Interests	Paid-in	Comprehensive	Other	Stock	Equity	Equity	Controlling	Stockholders'
	Shares		Stock		Capital	Loss	Stock	Stock	Stock	Equity	Interests	Stockholders'
Balance, December 31, 2022												
Balance, December 31, 2022												

Balance, December 31, 2022
Exercise of stock options
Exercise of stock options
Balance, March 31, 2023
Balance, March 31, 2023
Balance, March 31, 2023
Exercise of stock options
Stock-based compensation expense
Unrealized loss from interest rate hedges, net
Unrealized loss from interest rate hedges, net
Unrealized loss from interest rate hedges, net
Employee stock purchase plan
Restricted stock units released
Unrealized gain from interest rate hedges, net
Foreign currency translation adjustment
Distributions to redeemable non- controlling interests
Distributions to redeemable non- controlling interests
Distributions to redeemable non- controlling interests
Distributions to RNCI
Distributions to RNCI
Distributions to RNCI

Accretion of tax equity financing fees
Investment fund call option exercise
Contributions from non-controlling interest
Contributions from NCI
Contributions from NCI
Contributions from NCI
Distributions to NCI
Net income
Balance, March 31, 2023
Balance, June 30, 2023
Balance, December 31, 2023
Balance, December 31, 2023
Balance, December 31, 2023
Balance, March 31, 2024
Balance, March 31, 2024
Balance, March 31, 2024
Exercise of stock options
Exercise of stock options
Exercise of stock options
Stock-based compensation expense

Restricted stock units released
Restricted stock units released
Employee stock purchase plan
Restricted stock units released
Unrealized gain from interest rate hedges, net
Foreign currency translation adjustment
Distributions to redeemable non-controlling interests
Distributions to redeemable non-controlling interests
Distributions to redeemable non-controlling interests
Distributions to RNCI
Distributions to RNCI
Distributions to RNCI
Accretion of tax equity financing fees
Contributions from non-controlling interests
Contributions from non-controlling interests
Contributions from non-controlling interests
Distributions to non-controlling interest
Purchase of shares from non-controlling interest
Net loss
Balance, March 31, 2024
Contributions from NCI

Contributions from NCI
Contributions from NCI
Distributions to NCI
Net income
Net income
Net income
Balance, June 30, 2024

See notes to condensed consolidated financial statements.

### AMERESCO, INC.

#### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN REDEEMABLE NON-CONTROLLING INTERESTS AND STOCKHOLDERS' EQUITY

For the Six Months Ended June 30, 2024 and 2023  
(In thousands, except share amounts) (Unaudited)

	Redeemable Non-controlling Interests	Accumulated												Non-controlling Interests	Total Stockholders' Equity		
		Class A Common Stock		Class B Common Stock		Additional Paid-in Capital		Other Comprehensive Loss		Treasury Stock							
		Shares	Amount	Shares	Amount	Capital	Earnings	Loss	Shares	Amount							
Balance, December 31, 2022	\$ 46,623	33,948,362	\$ 3	18,000,000	\$ 2	\$ 306,314	\$ 533,549	\$ (4,051)	2,101,795	\$ (11,788)	\$ 49,002	\$ 873,031					
Exercise of stock options	—	216,600	—	—	—	2,093	—	—	—	—	—	—	2,093				
Stock-based compensation expense	—	—	—	—	—	7,999	—	—	—	—	—	—	7,999				
Employee stock purchase plan	—	24,833	—	—	—	1,017	—	—	—	—	—	—	1,017				
Restricted stock units released	—	10,815	—	—	—	—	—	—	—	—	—	—	—				
Unrealized loss from interest rate hedges, net	—	—	—	—	—	—	—	(48)	—	—	—	—	(48)				
Foreign currency translation adjustment	—	—	—	—	—	—	—	1,215	—	—	—	11	1,226				
Distributions to RNCI	(335)	—	—	—	—	—	—	—	—	—	—	—	—				
Accretion of tax equity financing fees	55	—	—	—	—	—	(55)	—	—	—	—	—	(55)				
Investment fund call option exercise	195	—	—	—	—	(195)	—	—	—	—	—	—	(195)				
Contributions from NCI	—	—	—	—	—	—	—	—	—	—	—	922	922				
Distributions to NCI	—	—	—	—	—	—	—	—	—	—	—	(20,521)	(20,521)				
Net income	1,456	—	—	—	—	—	7,470	—	—	—	—	1,044	8,514				
Balance, June 30, 2023	\$ 47,994	34,200,610	\$ 3	18,000,000	\$ 2	\$ 317,228	\$ 540,964	\$ (2,884)	2,101,795	\$ (11,788)	\$ 30,458	\$ 873,983					
Balance, December 31, 2023	\$ 46,865	34,277,195	\$ 3	18,000,000	\$ 2	\$ 320,892	\$ 595,911	\$ (3,045)	2,101,795	\$ (11,788)	\$ 23,911	\$ 925,886					
Exercise of stock options	—	62,589	—	—	—	504	—	—	—	—	—	—	504				
Stock-based compensation expense	—	—	—	—	—	6,704	—	—	—	—	—	—	6,704				
Employee stock purchase plan	—	32,841	—	—	—	990	—	—	—	—	—	—	990				
Restricted stock units released	—	29,890	—	—	—	—	—	—	—	—	—	—	—				
Unrealized gain from interest rate hedges, net	—	—	—	—	—	—	—	614	—	—	—	—	614				
Foreign currency translation adjustment	—	—	—	—	—	—	—	(1,369)	—	—	—	18	(1,351)				
Distributions to RNCI	(287)	—	—	—	—	—	—	—	—	—	—	—	—				
Accretion of tax equity financing fees	54	—	—	—	—	—	(54)	—	—	—	—	—	(54)				
Contributions from NCI	—	—	—	—	—	3,040	—	—	—	—	—	27,752	30,792				
Distributions to NCI	—	—	—	—	—	—	—	—	—	—	—	(1,004)	(1,004)				

Purchase of shares from NCI	—	—	—	—	—	226	—	—	—	—	(23,986)	(23,760)
Net (loss) income	(2,855)	—	—	—	—	—	2,073	—	—	—	(202)	1,871
Balance, June 30, 2024	\$ 43,777	34,402,515	\$ 3	18,000,000	\$ 2	\$ 332,356	\$ 597,930	\$ (3,800)	2,101,795	\$ (11,788)	\$ 26,489	\$ 941,192

See notes to condensed consolidated financial statements.

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

	Cash flows from operating activities:		Three Months Ended		Six Months Ended June 30,	
			March 31,	2024	2023	2024
						2023
<b>Cash flows from operating activities:</b>	<b>Cash flows from operating activities:</b>		<b>Cash flows from operating activities:</b>		<b>Cash flows from operating activities:</b>	
Net (loss) income						
Adjustments to reconcile net (loss) income to net cash flows from operating activities:						
Depreciation of energy assets, net						
Depreciation of energy assets, net						
Depreciation of energy assets, net						
Depreciation of property and equipment						
Increase in contingent consideration						
Accretion of ARO liabilities						
Amortization of debt discount and debt issuance costs						
Amortization of intangible assets						
Provision for bad debts						
Loss on write-off of long-lived assets						
Provision for credit losses						
Loss on disposal of assets and impairment loss						
Non-cash project revenue related to in-kind leases						
Non-cash project revenue related to in-kind leases						
Non-cash project revenue related to in-kind leases						
Earnings from unconsolidated entities						
Net (gain) loss from derivatives						
Net gain from derivatives						
Stock-based compensation expense						
Stock-based compensation expense						
Stock-based compensation expense						
Deferred income taxes, net						
Unrealized foreign exchange loss (gain)						
Unrealized foreign exchange loss (gain)						
Unrealized foreign exchange loss (gain)						
Unrealized foreign exchange loss						
Unrealized foreign exchange loss						
Unrealized foreign exchange loss						
Changes in operating assets and liabilities:						
Accounts receivable						
Accounts receivable						
Accounts receivable						
Accounts receivable retainage						

Federal ESPC receivable	
Inventory, net	
Costs and estimated earnings in excess of billings	
Prepaid expenses and other current assets	
Income taxes receivable, net	
Project development costs	
Other assets	
Accounts payable, accrued expenses and other current liabilities	
Billings in excess of cost and estimated earnings	
Other liabilities	
Cash flows from operating activities	
<b>Cash flows from investing activities:</b>	
Purchases of property and equipment	
Purchases of property and equipment	
Purchases of property and equipment	
Capital investment in energy assets	
Capital investment in major maintenance of energy assets	
Capital investments in energy assets	
Capital investments in major maintenance of energy assets	
Net proceeds from equity method investment	
Net proceeds from equity method investment	
Net proceeds from equity method investment	
Net proceeds from equity method investments	
Net proceeds from equity method investments	
Net proceeds from equity method investments	
Contributions to equity method investments	
Acquisitions, net of cash received	
Acquisitions, net of cash received	
Acquisitions, net of cash received	
Loans to joint venture investments	
Cash flows from investing activities	

See notes to condensed consolidated financial statements.

See notes to condensed consolidated financial statements.

See notes to condensed consolidated financial statements.

AMERESCO, INC.  
AMERESCO, INC.

CONDENSED CONSOLIDATED STATEMENTS (In thousands) (Unaudited)  
OF CASH FLOWS (Continued)

AMERESCO, INC.

Three Months Ended  
March 31,  
Three Months Ended  
March 31,



Net proceeds from energy asset receivable financing arrangements
Contributions from non-controlling interests
Contributions from non-controlling interests
Contributions from non-controlling interests
Distributions to non-controlling interest
Distributions to redeemable non-controlling interests, net
Payment on seller's promissory note
Payments on long-term debt and financing leases
Payments on debt and financing leases
Cash flows from financing activities
Effect of exchange rate changes on cash
Net (decrease) increase in cash, cash equivalents, and restricted cash
Net increase (decrease) in cash, cash equivalents, and restricted cash
Cash, cash equivalents, and restricted cash, beginning of period
Cash, cash equivalents, and restricted cash, end of period
Supplemental disclosures of cash flow information:
Supplemental disclosures of cash flow information:
Supplemental disclosures of cash flow information:
Cash paid for interest
Cash paid for interest
Cash paid for interest
Cash paid for income taxes
Non-cash Federal ESPC settlement
Accrued purchases of energy assets
Non-cash contributions from non-controlling interest
Non-cash financing for energy asset project acquisition

See notes to condensed consolidated financial statements.

**AMERESCO, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(In thousands) (Unaudited)**

**1. BASIS OF PRESENTATION**

The accompanying condensed consolidated financial statements of Ameresco, Inc. (including its subsidiaries, the "Company," "Ameresco," "we," "our," or "us") are unaudited, according to certain rules and regulations of the Securities and Exchange Commission, and include, in our opinion, normal recurring adjustments necessary for a fair presentation in conformity with accounting principles generally accepted in the United States ("GAAP") of the results for the periods indicated.

The results of operations for the three and six months ended **March 31, 2024** **June 30, 2024** are not necessarily indicative of results which may be expected for the full year. The December 31, 2023 consolidated balance sheet data was derived from audited financial statements, but certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with GAAP have been condensed or omitted. The interim condensed consolidated financial statements and

accompanying notes should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended December 31, 2023, included in our annual report on Form [10-K](#) ("2023 Form 10-K") filed with the Securities and Exchange Commission on February 29, 2024 as amended on March 11, 2024.

#### **Reclassification and Rounding**

Certain prior period amounts were reclassified to conform to the presentation in the current period. We round amounts in the condensed consolidated financial statements to thousands and calculate all percentages and per-share data from the underlying whole-dollar amounts. Thus, certain amounts may not foot, crossfoot, or recalculate based on reported numbers due to rounding.

#### **Significant Risks and Uncertainties**

Global factors have continued to result in global supply chain disruptions and inflationary pressures.

We have considered the impact of general global economic conditions on the assumptions and estimates used, which may change in response to this evolving situation. Results of future operations and liquidity could be adversely impacted by a number of factors including supply chain disruptions, varying levels of inflation, payments of outstanding receivable amounts beyond normal payment terms, workforce disruptions, and uncertain demand. As of the date of issuance of these condensed consolidated financial statements, we cannot reasonably estimate the extent to which macroeconomic conditions may impact our financial condition, liquidity, or results of operations in the foreseeable future. The ultimate impact of the pandemic and general global economic conditions on our business is highly uncertain and will depend on future developments, and such impacts could exist for an extended period of time, even after the pandemic subsides.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Our accounting policies are set forth in Note 2 to the consolidated financial statements contained in our 2023 Form [10-K](#). We have included certain updates to those policies below.

##### **Accounts Receivable and Allowance for Credit Losses**

Changes in the allowance for credit losses are as follows:

	Three Months Ended March 31,	
	2024	2023
Allowance for credit losses, beginning of period	\$ 903	\$ 911
Charges to (recoveries of) costs and expenses, net	1	93
Account write-offs and other	(6)	(33)
Allowance for credit losses, end of period	<u>\$ 898</u>	<u>\$ 971</u>

##### **Accounts Receivable Factoring**

Ameresco's wholly-owned subsidiary in Italy entered into factoring agreements to sell certain receivables to unrelated third-party financial institutions on a non-recourse basis. These transactions are accounted for in accordance with ASC Topic 860, Transfers and Servicing and result in a reduction in accounts receivable because the agreements transfer effective control over the receivables, and related risk, to the buyers. Our Italian subsidiary does not retain any interest in the underlying accounts.

**AMERESCO, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(In thousands) (Unaudited) (Continued)

receivable once sold. Trade accounts receivables balances sold are removed from the condensed consolidated balance sheets, and cash received is reflected in operating activities in the condensed consolidated statements of cash flows. Factoring fees during the three months ended March 31, 2024 and 2023 were \$169 and \$0, respectively, and are included in other expense, net in the condensed consolidated statements of income. See Note 18. Other Expenses, Net.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Allowance for credit losses, beginning of period	\$ 898	\$ 971	\$ 903	\$ 911
Charges to costs and expenses, net	1,210	486	1,211	579
Account write-offs and other	(48)	(554)	(54)	(587)
Allowance for credit losses, end of period	<u>\$ 2,060</u>	<u>\$ 903</u>	<u>\$ 2,060</u>	<u>\$ 903</u>

##### **Prepaid Expenses and Other Current Assets**

Prepaid expenses and other current assets consist primarily of other receivables, deferred project costs, and other short-term prepaid expenditures that will be expensed within one year.

**AMERESCO, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(In thousands) (Unaudited) (Continued)

Prepaid expenses and other current assets comprised of the following:

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
Other receivables		
Deferred project costs		
Prepaid expenses		
Prepaid expenses and other current assets		

#### **Recent Accounting Pronouncements**

##### *Business Combinations— Joint Venture Formations*

In August 2023, the FASB issued ASU 2023-05, Business Combinations— Joint Venture Formations (Subtopic 805-60) Recognition and Initial Measurement, which addresses the accounting for contributions made to a joint venture, upon formation, in a joint venture's separate financial statements. ASU 2023-05 is effective prospectively for all joint venture formations with a formation date on or after January 1, 2025. We are currently evaluating the impact that adopting this new accounting standard would have on our condensed **consolidated** financial statements.

##### *Disclosure Improvements - Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*

In October 2023, the FASB issued ASU 2023-06, Disclosure Improvements - Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative, which updates the disclosure or presentation requirements for a variety of topics in the codification. ASU 2023-06 is effective from the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K, with early adoption prohibited. We will monitor the removal of the requirements from the current regulations and adopt the related amendments, but we do not anticipate this new guidance will have a material impact on our condensed consolidated financial statements as we are currently subject to SEC requirements.

##### *Segment Reporting (Topic 820) - Improvements to Reportable Segment Disclosures*

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 820) - Improvements to Reportable Segment Disclosures, which improves reportable segment disclosures by requiring enhanced disclosures for significant segment expenses and other segment items. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. We are currently evaluating the impact that adopting this new accounting standard would have on our condensed consolidated financial statements.

##### *Income Taxes (Topic 740) - Improvements to Income Tax Disclosures*

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, to enhance the income tax disclosures, including disaggregation of information in the rate reconciliation table and disaggregated information related to income taxes paid. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024. We are currently evaluating the impact that adopting this new accounting standard would have on our condensed consolidated financial statements.

##### *Compensation—Stock Compensation (Topic 718) - Scope Application of Profits Interest and Similar Awards*

In March 2024, the FASB issued ASU 2024-01, Compensation—Stock Compensation (Topic 718) - Scope Application of Profits Interest and Similar Awards, to clarify how to determine if a profits interest or similar award is within the scope of ASC 718 or is not a share-based payment arrangement and is within the scope of other guidance. ASU 2024-01 is effective for fiscal years

**AMERESCO, INC.**  
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beginning after December 15, 2024. We are currently evaluating the impact that adopting this new accounting standard would have on our condensed consolidated financial statements.

##### *Codification Improvements—Amendments to Remove References to the Concepts Statements*

In March 2024, the FASB issued ASU 2024-02, Codification Improvements—Amendments to Remove References to the Concepts Statements, to remove references to various FASB Concepts Statements based on suggestions received from stakeholders on the Accounting Standards Codification and other incremental improvements to GAAP. ASU 2024-02 is effective for fiscal years beginning after December 15, 2024. We are currently evaluating the impact that adopting this new accounting standard would have on our condensed consolidated financial statements.

**AMERESCO, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(In thousands) (Unaudited) (Continued)**

### **3. REVENUE FROM CONTRACTS WITH CUSTOMERS**

#### Disaggregation of Revenue

Our reportable segments for the three and six months ended **March 31, 2024** **June 30, 2024** were North America Regions, U.S. Federal, Europe, Alternative Fuels and All Other. On January 1, 2024, we changed the structure of our internal organization, and our U.S. Regions and Canada are now included in North America Regions. Additionally, our Asset Sustainability Group was formerly included in Canada, but is now included in "All Other". As a result, previously reported amounts have been reclassified for comparative purposes.

The following table presents our revenue disaggregated by line of business and reportable segment for the three months ended **March 31, 2024** **June 30, 2024**:

	North America Regions	North America Regions	U.S. Federal	Europe	Alternative Fuels	All Other	Total	North America Regions	U.S. Federal	Europe	Alternative Fuels	All Other	Total
Project revenue													
O&M revenue													
Energy assets													
Other													
Other													
Other													
<b>Total revenues</b>													

The following table presents our revenue disaggregated by line of business and reportable segment for the three months ended **March 31, 2023** **June 30, 2023**:

	North America Regions	North America Regions	U.S. Federal	Europe	Alternative Fuels	All Other	Total	North America Regions	U.S. Federal	Europe	Alternative Fuels	All Other	Total
Project revenue													
O&M revenue													
Energy assets													
Other													
Other													
Other													
<b>Total revenues</b>													

The following table presents our revenue disaggregated by line of business and reportable segment for the six months ended June 30, 2024:

	North America Regions	U.S. Federal	Europe	Alternative Fuels	All Other	Total
Project revenue	\$ 294,953	\$ 111,559	\$ 111,488	\$ 17,047	\$ —	\$ 535,047
O&M revenue	15,444	29,906	1,642	4,513	—	51,505
Energy assets	33,500	5,653	360	57,028	29	96,570
Other	2,519	509	3,691	123	46,424	53,266
<b>Total revenues</b>	<b>\$ 346,416</b>	<b>\$ 147,627</b>	<b>\$ 117,181</b>	<b>\$ 78,711</b>	<b>\$ 46,453</b>	<b>\$ 736,388</b>

**AMERESCO, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(In thousands) (Unaudited) (Continued)**

The following table presents our revenue disaggregated by line of business and reportable segment for the six months ended June 30, 2023:

	North America Regions	U.S. Federal	Europe	Alternative Fuels	All Other	Total
Project revenue	\$ 243,815	\$ 109,453	\$ 57,599	\$ —	\$ 1,250	\$ 412,117
O&M revenue	11,901	26,601	793	5,981	—	45,276
Energy assets	33,798	3,240	971	52,674	95	90,778
Other	2,799	281	3,258	—	43,607	49,945
<b>Total revenues</b>	<b>\$ 292,313</b>	<b>\$ 139,575</b>	<b>\$ 62,621</b>	<b>\$ 58,655</b>	<b>\$ 44,952</b>	<b>\$ 598,116</b>

The following table presents information related to our revenue recognized over time:

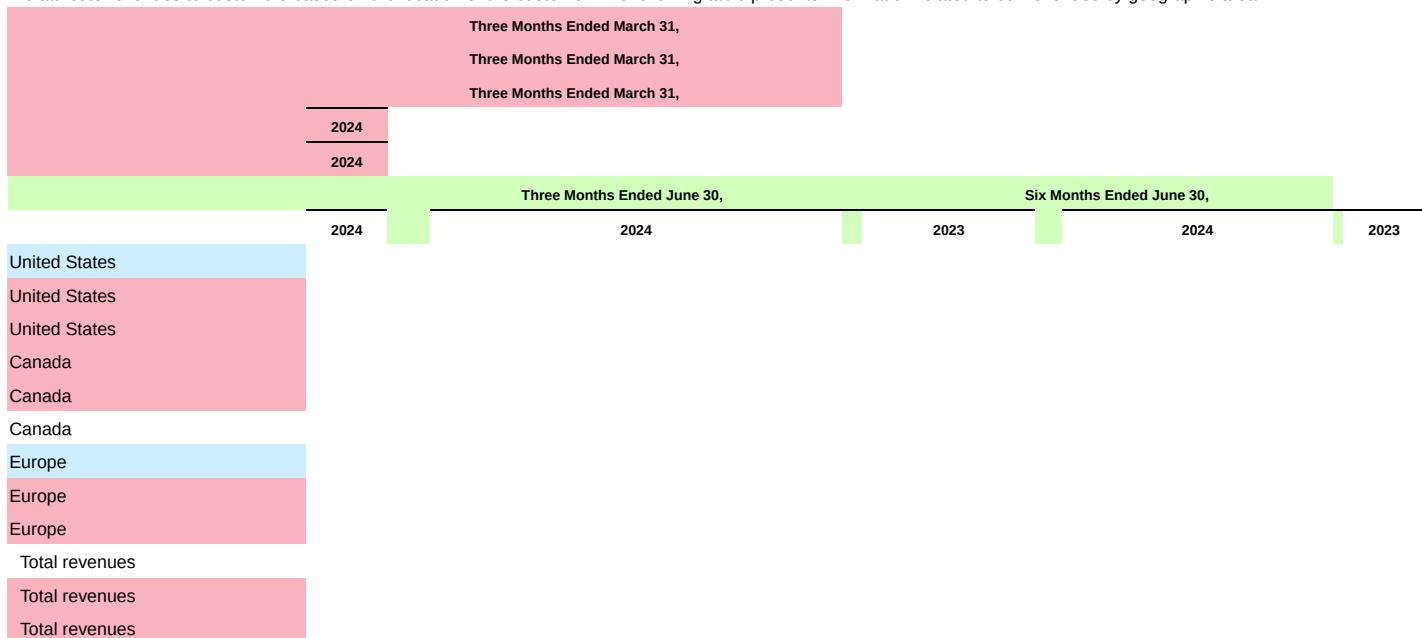
	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended June 30,	Six Months Ended June 30,
	2024	2024	2024	2024	2023



The remainder of our revenue is for products and services transferred at a point in time, at which point revenue is recognized.

**AMERESCO, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(In thousands) (Unaudited) (Continued)**

We attribute revenues to customers based on the location of the customer. The following table presents information related to our revenues by geographic area:



**AMERESCO, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(In thousands) (Unaudited) (Continued)**

#### Contract Balances

The following tables provide information about receivables, contract assets and contract liabilities from contracts with customers:



June 30, 2023

December 31, 2022

Accounts receivable, net

Accounts receivable retainage, net

**Contract Assets:**

Costs and estimated earnings in excess of billings

Costs and estimated earnings in excess of billings

Costs and estimated earnings in excess of billings

**Contract Liabilities:**

Billings in excess of cost and estimated earnings

Billings in excess of cost and estimated earnings

Billings in excess of cost and estimated earnings

Billings in excess of cost and estimated earnings, non-current<sup>(1)</sup>

Total contract liabilities

(1) Performance obligations that are expected to be completed beyond the next twelve months and are included in other liabilities in the condensed consolidated balance sheets.

(1) Performance obligations that are expected to be completed beyond the next twelve months and are included in other liabilities in the condensed consolidated balance sheets.

(1) Performance obligations that are expected to be completed beyond the next twelve months and are included in other liabilities in the condensed consolidated balance sheets.

The increase in contract assets for the **three** six months ended **March 31, 2024** June 30, 2024 was primarily due to revenue recognized of \$490,125 offset by billings of \$494,441. Contract assets also increased due to reclassifications, primarily from contract liabilities as a result of timing of customer payments. The increase in contract liabilities was primarily driven by the receipt of advance payments from customers, and related billings, as well as reclassifications from contract assets as a result of timing of customer payments. The advance payments and reclassifications exceeded the recognition of revenue as performance obligations were satisfied. For the six months ended June 30, 2024, we recognized revenue of \$148,279 and billed \$153,688 to customers that had balances which were included in contract liabilities at December 31, 2023.

The decrease in contract assets for the six months ended June 30, 2023 was primarily due to billings of \$210,475 \$436,030 offset by revenue recognized of \$203,216, \$413,181. Contract assets are also affected by reclassifications, primarily from contract liabilities as a result of timing of customer payments. The increase in contract liabilities was primarily driven by the receipt of advance payments from customers, and related billings, as well as reclassifications from contract assets as a result of timing of customer payments. The advance payments and reclassifications exceeded the recognition of revenue as performance obligations were satisfied. For the **three** six months ended **March 31, 2024** June 30, 2023, we recognized revenue of \$60,748 \$73,585 and billed \$46,306 to customers that had balances which were included in contract liabilities at December 31, 2023.

The decrease in contract assets for the three months ended March 31, 2023 was primarily due to billings of \$286,203 offset by revenue recognized of \$190,415. Contract assets also decreased due to reclassifications, primarily from contract liabilities as a result of timing of customer payments. The increase in contract liabilities was primarily driven by the receipt of advance payments from customers, and related billings, as well as reclassifications from contract assets as a result of timing of customer payments. The advance payments and reclassifications exceeded the recognition of revenue as performance obligations were satisfied.. For the three months ended March 31, 2023, we recognized revenue of \$34,715 and billed \$39,082 \$80,774 to customers that had balances which were included in the beginning balance of contract liabilities.

**AMERESCO, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
 (In thousands) (Unaudited) (Continued)

**Performance Obligations**

Our remaining performance obligations ("backlog") represent the unrecognized revenue value of our contract commitments. At **March 31, 2024** June 30, 2024, we had contracted backlog of \$2,658,592 \$2,836,452 of which approximately 32% is anticipated to be recognized as revenue in the next twelve months. The remaining performance obligations primarily relate to the energy efficiency and renewable energy construction projects, including long-term operations and maintenance ("O&M") services related to these projects. The long-term services have varying initial contract terms, up to 25 years.

**Project Development Costs**

Project development costs of \$3,120 \$3,164 and \$2,612 \$3,605 were recognized in our condensed consolidated statements of (loss) income on projects that converted to customer contracts during the three months ended **March 31, 2024** June 30, 2024 and 2023, respectively. Project development costs of \$6,284 and \$6,217 were recognized in the condensed consolidated statements of income on projects that converted to customer contracts during the six months ended June 30, 2024 and 2023, respectively.

No impairment charges in connection with our project development costs were recorded during the three or **three** six months ended **March 31, 2024** June 30, 2024 and 2023.

**4. BUSINESS ACQUISITIONS AND RELATED TRANSACTIONS**

We account for acquisitions using the acquisition method in accordance with ASC 805, Business Combinations. The purchase price for each acquisition is allocated to the assets based on their estimated fair values at the date of acquisition. The excess purchase price over the estimated fair value of the net assets acquired, which is calculated using level 3 inputs per the fair value hierarchy as defined in Note 11, is recorded as goodwill. Intangible assets, if identified, are also recorded. See Note 5 for additional information.

**Enerqos Energy Solutions S.r.l. ("Enerqos")**

On February 24, 2023, we signed a definitive purchase and sale agreement to acquire Enerqos, a renewable energy and energy efficiency company headquartered in Milan, Italy. The acquisition closed on March 30, 2023 and the total purchase consideration was \$13,445, of which \$9,535 has been paid. There is no contingent consideration related to this acquisition. Cash acquired was \$353, debt assumed was \$3,951, and a deferred tax liability, net of \$931 was recorded. In accordance with the SEC's Regulation S-X and GAAP, we evaluated and determined that Enerqos is not deemed to be a significant subsidiary, therefore, we are not presenting the pro-forma effects of this acquisition on our operations.

The estimated goodwill of \$6,855 from the Enerqos acquisition consists largely of expected benefits, including the combined entities experience and the acquired workforce. This goodwill is not deductible for income tax purposes. The estimated fair value of tangible and intangible assets acquired, and liabilities assumed are based on management's estimates and assumptions that are preliminary and subject to adjustments. Any measurement period adjustments made within one year from acquisition date, are recorded as adjustments to goodwill. Any adjustments made beyond the measurement period will be included in our condensed consolidated statements of income.

The results of the acquisition since the date of the acquisition have been included in our operations as presented in the accompanying condensed consolidated statements of (loss) income, condensed consolidated statements of comprehensive (loss) income and condensed consolidated statements of cash flows. For the quarter three months ended March 31, 2024 June 30, 2024, we recognized \$4,178 \$8,855 of revenue and \$740 \$989 of net loss relating to Enerqos and for the six months ended June 30, 2024, we recognized \$13,033 of revenue and \$1,729 of net loss relating to Enerqos. For the three and six months ended June 30, 2023, we recognized \$13,041 of revenue and \$182 of net income relating to Enerqos.

**AMERESCO, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(In thousands) (Unaudited) (Continued)

A summary of the cumulative consideration paid and allocation of the purchase price for the Enerqos acquisition are presented in the table below:

	Preliminary March 31, 2023	Measurement Period	As Adjusted December 31,
	Adjustment	2023	
Cash	\$ 9,535	\$ —	\$ 9,535
Long-term debt assumed, net of current portions	3,951	—	3,951
FX adjustment	(41)	—	(41)
Fair value of consideration transferred	<u>\$ 13,445</u>	<u>\$ —</u>	<u>\$ 13,445</u>
Cash and cash equivalents	\$ 190	\$ —	\$ 190
Accounts receivable	6,230	—	6,230
Costs and estimated earnings in excess of billings	8,985	—	8,985
Prepaid expenses and other current assets	16,504	—	16,504
Project development costs	5,140	—	5,140
Property and equipment and energy assets	1,234	—	1,234
Intangible assets	4,438	—	4,438
Long-term restricted cash	163	—	163
Accounts payable	(15,480)	—	(15,480)
Accrued expenses and other current liabilities	(4,510)	165	(4,345)
Current portions of long-term debt	(15,165)	—	(15,165)
Deferred income tax liabilities, net	(931)	—	(931)
Other liabilities	(208)	—	(208)
Recognized identifiable assets acquired and liabilities assumed	<u>\$ 6,590</u>	<u>\$ 165</u>	<u>\$ 6,755</u>
Goodwill	<u>\$ 6,855</u>	<u>\$ (165)</u>	<u>\$ 6,690</u>

## 5. GOODWILL AND INTANGIBLE ASSETS, NET

Due to the change in the structure of our internal organization, a portion of our goodwill was allocated to two new reporting units based on their relative fair values as of January 1, 2024. See Note 3 for additional information about the organizational changes. The changes in the carrying value of goodwill balances by reportable segment were as follows:

North America Regions	North America Regions	U.S. Federal	Europe	Alternative Fuels	Other Total	North America Regions	U.S. Federal	Europe	Alternative Fuels	Other Total
<b>Carrying Value of Goodwill</b>										
Balance, December 31, 2023										
Balance, December 31, 2023										
Balance, December 31, 2023										
Goodwill acquired during the year										

Fair value allocation
Fair value allocation
Fair value allocation
Currency effects
Balance, March 31, 2024
Balance, June 30, 2024

Definite-lived intangible assets, net consisted of the following:

	As of March 31, 2024	As of December 31, 2023
	As of June 30, 2024	As of December 31, 2023
Gross carrying amount		
Less - accumulated amortization		
Intangible assets, net		

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**AMERESCO, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(In thousands) (Unaudited) (Continued)

The table below sets forth amortization expense:

Asset type	Three Months Ended March 31,			Three Months Ended June 30,			Six Months Ended June 30,		
	Three Months Ended March 31,			Three Months Ended June 30,			Six Months Ended June 30,		
	Three Months Ended March 31,			Three Months Ended June 30,			Six Months Ended June 30,		
Asset type	Asset type	Location	2024	2023	2024	2023	2024	2023	2023
All other intangible assets									
All other intangible assets									
All other intangible assets									
All other intangible assets									

## 6. ENERGY ASSETS, NET

Energy assets, net consisted of the following:

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Energy assets (1)				
Less - accumulated depreciation and amortization				
Energy assets, net				

(1) Includes financing lease assets (see Note 7), capitalized interest and asset retirement obligations ("ARO") assets (see tables below). Also includes the energy asset projects acquired in January 2024. See section below for additional information.

(1) Includes financing lease assets (see Note 7), capitalized interest and asset retirement obligations ("ARO") assets (see tables below). Also includes the energy asset projects acquired in January 2024. See section below for additional information.

(1) Includes financing lease assets (see Note 7), capitalized interest and asset retirement obligations ("ARO") assets (see tables below). Also includes the energy asset projects acquired in January 2024. See section below for additional information.

### August 2023 Purchase and Sale Agreement

On August 4, 2023, we entered into a purchase and sale agreement to acquire an energy asset project and to acquire 100% of the stock of Bright Canyon Energy Corporation ("BCE") in a two-phased transaction. Phase 1, the purchase of the energy asset project, closed on August 4, 2023 and did not constitute a business in accordance with ASC 805-50, Business Combinations.

The purchase price for phase 1 was \$87,964, of which \$5,000 was paid in cash, \$46,694 was financed through a seller's note, and we assumed a construction loan on the energy asset project for \$36,270. We also acquired cash of \$11,206. During the year ended December 31, 2023, we paid \$18,400 in principal on the sellers note. In January 2024, the purchase price was increased by \$1,147 and we paid off the seller's note in the amount of \$29,441. We also assumed a land lease for the energy asset project.

On December 28, 2023, we executed an amended and restated purchase and sale agreement, which primarily revised the timing of payments on phase 2. In the second phase, which closed on January 12, 2024, we acquired BCE, including its interest in a consolidated joint venture and its interests in project subsidiaries developing or with rights to develop solar, battery, and microgrid assets for an adjusted purchase price of \$47,956, of which \$9,839 was paid in cash and \$32,500 was financed through a seller's note. The remaining balance due of \$5,617 \$4,011 is included in accrued expenses and other current liabilities at **March 31, 2024** **June 30, 2024**. We also assumed four land leases for the energy asset projects.

See Note 8 for additional information about the BCE-related loans, Note 7 for information on the leases and Note 10 for potential additional commitments.

Phase 2, the purchase of the energy asset projects did not constitute a business in accordance with ASC 805-50, Business Combinations.

**See Note 8 Transfer of Investment Tax Credits**

On June 27, 2024 we sold investment tax credits ("ITC") on four energy assets to a third party at a fair value of \$23,667 which was received during the three months ended June 30, 2024. We also received a deposit of \$239 for the sale of ITC on four additional information about these loans, Note 7 for information on energy assets at a total fair value of \$23,867. The benefit from the leases and Note 10 for potential additional commitments. sale of the ITC will be recognized in profit or loss as a reduction to depreciation expense over the life of the energy assets.

**AMERESCO, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(In thousands) (Unaudited) (Continued)**

**Depreciation and Amortization Expense**

The following table sets forth our depreciation and amortization expense on energy assets, net of deferred grant and ITC amortization:

<u>Location</u>	Three Months Ended March 31,	
	2024	2023
Cost of revenues (2)	\$ 17,124	\$ 13,341
(2) Includes depreciation and amortization on financing lease assets (see Note 7).		

**AMERESCO, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(In thousands) (Unaudited) (Continued)**

<u>Location</u>	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Cost of revenues (2)	\$ 18,561	\$ 14,384	\$ 35,685	\$ 27,725
(2) Includes depreciation and amortization on financing lease assets (see Note 7).				

**Capitalized Interest**

The following table presents the interest costs relating to construction financing during the period of construction, which were capitalized as part of energy assets, net:

	Three Months Ended March 31,		Six Months Ended June 30,	
	Three Months Ended March 31,		Six Months Ended June 30,	
	Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2024	2024	2024
	2024	2024	2023	2023
Capitalized interest				
Capitalized interest				
Capitalized interest				

The following tables sets forth information related to our ARO assets and ARO liabilities:

<u>Location</u>	<u>Location</u>	March 31, 2024	December 31, 2023	<u>Location</u>	June 30, 2024	December 31, 2023
ARO assets, net						

ARO liabilities, non-current  
ARO liabilities, non-current  
ARO liabilities, non-current

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024		2024		2023	
	2024	2024	2024	2024	2023	2023
Depreciation expense of ARO assets						
Depreciation expense of ARO assets						
Depreciation expense of ARO assets						
Accretion expense of ARO liabilities						
Accretion expense of ARO liabilities						
Accretion expense of ARO liabilities						

**AMERESCO, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(In thousands) (Unaudited) (Continued)**

## 7. LEASES

The table below sets forth supplemental condensed consolidated balance sheet information related to our leases:

	March 31,	December 31, 2023
	2024	2023
	June 30,	December 31, 2023
<b>Operating Leases:</b>		
Operating lease assets		
Operating lease assets		
Operating lease assets		
Current portions of operating lease liabilities		
Current portions of operating lease liabilities		
Current portions of operating lease liabilities		
Long-term portions of operating lease liabilities		
Total operating lease liabilities		
Weighted-average remaining lease term	Weighted-average remaining lease term 19 years	Weighted-average years remaining lease term 19 years
Weighted-average discount rate	Weighted-average discount rate 6.6 %	Weighted-average discount rate 6.6 %
<b>Financing Leases:</b>		
<b>Financing Leases:</b>		
Energy assets		
Energy assets		
Energy assets		
Current portions of financing lease liabilities		
Current portions of financing lease liabilities		
Current portions of financing lease liabilities		

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

Total financing lease liabilities	Weighted-average remaining lease term	13 years	Weighted-average years remaining lease term	12 years	13 years
Weighted-average remaining lease term	Weighted-average remaining lease term	13 years	Weighted-average years remaining lease term	12 years	13 years
Weighted-average discount rate	Weighted-average discount rate	12.05 %	Weighted-average discount rate	12.02 %	12.05 %

The costs related to our leases were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Operating Leases:</b>				
Operating lease costs	\$ 3,176	\$ 2,316	\$ 6,232	\$ 4,436
<b>Financing Leases:</b>				
Amortization expense	526	525	1,052	1,051
Interest on lease liabilities	389	433	781	877
<b>Total lease costs</b>	<b>\$ 4,091</b>	<b>\$ 3,274</b>	<b>\$ 8,065</b>	<b>\$ 6,364</b>

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The costs related to our leases were as follows:

	Three Months Ended March 31,	
	2024	2023
<b>Operating Leases:</b>		
Operating lease costs	\$ 3,056	\$ 2,120
<b>Financing Leases:</b>		
Amortization expense	526	526
Interest on lease liabilities	392	444
<b>Total lease costs</b>	<b>\$ 3,974</b>	<b>\$ 3,090</b>

Supplemental cash flow information related to our leases was as follows:

	Three Months Ended March 31,		Six Months Ended June 30,		
	2024	2024	2023	2024	2023
Cash paid for amounts included in the measurement of operating lease liabilities					
Right-of-use assets ("ROU") obtained in exchange for new operating lease liabilities <sup>(1)</sup>					

Cash paid for amounts included in the measurement of operating lease liabilities

Right-of-use assets ("ROU") obtained in exchange for new operating lease liabilities <sup>(1)</sup>

(1) Includes non-monetary lease transactions of \$10,378. See disclosure below for additional information.

(1) Includes non-monetary lease transactions of \$10,378. See disclosure below for additional information.

(1) Includes non-monetary lease transactions of \$10,378. See disclosure below for additional information.

The table below sets forth our estimated minimum future lease obligations under our leases:

	Operating Leases	Financing Leases	Operating Leases	Financing Leases
Year ended December 31,				
2024				
2024				
2024				
2025				
2026				
2027				
2028				
Thereafter				
Total minimum lease payments				
Less: interest				
Present value of lease liabilities				

We have a future lease commitment commitments for office and ground lease leases which does do not yet meet the criteria for recording a ROU asset or ROU liability. The net present value of this commitment totals \$10,500 these commitments total \$18,859 as of March 31, 2024 June 30, 2024 and relates relate to lease payments to be made over 5 to 25 years. This includes a 20-year period. We ground lease totaling \$10,500 that we are in process of modifying the terms of this agreement such that the criteria to record a ROU asset and ROU liability may not be met.

#### **Non-monetary Lease Transactions**

We have six lease liabilities consisting of obligations that will be settled with non-monetary consideration. The lease liabilities relating to non-monetary consideration were recorded during the three six months ended March 31, 2024 June 30, 2024 based on the fair market value of the project services or back up power expected to be provided, which approximate the cash payments.

#### **Sale-leasebacks**

These facilities are accounted for as failed sale leasebacks and are classified as long-term financing facilities.

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#### **August 2018 Master Sale-leaseback**

We enter into amendments to our August 2018 master lease and participation agreement from time to time, which may extend the maturity date, increase the availability, or modify other covenants.

We sold and leased back one two energy assets for \$4,444 \$22,116 in cash proceeds under this facility during the three six months ended March 31, 2024 June 30, 2024. As of March 31, 2024 June 30, 2024, we have available funds remaining under this lending commitment.

Net gains from amortization expense recognized in cost of revenues relating to deferred gains and losses in connection with our sale-leaseback agreements were \$57 and \$57 \$114 for the three and six months ended March 31, 2024 June 30, 2024 and 2023, respectively.

#### **December 2020 Master Sale-leaseback**

We enter into amendments to our December 2020 master lease and participation agreement from time to time, which may extend the maturity date, increase the availability, or modify other covenants. As of March 31, 2024, we We were in default under this agreement as we had failed to satisfy the insurance requirements and historical coverage ratio under this agreement. On May 3, 2024, we received a waiver of on this default.

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#### **8. DEBT AND FINANCING LEASE LIABILITIES**

Our debt and financing lease liabilities are comprised of the following:

March 31, December 2024 31, 2023	June 30, December 2024 31, 2023
Senior secured revolving credit facility <sup>(1)</sup>	
Senior secured term loans	
Second lien term loan	
Energy asset construction facilities <sup>(2)</sup>	
Energy asset term loans <sup>(2)</sup>	
Sale-leasebacks <sup>(3)</sup>	
Financing lease liabilities <sup>(4)</sup>	
Total debt and financing lease liabilities	
Total debt and financing lease liabilities	
Total debt and financing lease liabilities	
Less: current maturities	
Less: unamortized discount and debt issuance costs	
Long-term debt and financing lease liabilities, net of current portion, unamortized discount and debt issuance costs	
(1) At March 31, 2024, funds of \$27,269 were available for borrowing under this facility.	
(1) At March 31, 2024, funds of \$27,269 were available for borrowing under this facility.	
(1) At March 31, 2024, funds of \$27,269 were available for borrowing under this facility.	
(1) At June 30, 2024, funds of \$81,996 were available for borrowing under this facility.	
(1) At June 30, 2024, funds of \$81,996 were available for borrowing under this facility.	
(1) At June 30, 2024, funds of \$81,996 were available for borrowing under this facility.	

<sup>(2)</sup> Most of these agreements are now using the Secured Overnight Financing Rate ("SOFR") as the primary reference rate used to calculate interest.

<sup>(3)</sup> These facilities are accounted for as failed sale leasebacks and are classified as long-term financing facilities. See Note 7 for additional disclosures.

<sup>(4)</sup> Financing lease liabilities are sale-leaseback arrangements under previous guidance. See Note 7 for additional disclosures.

#### **Senior Secured Term Loans Credit Facility**

On April 10, 2024, we entered into amendment number five to the fifth amended and restated senior secured credit facility to extend the maturity date of the delayed draw term loan A ("DDTLA") from March 4, 2025 to August 15, 2024. The amendment also included the following modifications:

- principal installments on the DDTLA of \$5,000 at closing of the amendment and \$7,500 each on or before May 15, 2024, June 15, 2024, and July 15, 2024, with the balance of \$7,500 due on August 15, 2024,
- the date by which we shall use commercially reasonable efforts to raise \$100,000 in equity or subordinated debt financing was changed from April 15, 2024 to May 15, 2024.

On June 28, 2024, we entered into amendment number six to the fifth amended and restated senior secured credit facility to modify certain of the covenants and other terms to permit us to enter into the second lien credit agreement (as defined below) and to incur indebtedness and make certain other conforming changes in connection with our entry into the second lien credit agreement.

**June 2024, Second Lien Term Loan, due June 28, 2029**

On June 28, 2024, we entered into a second lien credit agreement which provided a term loan in a principal amount of \$100,000 with a maturity date of June 28, 2029. The term loan bears an interest rate of SOFR (5.353% at June 30, 2024), plus an applicable margin of 5.875% per annum. Interest is payable quarterly and unpaid interest and principal is due in the aggregate on June 28, 2029. At closing, we incurred \$3,623 in lenders fees and debt issuance costs. Proceeds from this term loan in the amount of \$82,105 and \$15,000 were used to pay towards our revolving credit facility and the outstanding portion of the DDTLA, respectively, under our senior secured credit facility at closing.

#### April 2024, Term Notes, due June 30, 2042

On April 5, 2024, an omnibus amendment and reaffirmation agreement was executed with reference to the note purchase and private shelf agreement, dated as of July 27, 2021, and two new series B notes (first lien and second lien) were authorized in the amounts of \$92,512 and \$12,657, with a maturity date of June 30, 2042. Gross proceeds from the initial issuance on April 5, 2024 were \$83,282 and \$12,292 with the remainder to be issued upon achieving certain permitting-related and other

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administrative conditions. The notes bear interest at fixed rates of 6.20% and 8.00%, respectively, per annum and the interest is payable quarterly commencing September 30, 2024. At closing, we incurred \$1,296 in lenders fees and debt issuance costs. Proceeds from these notes in the amount of \$86,462 were used to pay a portion of the August 2023 construction credit facility. In connection with these notes, we recorded two derivative instruments for make-whole provisions with initial values of \$8,733 and \$647, respectively, which were recorded as debt discount.

#### October 2022, Financing Facility, 6.70%, due August 31, 2039

During the three six months ended March 31, 2024 June 30, 2024, we drew down an additional \$35,448 \$38,280 and at March 31, 2024 June 30, 2024, \$376,836 \$373,852 was outstanding under this facility, net of unamortized debt discount and issuance costs.

#### April 2023, Construction Credit Facility, 6.80% 6.81%, due July 31, 2024 August 16, 2024

During the three six months ended March 31, 2024 June 30, 2024, we drew down an additional \$5,001 \$6,429 and at March 31, 2024 June 30, 2024, \$138,260 \$140,506 was outstanding under this facility, net of unamortized debt discount. At March 31, 2024 On July 31, 2024, there was no availability remaining. we executed an extension on this facility updating the maturity date from July 31, 2024 to August 16, 2024.

#### August 2023, Construction Credit Facility, 9.32% 9.34%, due August 31, 2026

During the three six months ended March 31, 2024 June 30, 2024, we drew down an additional \$31,204 \$82,785 and at March 31, 2024 June 30, 2024, \$296,931 \$252,126 was outstanding under this facility, net of unamortized debt discount and issuance costs. We were in default on this credit facility due to administrative errors, for which a waiver was received on April 5, 2024 June 27, 2024.

#### Debt Instruments - Energy Project Asset Acquisitions

As discussed in Note 6, on August 4, 2023, we acquired an energy asset project. The purchase price for phase 1 was \$87,964, of which \$5,000 was paid in cash, \$46,694 was financed through a seller's note, and we assumed a construction loan on the energy asset project for \$36,270. During the year ended December 31, 2023, we paid \$18,400 in principal on the seller's note. In January 2024, the purchase price was increased by \$1,147 and we paid off the seller's note in the amount of \$29,441.

On February 26, 2024, the construction loan in the amount of \$36,270 was converted into a term loan and has a maturity date of April 2030. The term loan bears a base SOFR interest rate of 5.33% 5.35% at March 31, 2024 June 30, 2024, and an applicable margin of 1.635% per annum for four years after the term conversion date and 1.76% per annum for the following two years. The interest and principal is are paid quarterly commencing on March 31, 2024 June 30, 2024. We failed to achieve the final conditions required to convert the term loan on or prior to March 31, 2024 June 30, 2024, however, therefore, the \$35,696 outstanding balance was classified as current debt at June 30, 2024. We are negotiating a waiver was obtained on May 1, 2024 and with the deadline of achieving lender that will become effective when the final conditions was extended are met, which is expected to May 31, 2024 be during the quarter ending September 30, 2024.

In the second phase, which closed on January 12, 2024, we acquired BCE, including its interest in a consolidated joint venture and its interests in project subsidiaries developing or with rights to develop solar, battery, and microgrid assets for an adjusted purchase price of \$47,956, of which \$9,839 was paid in cash and \$32,500 was financed through a seller's note. The note bears bore interest at a fixed rate of 5.0% per annum and the principal and interest is was due on in August 2024.

#### April 2024, Senior Secured Notes, due June 30, 2042

On April 5, 2024, an Omnibus Amendment The note was amended on August 2, 2024 to provide that it be paid in four installments through December 16, 2024 and Reaffirmation Agreement was executed with reference to the Note Purchase and Private Shelf Agreement, dated as of July 27, 2021, and two new series B notes (first lien and second lien) were authorized in the amounts of \$92,512 and \$12,657, with a maturity date of June 30, 2042. Gross proceeds from the initial issuance on April 5, 2024 were \$83,282 and \$12,292 with the remainder to be issued upon achieving certain permitting-related and other administrative conditions. The notes bear bears interest at fixed rates a rate of 6.20% and 8.00%, respectively, 5.0% per annum through August 2, 2024 and the interest is payable quarterly commencing September 30, 2024. At closing, we incurred \$1,052 in lenders fees and debt issuance costs. Proceeds from these notes in the amount a rate of \$86,462 were used to pay a portion of the August 2023 construction credit facility 9.0% per annum thereafter.

#### 9. INCOME TAXES

We recorded a provision for income taxes of \$0 and benefit of \$503 \$5 for the three months ended **March 31, 2024** June 30, 2024 and 2023, respectively.

We recorded a provision for income taxes of \$0 and benefit of \$498 for the six months ended June 30, 2024 and 2023, respectively.

The effective tax rate was 0.0% for the three months ended **March 31, 2024** June 30, 2024, compared to a benefit the effective tax rate of 47.7% 0.1% for the three months ended **March 31, 2023** June 30, 2023. The principal reasons for the higher effective rate for 2024 is due to the effects of a smaller Section 179D Energy Efficient Building deduction, offset by higher investment tax credits from solar, and storage plants placed into service or are forecasted to be placed into service during 2024, state taxes, and foreign earnings.

The effective tax rate was 0.0% for the six months ended June 30, 2024, compared to a benefit of 5.3% for the six months ended June 30, 2023. The principal reasons for the higher effective rate for 2024 is due to the effects of a smaller Section 179D Energy

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Efficient Building deduction, offset by higher investment tax credits from solar, and storage plants placed into service or are forecasted to be placed into service during 2024, state taxes, and foreign earnings.

#### **10. COMMITMENTS AND CONTINGENCIES**

From time to time, we issue letters of credit and performance bonds with our third-party lenders, to provide collateral.

##### ***Legal Proceedings***

We are involved in a variety of other claims and other legal proceedings generally incidental to our normal business activities. When we conclude that it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated, it is accrued through a charge to earnings and, if material, disclosed below. When only a range of amounts is reasonably estimable and no amount within the range is more likely than another, the low end of the range is recorded. While the ultimate amount of liability incurred in any of these matters is dependent on future developments, in our opinion, the recorded liability is adequate to cover the future payment of such liability and claims. However, the final outcome of any of these claims and legal proceedings cannot be predicted with certainty, and unfavorable or unexpected outcomes could result in additional accruals that could be significant to results of operations in a particular year or quarter. Any adjustments to the recorded liability will be reflected in earnings in the periods in which such adjustments become known. For any other claims where a loss may be reasonably possible, but not probable, or is probable but not reasonably estimable, no accrual is established, but the matter, if potentially material, is disclosed below. We routinely review relevant information with respect to our matters and update our accruals, disclosures and estimates of reasonably possible loss based on such reviews. While the outcome of any of these matters cannot be accurately predicted, we do not believe the ultimate resolution of any of these existing matters would have a material adverse effect on our financial condition or results of operations.

In October 2021, we entered into a contract with SCE to design and build three grid scale battery energy storage system ("BESS") at three sites near existing substation parcels throughout SCE's service territory in California with an aggregate capacity of 537.5 megawatt ("MW") ("the SCE Agreement"). As previously disclosed, due to supply chain delays, weather, and other events, we were unable to complete the projects by August 1, 2022 (the "Guaranteed Completion Date") and made related force majeure claims. In late 2022, SCE also instructed us to adjust the completion of the sites into 2023. Under the SCE Agreement, a failure to reach the Guaranteed Completion Date could, under certain circumstances, result in liquidated damages up to a maximum amount of \$89 million being applied. We have been working with SCE to analyze the applicability and scope of force majeure relief based on our force majeure claims. In February 2024, in response to us issuing an invoice to claims and we expect that SCE for one of the sites, SCE notified us that they intend to will withhold liquidated damages for that project at least two of the three projects. Our view is that liquidated damages should not be applied. It is at least reasonably possible we may incur an obligation to pay liquidated damages up to the maximum amount.

##### ***Commitments as a Result of Acquisitions***

In December 2021, we completed our acquisition of Plug Smart which provided for an earn-out based on future EBITDA targets beginning with EBITDA performance for the month of December 2021 and each fiscal year thereafter, over a five-year period through December 31, 2026. The maximum cumulative earn-out is \$5,000 and we evaluated financial forecasts of the acquired business and concluded that the fair value of this earn-out after payments of \$3,040 was approximately \$1,465 upon acquisition at December 31, 2023 and as of December 31, 2023. At March 31, 2024 June 30, 2024, the fair value of the contingent consideration remained consistent at \$1,465 and is included in accrued expenses and other current liabilities, and other liabilities on the condensed consolidated balance sheets. See Note 11 for additional information.

The August 4, 2023 purchase and sale agreement with BCE includes a potential earn-out that could be earned if the projects achieve specified value thresholds in certain phase 2 projects, each of which is very early in development, or if milestones are achieved on other future projects that are not yet started. The total earn-out is limited to \$40,000 over a seven-year period beginning on January 12, 2024. We shall will record a liability for the phase 2 earn-out payments when the amounts are probable and estimable. As of **March 31, 2024** June 30, 2024, none of the earn-out amounts are considered probable and estimable.

#### **11. FAIR VALUE MEASUREMENT**

We recognize our financial assets and liabilities at fair value on a recurring basis. Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or

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liability in an orderly transaction between market participants on the measurement date. Three levels of inputs that may be used to measure fair value are as follows:

**Level 1:** Inputs are based on unadjusted quoted prices for identical instruments traded in active markets.

**Level 2:** Inputs are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**Level 3:** Inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The following table presents the input level used to determine the fair values of our financial instruments measured at fair value on a recurring basis:

			Fair Value as of				
	Level	Level	March 31, 2024	December 31, 2023	Level	June 30, 2024	December 31, 2023
<b>Assets:</b>							
Interest rate swap instruments							
Interest rate swap instruments							
Interest rate swap instruments							
<b>Liabilities:</b>							
Liabilities:							
Liabilities:							
Interest rate swap instruments							
Interest rate swap instruments							
Interest rate swap instruments							
Make-whole provisions							
Make-whole provisions							
Make-whole provisions							
Contingent consideration							
<b>Total liabilities</b>							

The following table sets forth a summary of changes in the fair value of contingent consideration liability classified as level 3:

	Fair Value as of			
	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Contingent consideration liability balance at the beginning of period				
Changes in fair value included in earnings				
Changes in fair value included in earnings				
Changes in fair value included in earnings				
Payment of contingent consideration				
Contingent consideration liability balance at the end of period				
Contingent consideration liability balance at the end of period				
Contingent consideration liability balance at the end of period				

The following table sets forth the fair value and the carrying value of our long-term debt, excluding financing leases:

	As of March 31, 2024		As of December 31, 2023		As of June 30, 2024		As of December 31, 2023		
	Fair Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value
	Long-term debt (Level 2)								

The fair value of our long-term debt was estimated using discounted cash flows analysis, based on our current incremental borrowing rates for similar types of borrowing arrangements which are considered to be level two inputs. There have been no transfers in or out of level two or three financial instruments for the **three** **six** months ended **March 31, 2024** **June 30, 2024** and the year ended December 31, 2023.

We are also required to periodically measure certain other assets at fair value on a nonrecurring basis, including long-lived assets, goodwill and other intangible assets. We calculated the fair value used in our annual goodwill impairment analysis utilizing a discounted cash flow analysis and determined that the inputs used were level 3 inputs. There were no assets recorded at fair value on a non-recurring basis as of **March 31, 2024** **June 30, 2024** or December 31, 2023.

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**12. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES**

The following table presents information about the fair value amounts of our cash flow derivative instruments:

	Balance Sheet Location	Derivatives as of		Balance Sheet Location	Derivatives as of	
		March 31, 2024	December 31, 2023		June 30, 2024	December 31, 2023
<b>Derivatives Designated as Hedging Instruments:</b>						
Interest rate swap contracts						
Interest rate swap contracts						
Interest rate swap contracts						
<b>Derivatives Not Designated as Hedging Instruments:</b>						
Derivatives Not Designated as Hedging Instruments:						
Derivatives Not Designated as Hedging Instruments:						
Derivatives Not Designated as Hedging Instruments:						
Interest rate swap contracts						
Interest rate swap contracts						
Interest rate swap contracts						
Interest rate swap contracts						
Make-whole provisions						
Make-whole provisions						
Make-whole provisions						

As of **March 31, 2024** **June 30, 2024** and December 31, 2023, all but 3 of our freestanding derivatives were designated as hedging instruments.

The following table presents information about the effects of our derivative instruments on our condensed consolidated statements of income and condensed consolidated statements of comprehensive income:

Location of (Gain) Loss Recognized in Net (Loss) Income	Amount of (Gain) Loss Recognized in Net (Loss) Income		Amount of (Gain) Loss Recognized in Net Income (Loss)			
			Six Months Ended		Three Months Ended June 30,	
			2024		2024	2023
<b>Derivatives Designated as Hedging Instruments:</b>						
Derivatives Designated as Hedging Instruments:						
Derivatives Designated as Hedging Instruments:						
Interest rate swap contracts						

Interest rate swap contracts
Interest rate swap contracts
Derivatives Not Designated as Hedging Instruments:
Derivatives Not Designated as Hedging Instruments:
Derivatives Not Designated as Hedging Instruments:
Interest rate swap contracts
Interest rate swap contracts
Interest rate swap contracts
Make-whole provisions
Make-whole provisions
Make-whole provisions

The following table presents the changes in Accumulated Other Comprehensive Income ("AOCI"), net of taxes, from our hedging instruments:

	Three Months Ended March 31, 2024	Six Months Ended June 30, 2024
Derivatives Designated as Hedging Instruments:		
Accumulated gain in AOCI at the beginning of the period	\$ 746	746
Unrealized gain recognized in AOCI	815	1,161
Gain reclassified from AOCI to other expenses, net	(276)	(547)
Gain on derivatives	539	614
Accumulated gain in AOCI at the end of the period	<u>\$ 1,285</u>	<u>1,360</u>

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The following tables present all of our active derivative instruments as of **March 31, 2024** **June 30, 2024**:

Active Interest Rate Swaps	Expiration Date	Initial Notional Amount (\$)	Status
11-Year, 5.77% Fixed	October 2029	\$ 9,200	Designated
15-Year, 5.24% Fixed	June 2033	\$ 10,000	Designated
10-Year, 4.74% Fixed	December 2027	\$ 14,100	Designated
8-Year, 3.49% Fixed	June 2028	\$ 14,643	Designated
8-Year, 3.49% Fixed	June 2028	\$ 10,734	Designated
13-Year, 0.72% Fixed	March 2033	\$ 9,505	Not Designated
13-Year, 0.72% Fixed	March 2033	\$ 6,968	Not Designated
17.75-Year, 3.16% Fixed	December 2040	\$ 14,084	Designated
18-Year, 3.81% Fixed	July 2041	\$ 32,021	Not Designated

Other Derivatives	Classification	Effective Date	Expiration Date	Fair Value (\$)
Make-whole provisions	Liability	June/August 2018	December 2038	\$ 169,241
Make-whole provisions	Liability	August 2016	April 2031	\$ 35,30
Make-whole provisions	Liability	April 2017	February 2034	\$ 27,26
Make-whole provisions	Liability	November 2020	December 2027	\$ 26,24
Make-whole provisions	Liability	October 2011	May 2028	\$ 21
Make-whole provisions	Liability	May 2021	April 2045	\$ 11
Make-whole provisions	Liability	July 2021	March 2046	\$ 2,085,2,310
Make-whole provisions	Liability	June 2022	March 2042	\$ 797,870
Make-whole provisions	Liability	March 2023	December 2047	\$ 1,603,1,348
Make-whole provisions	Liability	April 2024	June 2042	\$ 7,390
Make-whole provisions	Liability	April 2024	June 2042	\$ 499

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**13. VARIABLE INTEREST ENTITIES AND EQUITY METHOD INVESTMENTS**

**Variable Interest Entities**

The table below presents a summary of amounts related to our consolidated investment funds and joint ventures, which we determined meet the definition of a variable interest entity ("VIE"), as of:

		March 31, 2024 (1)
		March 31, 2024 (1)
		March 31, 2024 (1)
		June 30, 2024 (1)
		June 30, 2024 (1)
		June 30, 2024 (1)
		Investment Funds
		Investment Funds
		Investment Funds
Cash and cash equivalents		
Cash and cash equivalents		
Cash and cash equivalents		
Accounts receivable, net		
Accounts receivable, net		
Accounts receivable, net		
Costs and estimated earnings in excess of billings		
Costs and estimated earnings in excess of billings		
Costs and estimated earnings in excess of billings		
Prepaid expenses and other current assets		
Prepaid expenses and other current assets		
Prepaid expenses and other current assets		
Total VIE current assets		
Total VIE current assets		
Total VIE current assets		
Property and equipment, net		
Property and equipment, net		

Property and equipment, net
Energy assets, net
Energy assets, net
Energy assets, net
Operating lease assets
Operating lease assets
Operating lease assets
Restricted cash, non-current portion
Restricted cash, non-current portion
Restricted cash, non-current portion
Other assets
Other assets
Other assets
Total VIE assets
Total VIE assets
Total VIE assets
Current portions of long-term debt and financing lease liabilities
Current portions of long-term debt and financing lease liabilities
Current portions of long-term debt and financing lease liabilities
Accounts payable
Accounts payable
Accounts payable
Accrued expenses and other current liabilities
Accrued expenses and other current liabilities
Accrued expenses and other current liabilities
Current portions of operating lease liabilities
Current portions of operating lease liabilities
Current portions of operating lease liabilities
Total VIE current liabilities
Total VIE current liabilities
Total VIE current liabilities
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
Long-term debt and financing lease liabilities, net of current portion, unamortized discount and debt issuance costs
Long-term operating lease liabilities, net of current portion
Long-term operating lease liabilities, net of current portion
Long-term operating lease liabilities, net of current portion
Other liabilities
Other liabilities
Other liabilities
Total VIE liabilities
Total VIE liabilities
Total VIE liabilities

(1) The amounts in the above table are reflected in Note 1 on our condensed consolidated balance sheets.

(1) The amounts in the above table are reflected in Note 1 on our condensed consolidated balance sheets.

(1) The amounts in the above table are reflected in Note 1 on our condensed consolidated balance sheets.

See Note 14 for additional information on the call and put options related to our investment funds.

#### ***Non-controlling Interests***

Non-controlling interests represents the equity owned by the other joint venture members of consolidated joint ventures. On February 9, 2024, we entered into an **equity purchase agreement** and sold to sell a 40% interest in a consolidated joint venture for and we received \$28,864 in cash.

During the **three** six months ended **March 31, 2024** June 30, 2024, we acquired the remaining interest in one joint venture when we closed on the phase 2 acquisition of BCE as discussed in Note 6.

#### **Equity and Cost Method Investments**

Unconsolidated joint ventures are accounted for under the equity method. For these unconsolidated joint ventures, our investment balances are included in other assets on the condensed consolidated balance sheets and our pro rata share of net income or loss is included in earnings from unconsolidated entities on the condensed consolidated statements of income.

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**AMERESCO, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(In thousands) (Unaudited) (Continued)

During the **three** six months ended **March 31, 2024** June 30, 2024, one of our equity method investments was sold to another company. We received distributions and net proceeds totaling \$12,956 and recognized a gain on the sale in the amount of \$89, which is included earnings from unconsolidated entities in the condensed consolidated statements of income.

The following table provides information about our equity and cost method investments in joint ventures:

	As of	As of	As of	
	March 31, 2024	December 31, 2023		
	June 30, 2024	December 31, 2023		
<b>Equity and cost method investments</b>				

#### **14. REDEEMABLE NON-CONTROLLING INTERESTS**

Our subsidiaries with membership interests in the investment funds we formed have the right to elect to require the non-controlling interest holder to sell all of its membership units to our subsidiaries, a call option. Our investment funds also include rights for the non-controlling interest holder to elect to require our subsidiaries to purchase all of the non-controlling membership interests in the fund, a put option.

The call options are exercisable beginning on the date that specified conditions are met for each respective fund. The **call option start date for two of these funds began in April 2024 and June 2024**. The put options for the investment funds are exercisable beginning on the date that specified conditions are met for each respective fund.

We initially record our redeemable non-controlling interests at fair value on the date of acquisition and subsequently adjust to redemption value. At both **March 31, 2024** June 30, 2024 and December 31, 2023 redeemable non-controlling interests were reported at their carrying values, as the carrying value at each reporting period was greater than the estimated redemption value.

#### **15. EARNINGS PER SHARE**

##### ***Earnings Per Share***

The following is a reconciliation of the numerator and denominator for the computation of basic and diluted earnings per share:

	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	
	(In thousands, except per share data)	(In thousands, except per share data)	(In thousands, except per share data)	
<b>Numerator:</b>				
<b>Numerator:</b>				
<b>Numerator:</b>				
Net (loss) income attributable to common shareholders				
	Three Months Ended June 30,	Six Months Ended June		
	2024	2023	2024	2023

Net (loss) income attributable to common shareholders
Net (loss) income attributable to common shareholders
Net income attributable to common shareholders
Net income attributable to common shareholders
Net income attributable to common shareholders
Adjustment for accretion of tax equity financing fees
Adjustment for accretion of tax equity financing fees
Adjustment for accretion of tax equity financing fees
(Loss) income attributable to common shareholders
(Loss) income attributable to common shareholders
(Loss) income attributable to common shareholders
<b>Denominator:</b>
<b>Denominator:</b>
Income attributable to common shareholders
<b>Denominator:</b>
Basic weighted-average shares outstanding
Basic weighted-average shares outstanding
Basic weighted-average shares outstanding
<b>Effect of dilutive securities:</b>
<b>Effect of dilutive securities:</b>
<b>Effect of dilutive securities:</b>
Stock options
Stock options
Stock options
Diluted weighted-average shares outstanding
Diluted weighted-average shares outstanding
Diluted weighted-average shares outstanding
Net (loss) income per share attributable to common shareholders:
Net (loss) income per share attributable to common shareholders:
Net (loss) income per share attributable to common shareholders:
Net income per share attributable to common shareholders:
Basic
Basic
Basic
Diluted
Diluted
Diluted

Potentially dilutive shares <sup>(1)</sup>

Potentially dilutive shares <sup>(1)</sup>

Potentially dilutive shares <sup>(1)</sup>

(1) Potentially dilutive shares attributable to stock options were excluded from the computation of diluted earnings per share as the effect would have been anti-dilutive.

(1) Potentially dilutive shares attributable to stock options were excluded from the computation of diluted earnings per share as the effect would have been anti-dilutive.

(1) Potentially dilutive shares attributable to stock options were excluded from the computation of diluted earnings per share as the effect would have been anti-dilutive.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(In thousands) (Unaudited) (Continued)

**16. STOCK-BASED COMPENSATION**

We recorded stock-based compensation expense, including expense related to our employee stock purchase plan, as follows:

	Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,	
	2024		2024		2024	
			Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2024	2024	2024	2023	2024
Stock-based compensation expense						
Stock-based compensation expense						
Stock-based compensation expense						

Our stock-based compensation expense is included in selling, general and administrative expenses in the condensed consolidated statements of income. As of **March 31, 2024** **June 30, 2024**, there was **\$33,866** **\$31,609** of unrecognized compensation expense related to non-vested stock option awards that is expected to be recognized over a weighted-average period of **2.3** **2.1** years.

**Stock Option and Restricted Stock Units ("RSUs") Grants**

During the **three** **six** months ended **March 31, 2024** **June 30, 2024**, we granted **524,554** common stock options to certain employees under our 2020 Stock Incentive Plan ("2020 Plan"), which have a contractual life of ten years and vest over a five-year period. We also granted awards of **93,122** RSUs to certain employees and directors under our 2020 Plan. We did not grant awards to individuals who were not either an employee or director of ours during the **three** **six** months ended **March 31, 2024** **June 30, 2024** and 2023.

**17. BUSINESS SEGMENT INFORMATION**

Our reportable segments for the **three** **and** **six** months ended **March 31, 2024** **June 30, 2024** were North America Regions, U.S. Federal, Europe, Alternative Fuels and All Other. On January 1, 2024, we changed the structure of our internal organization, and our U.S. Regions and Canada are now included in North America Regions. Additionally, our Asset Sustainability Group was formerly included in Canada, but is now included in "All Other". As a result, previously reported amounts have been reclassified for comparative purposes.

Our North America Regions, U.S. Federal and Europe segments offer energy efficiency products and services which include the design, engineering and installation of equipment and other measures to improve the efficiency and control the operation of a facility's energy infrastructure, renewable energy solutions and services and the development and construction of small-scale plants that Ameresco owns or develops for customers that produce electricity, gas, heat or cooling from renewable sources of energy and O&M services.

Our Alternative Fuels segment sells electricity, thermal, renewable fuel, or biomethane using biogas as a feedstock from small-scale plants that we own and operate, and provides O&M services for customer-owned small-scale plants.

The "All Other" category includes consulting services and the sale of solar PV energy products and systems which we refer to as integrated-PV.

These segments do not include results of other activities, such as corporate operating expenses not specifically allocated to the segments. Certain reportable segments are an aggregation of operating segments.

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AMERESCO, INC.  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(In thousands) (Unaudited) (Continued)

The tables below present our business segment information recast for the prior-year period and a reconciliation to the condensed consolidated financial statements:

	North America Regions	North America Regions	U.S. Federal	U.S. Europe	Alternative Fuels	All Other	Total Consolidated	North America Regions	U.S. Federal	U.S. Europe	Alternative Fuels	All Other	Total Consolidated
<b>Three months ended March 31, 2024</b>													
<b>Three months ended March 31, 2024</b>													
<b>Three months ended March 31, 2024</b>													
<b>Three Months Ended June 30, 2024</b>													

Revenues

	North America Regions	North America Regions	U.S. Federal	Europe	Alternative Fuels	All Other	Total Consolidated	North America Regions	U.S. Federal	Europe	Alternative Fuels	All Other	Total Consolidated
<b>Three Months Ended March 31, 2023</b>													
<b>Three Months Ended March 31, 2023</b>													
<b>Three Months Ended March 31, 2023</b>													
<b>Three Months Ended June 30, 2023</b>													
Revenues													
Revenues													
Revenues													
(Gain) loss on derivatives													
Interest expense, net of interest income													
Depreciation and amortization of intangible assets													
Unallocated corporate activity													
Income before taxes, excluding unallocated corporate activity													

**AMERESCO, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
 (In thousands) (Unaudited) (Continued)

	North America Regions	U.S. Federal	Europe	Alternative Fuels	All Other	Total Consolidated
<b>Six months ended June 30, 2024</b>						
Revenues	\$ 346,416	\$ 147,627	\$ 117,181	\$ 78,711	\$ 46,453	\$ 736,388
Gain on derivatives	(2,637)	(1,026)	—	(305)	—	(3,968)
Interest expense, net of interest income	4,211	2,191	1,776	11,431	—	19,609
Depreciation and amortization of intangible assets	16,870	4,875	1,010	14,215	1,312	38,282
Unallocated corporate activity	—	—	—	—	—	(44,775)
Income before taxes, excluding unallocated corporate activity	14,436	16,741	1,241	6,022	5,351	43,791
	North America Regions	U.S. Federal	Europe	Alternative Fuels	All Other	Total Consolidated
<b>Six Months Ended June 30, 2023</b>						
Revenues	\$ 292,313	\$ 139,575	\$ 62,621	\$ 58,655	\$ 44,952	\$ 598,116
(Gain) loss on derivatives	(381)	4	—	116	—	(261)
Interest expense, net of interest income	3,482	586	751	5,787	(2)	10,604
Depreciation and amortization of intangible assets	13,565	2,460	785	12,072	558	29,440
Unallocated corporate activity	—	—	—	—	—	(35,974)

Income before taxes, excluding unallocated corporate activity	19,269	14,099	1,203	6,626	4,249	45,446
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See Note 3 for additional information about our revenues by product line.

#### 18. OTHER EXPENSES, NET

The following table presents the components of other expenses, net:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2024	Three Months Ended March 31, 2024	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
(Gain) loss on derivatives							
(Gain) loss on derivatives							
(Gain) loss on derivatives							
Interest expense, net of interest income							
Interest expense, net of interest income							
Gain on derivatives							
Interest expense, net of interest income							
Amortization of debt discount and debt issuance costs							
Amortization of debt discount and debt issuance costs							
Amortization of debt discount and debt issuance costs							
Foreign currency transaction loss (gain)							
Foreign currency transaction loss (gain)							
Foreign currency transaction loss (gain)							
Government incentives							
Government incentives							
Government incentives							
Factoring fees							
Factoring fees							
Factoring fees							
Factoring & other fees							
Other expenses, net							
Other expenses, net							
Other expenses, net							

#### 19. ASSETS HELD FOR SALE

During the ~~three~~ six months ended **March 31, 2024** June 30, 2024, we determined that there were ~~five~~ sixteen energy asset projects under construction that were considered to be assets held for sale, since these assets were being marketed for sale and all the criteria to be classified as held for sale under ASC 360, Property, Plant and Equipment—Impairment or Disposal of Long-Lived Assets, had been met. The carrying value of these assets was ~~\$58,748~~ \$101,520 and \$38,404 as of **March 31, 2024** June 30, 2024 and December 31, 2023, respectively, with liabilities directly associated with assets classified as held for sale of ~~\$13,097~~ \$16,341 and \$8,351 as of **March 31, 2024** June 30, 2024 and December 31, 2023, respectively. Assets held for sale are measured at the lower of their carrying value or the fair value less cost to sell.

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**AMERESCO, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(In thousands) (Unaudited) (Continued)**

The table below reflects the assets and liabilities associated with assets held for sale by segment:

	March 31, 2024			December 31, 2023					
	June 30, 2024			December 31, 2023					
	North America Regions	U.S. Federal	Total	North America Regions	U.S. Federal	Total	North America Regions	U.S. Federal	Total
Other assets									
Other assets									
Other assets									
Operating lease assets									
Assets classified as held for sale									
Accounts payable									
Accounts payable									
Accounts payable									
Accrued expenses and other current liabilities									
Billings in excess of cost and estimated earnings									
Long-term operating lease liabilities, net of current portion									
Liabilities directly associated with assets classified as held for sale									

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## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited condensed consolidated financial statements and the notes related thereto included in Part I, Item 1 of this Quarterly Report on Form 10-Q and the audited consolidated financial statements and notes thereto and management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2023 included in our Annual Report on Form 10-K ("2023 Form 10-K") for the year ended December 31, 2023 filed on February 29, 2024 with the U.S. Securities and Exchange Commission ("SEC"). This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward looking statements include statements regarding our strategy, future operations, future financial position, future revenues, projected costs, prospects, plans, objectives of management, expected market growth and other characterizations of future events or circumstances. All statements, other than statements of historical fact, including statements that refer to our expectations as to the future growth of our business and associated expenses; our expectations as to revenue generation; the future availability of borrowings under our revolving credit facility; the expected future growth of the market for energy efficiency and renewable energy solutions; our backlog, awarded projects and recurring revenue and the timing of such matters; our expectations as to financing and acquisition activity; the impact of any restructuring; the uses of future earnings; our intention to repurchase shares of our Class A common stock; the expected energy and cost savings of our projects; the expected energy production capacity of our renewable energy plants; the impact of 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 any delays; the impact of a possible U.S. federal government shutdown and the U.S. Department of Commerce's solar panel import investigation and other characterizations of future events or circumstances are forward-looking statements. Forward looking statements are often, but not exclusively, identified by the use of words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "estimate," "target," "project," "predict" or "continue," and similar expressions or variations. These forward-looking statements are based on current expectations and assumptions that are subject to risks, uncertainties and other factors that could cause actual results and the timing of certain events to differ materially and adversely from future results expressed or implied by such forward-looking statements. Risks, uncertainties, and factors that could cause or contribute to such differences include, but are not limited to, those discussed in the section titled "Risk Factors," set forth in Part I, Item 1A of our 2023 Form 10-K. Subsequent events and developments may cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so and undertake no obligation to do so except to the extent required by applicable law. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this Quarterly Report on Form 10-Q.

### Overview

Ameresco is a leading clean technology integrator and renewable energy asset developer, owner, and operator. Our comprehensive portfolio includes energy efficiency, infrastructure upgrades, asset sustainability, and renewable energy supply solutions. We help organizations meet energy savings and energy management challenges with an integrated comprehensive approach to energy efficiency and renewable energy. Leveraging budget neutral solutions, including energy savings performance contracts ("ESPCs") and power purchase agreements ("PPAs"), we aim to eliminate the financial barriers that traditionally hamper energy efficiency and renewable energy projects.

Drawing from decades of experience, Ameresco develops tailored energy management projects for its customers in the commercial, industrial, local, state, and federal government, K-12 education, higher education, healthcare, public housing sectors, and utilities.

We provide solutions primarily throughout North America and Europe and our revenues are derived principally from energy efficiency projects, which entail the design, engineering, and installation of equipment and other measures that incorporate a range of innovative technology and techniques to improve the efficiency and control the operation of a facility's energy infrastructure; this can include designing and constructing a central plant or cogeneration system for a customer providing power, heat and/or cooling to a building, or other small-scale plant that produces electricity, gas, heat or cooling from renewable sources of energy. We also derive revenue from long-term O&M contracts, energy supply contracts for renewable energy operating assets that we own, integrated-PV, and consulting and enterprise energy management services.

In addition to organic growth, strategic acquisitions of complementary businesses and assets have been an important part of our growth enabling us to broaden our service offerings and expand our geographical reach.

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## Key Factors and Trends

### ***The Inflation Reduction Act ("IRA")***

The IRA was signed into law on August 16, 2022. The bill invests nearly \$369 billion in energy and climate policies. The provisions of the IRA are intended to, among other things, incentivize domestic clean energy investment, manufacturing, and deployment. The IRA incentivizes the deployment of clean energy technologies by extending and expanding federal incentives such as the ITC and the Production Tax Credit ("PTC"). We view the enactment of the IRA as favorable for the overall business climate for the renewable energy industry. However, there is uncertainty related to the applicability of the IRA to our current and planned projects and the scope of the IRA and its interpretations may change if there is a change in the U.S. administration or if as a result of government agencies' authority to interpret federal law is having been restricted as a result of following the Supreme Court's review reversal of the Chevron doctrine under which had awarded federal government agencies have been awarded broad authority to interpret broad or ambiguous legislation. We may also continue to experience a delay in our sales cycles and new award activity as our customers consider the applicability of the IRA and as financing projects may take longer as result of this uncertainty. The IRA may increase the competition in our industry and as such increase the demand and cost for labor, equipment and commodities needed for our projects.

### ***Supply Chain Disruptions and Other Global Factors***

We continue to monitor the impact of global economic conditions on our operations, financial results, and liquidity, including the result of supply chain challenges, war in Ukraine and the Middle East, evolving relations between the U.S. and China, and other geopolitical tensions. The impact to our future operations and results of operations as a result of these global trends remains uncertain and the challenges we face, including increases in costs for logistics and supply chains, intermittent supplier delays, and shortages of certain components needed for our business, such as lithium-ion battery cells, semiconductors, and other components required for our clean energy solutions may continue or become more pronounced.

During the three six months ended March 31, 2024 June 30, 2024, we were impacted by supply chain disruptions and varying levels of inflation, as a result macroeconomic conditions. These conditions caused delays in the timely delivery of material to customer sites, delays and disruptions in the completion of certain projects, increased shipping and transportation costs, and increased component and labor costs. This negatively impacted our results of operations during the three six months ended March 31, 2024 June 30, 2024. We expect the trends of supply chain challenges to continue. We continue to monitor macroeconomic conditions to remain flexible and to optimize and evolve our business as appropriate to address the challenges presented from these conditions.

In August 2023, the U.S. Department of Commerce issued a final ruling in the Auxin Solar trade case related to solar tariff imports that will lead to higher tariffs on certain imported solar products from Malaysia, Vietnam, Thailand, and Cambodia beginning in June 2024. Similarly, other tariff cases, changes in trade regulations, and the enforcement of the Uyghur Forced Labor Prevention Act could disrupt the solar panel supply chain and increase the cost for solar cells, panels, and transport costs. This could ultimately impact the demand for clean energy solutions and increase our costs. We are closely monitoring the investigation and any regulations issued in connection with it.

### ***Climate Change and Effects of Seasonality***

The global emphasis on climate change and reducing carbon emissions has created opportunities for our industry. Sustainability has been at the forefront of our business since its inception, and we are committed to staying at the leading edge of innovation taking place in the energy sector. We believe the next decade will be marked by dramatic changes in the power infrastructure with resources shifting to more distributed assets, storage, and microgrids to increase overall reliability and resiliency. The sustainability efforts are impacted by regulations, and changes in the regulatory climate may impact the demand for our products and offerings. See "Our business depends in part on federal, state, provincial and local government support or the imposition of additional taxes, tariffs, duties, or other assessments on renewable energy or the equipment necessary to generate or deliver it, for energy efficiency and renewable energy, and a decline in such support could harm our business" and "Compliance with environmental laws could adversely affect our operating results" in Item 1A, Risk Factors in our 2023 Form 10-K.

Climate change also brings risks, as the impacts have caused us to experience more frequent and severe weather interferences, and this trend is expected to continue. We are subject to seasonal fluctuations and construction cycles, particularly in climates that experience colder weather during the winter months, such as the northern United States and Canada, and climates that experience extreme weather events, such as wildfires, storms or flooding, hurricanes, or at educational institutions, where large projects are typically carried out during summer months when their facilities are unoccupied. In addition, government customers, many of which have fiscal years that do not coincide with ours, typically follow annual procurement cycles and appropriate funds on a fiscal-year basis even though contract performance may take more than one year. Further, government contracting cycles can be affected by the timing of, and delays in, the legislative process related to government programs and incentives that help drive demand for energy efficiency and renewable energy projects. As a result, our revenues and operating income in the third and

fourth quarter are typically higher, and our revenues and operating income in the first quarter are typically lower, than in other quarters of the year, however, this may become harder to predict with the potential effects of climate change. As a result of such fluctuations, we may occasionally experience declines in revenues or earnings as compared to the immediately preceding quarter, and comparisons of our operating results on a period-to-period basis may not be meaningful.

Our annual and quarterly financial results are also subject to significant fluctuations as a result of other factors, many of which are outside our control. See "Our business is affected by seasonal trends and construction cycles, and these trends and cycles could have an adverse effect on our operating results" and "Extreme weather events and other natural disasters, particularly those exacerbated by climate change, could materially affect our ability to complete our projects and develop our assets" in Item 1A, Risk Factors in our 2023 Form 10-K.

#### ***The Southern California Edison ("SCE") Agreement***

In October 2021, we entered into a contract with SCE to design and build three grid scale battery energy storage system ("BESS") at three sites near existing substation parcels throughout SCE's service territory in California with an aggregate capacity of 537.5 megawatt ("MW") ("the SCE Agreement"). The engineering, procurement and construction price is approximately \$892.0 million, in the aggregate, including two years of O&M revenues, subject to customary potential adjustments for changes in the work. As previously disclosed, due to supply chain delays, weather and other events, we were unable to complete the projects by August 1, 2022 (the "Guaranteed Completion Date") and made related force majeure claims. In late 2022, SCE also instructed us to adjust the completion of the sites into 2023. Under the SCE Agreement, a failure to reach the Guaranteed Completion Date could, under certain circumstances, result in liquidated damages up to a maximum amount of \$89 million being applied. We have been working with SCE to analyze the applicability and scope of force majeure relief based on our force majeure claims. In February 2024, in response to us issuing an invoice to claims. We expect that SCE for one of the sites, SCE notified us that they intend to will withhold liquidated damages for that project. at least two of the three projects. Our view is that liquidated damages should not be applied. If we fail to come to an agreement with SCE about the applicability and scope of force majeure relief and liquidated damages, we may be required to pay liquidated damages up to an aggregate maximum of \$89 million and may not be able to recover costs associated with the force majeure events.

We have completed SCE has approved the performance testing and together we are working closely with SCE 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 the summer of September 2024.

A majority of our revenues under this contract were recognized in 2022 based upon costs incurred in 2022 relative to total expected costs on this project.

#### ***Stock-based Compensation***

During the three six months ended March 31, 2024 June 30, 2024, we granted 524,003 553,503 common stock options and 93,050 122,366 restricted stock units ("RSUs") to certain employees and directors under our 2020 Plan. Our unrecognized stock-based compensation expense was \$33.9 million \$31.6 million at March 31, 2024 June 30, 2024, compared to \$30.1 million at December 31, 2023, and is expected to be recognized over a weighted-average period of two years. See Note 16 "Stock-based Compensation" for additional information.

#### ***Backlog and Awarded Projects***

Backlog is an important metric for us because we believe strong order backlogs indicate growing demand and a healthy business over the medium to long term, conversely, a declining backlog could imply lower demand.

The following table presents our backlog:

(In Thousands)	(In Thousands)	As of March 31,		As of June 30,	
		2024	2023	(In Thousands)	2024
<b>Project Backlog</b>					
Fully-contracted backlog					
Fully-contracted backlog					
Fully-contracted backlog					
Awarded, not yet signed customer contracts					
Total project backlog					
12-month project backlog					
<b>O&amp;M Backlog</b>					
O&M Backlog					
O&M Backlog					
Fully-contracted backlog					
Fully-contracted backlog					
Fully-contracted backlog					
12-month O&M backlog					

Total project backlog represents energy efficiency projects that are active within our sales cycle. Our sales cycle begins with the initial contact with the customer and ends, when successful, with a signed contract, also referred to as fully-contracted backlog. Our sales cycle averages 18 to 42 months. Awarded backlog is created when a potential customer awards a project to Ameresco following a request for proposal. Once a project is awarded but not yet contracted, we typically conduct a detailed energy audit to determine the scope of the project as well as identify the savings that may be expected to be generated from upgrading the customer's energy infrastructure. At this point, we also determine the subcontractors, what equipment will be used, and assist in arranging for third party financing, as applicable. It takes an average of 12 to 24 months to convert our awarded backlog to fully-contracted backlog. It may take longer, as it depends on the size and complexity of the project. Historically, approximately 90% of our awarded backlog projects have resulted in a signed contract. After the customer and Ameresco agree to the terms of the contract and the contract is executed, the project moves to fully-contracted backlog. The contracts reflected in our fully-contracted backlog typically have a construction period of 12 to 36 months and we typically expect to recognize revenue for such contracts over the same period.

Our O&M backlog represents expected future revenues under signed, multi-year customer contracts for the delivery of O&M services, primarily for energy efficiency and renewable energy construction projects completed by us for our customers.

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. See "We may not recognize all revenues from our backlog or receive all payments anticipated under awarded projects and customer contracts" and "In order to secure contracts for new projects, we typically face a long and variable selling cycle that requires significant resource commitments and requires a long lead time before we realize revenues" in Item 1A, Risk Factors in our 2023 Form 10-K.

#### Assets in Development

Assets in development, which represents the potential design/build project value of renewable energy plants that have been awarded or for which we have secured development rights, were estimated at \$2.6 billion \$2.3 billion and \$1.4 billion \$1.7 billion, net of amount attributable to a non-controlling interest at March 31, 2024 June 30, 2024 and 2023, respectively. This is another important metric because it helps us gauge our future capital expenditure needs and develop-and-sell opportunities as well as our capacity to generate electricity or deliver renewable gas fuel which contributes to our recurring revenue stream.

#### Results of Operations

All financial result comparisons made below are against the same prior year period unless otherwise noted.

The following tables set forth certain financial data from the condensed consolidated statements of income for the periods indicated:

Three Months Ended March 31,										Three Months Ended June 30,		
(In Thousands)	2024			2024			2023			Year-Over-Year Change		
	(In Thousands)	Amount	% of Revenues	Amount	% of Revenues	Dollar Change	% Change	(In Thousands)	Amount	% Revenues		202
Revenues	Revenues	\$298,406	100.0	\$271,042	100.0	\$27,364	10.1	10.1	\$437,982	100		
Cost of revenues	Cost of revenues	251,413	84.3	221,094	81.6	30,319	13.7	13.7	372,813	85		
Gross profit	Gross profit	46,993	15.7	49,948	18.4	(2,955)	(5.9)	(5.9)	65,169	14		
Earnings from unconsolidated entities	Earnings from unconsolidated entities	555	0.2	450	0.2	105	23.3	23.3	10	-		
Selling, general and administrative expenses	Selling, general and administrative expenses	39,555	13.3	41,301	15.2	(1,746)	(4.2)	(4.2)	44,226	10		
Operating income	Operating income	7,993	2.7	9,097	3.4	(1,104)	(12.1)	(12.1)	20,953	4		
Other expenses, net	Other expenses, net	14,171	4.7	8,043	3.0	6,128	76.2	76.2	15,759	3		
(Loss) income before income taxes		(6,178)	(2.1) %	1,054	0.4 %	(7,232)	(686.1) %					
Income tax provision (benefit)		—	— %	(503)	(0.2) %	(503)	(100.0) %					
Net (loss) income		(6,178)	(2.1) %	1,557	0.6 %	(\$7,735)	(496.8) %					
Net loss (income) attributable to non-controlling interests and redeemable non-controlling interests		3,241	1.1 %	(455)	(0.2) %	(\$3,696)	(812.3) %					

Net (loss) income attributable to common shareholders	\$ (2,937)	(1.0) %	\$1,102	0.4 %	\$ (4,039)	(366.5)%
Income before income taxes	5,194	1.2 %	8,418	2.6 %	(3,224)	(38.3)%
Income tax provision	—	— %	5	— %	(5)	(100.0)%
Net income	5,194	1.2 %	8,413	2.6 %	(\$3,219)	(38.3)%
Net income attributable to non-controlling interests and redeemable non-controlling interests	(184)	— %	(2,045)	(0.6) %	(\$1,861)	(91.0)%
Net income attributable to common shareholders	\$ 5,010	1.1 %	\$6,368	1.9 %	\$ (1,358)	(21.3)%

Our results of operations for the three months ended **March 31, 2024** **June 30, 2024** are due to the following:

- Revenues:** total revenues for the three months ended **March 31, 2024** **June 30, 2024** increased over 2023 primarily due to a **\$21.1 million** **\$101.9 million**, or **11% 45%** increase in our project revenues attributed to the timing of revenue recognized based upon costs incurred to date relative to total expected costs on active projects.
- Cost of Revenues and Gross Profit:** the increase in cost of revenues is primarily due to the increase in project revenues described above and higher depreciation expenses from the continued growth in our operating assets portfolio. Gross profit **decreased due to lower revenue contribution from our SCE battery storage project and gross profit** as a percent of revenues decreased due **primarily to a higher cost budget revisions on our SCE battery storage projects and mix of lower margin lower-margin projects.**
- Selling, General and Administrative Expenses ("SG&A"):** SG&A expenses for the three months ended **March 31, 2024** **decreased June 30, 2024** increased over 2023 primarily due to **charges to credit losses and other miscellaneous charges, and higher project development costs, partially offset by lower salaries and related benefits as a result of a decrease in non-cash stock-based compensation expense, project development costs, and professional fees expense.**
- Other Expenses, Net:** Other expenses, net for the three months ended **March 31, 2024** **June 30, 2024** increased over 2023 primarily due to higher interest expenses, net of **\$7.0 million** **\$7.6 million** related to an increase in the amount of energy asset financings and corporate debt outstanding and higher interest rates, **foreign currency transaction losses of \$1.1 million compared to a gain of \$0.2 million in the prior year quarter, partially offset by increased gains from derivatives transactions of \$2.4 million versus a loss of \$0.2 million \$1.2 million.**
- Income Tax Benefit: Provision:** the provision for income taxes is based on various rates set by federal, state, provincial and local authorities and is affected by permanent and temporary differences between financial accounting and tax reporting requirements. We expect the effective tax rate will be higher in 2024 as compared to 2023 primarily due to the effects of a smaller Section 179D Energy Efficient Building deduction, partially offset by higher investment tax credits from solar, and storage plants placed into service or are forecasted to be placed into service during 2024, state taxes, and foreign earnings.
- Net (Loss) Income and (Loss) Earnings Per Share:** Net (loss) income attributable to common shareholders decreased due to the reasons described **above, above, partially offset by a decrease in net income attributable to non-controlling interest ("NCI") and redeemable NCI. Basic and diluted earnings per share for the three months ended March 31, 2024** **June 30, 2024** was a loss of **(\$0.06)**, **\$0.10** and **\$0.09**, respectively, a decrease of **\$0.08 per share** compared to the same period of 2023.

(In Thousands)	Six Months Ended June 30,					
	2024		2023		Year-Over-Year Change	
	Amount	% of Revenues	Amount	% of Revenues	Dollar Change	% Change
Revenues	\$ 736,388	100.0 %	\$ 598,116	100.0 %	\$ 138,272	23.1 %
Cost of revenues	624,226	84.8 %	489,519	81.8 %	134,707	27.5 %
Gross profit	112,162	15.2 %	108,597	18.2 %	3,565	3.3 %
Earnings from unconsolidated entities	565	0.1 %	830	0.1 %	(265)	(31.9)%
Selling, general and administrative expenses	83,781	11.4 %	82,714	13.8 %	1,067	1.3 %
Operating income	28,946	3.9 %	26,713	4.5 %	2,233	8.4 %
Other expenses, net	29,930	4.1 %	17,241	2.9 %	12,689	73.6 %
(Loss) income before income taxes	(984)	(0.1)%	9,472	1.6 %	(10,456)	(110.4)%
Income tax benefit	—	— %	(498)	(0.1)%	498	100.0 %
Net (loss) income	(984)	(0.1)%	9,970	1.7 %	\$ (10,954)	(109.9)%
Net loss (income) attributable to non-controlling interests and redeemable non-controlling interests	3,057	0.4 %	(2,500)	(0.4)%	\$ 5,557	222.3 %

Net income attributable to common shareholders	\$ 2,073	0.3 %	\$ 7,470	1.2 %	\$ (5,397)	(72.2)%
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Our results of operations for the six months ended June 30, 2024 are due to the following:

- **Revenues:** total revenues for the six months ended June 30, 2024 increased over 2023 primarily due to a \$122.9 million, or 30%, increase in our project revenues attributed to the timing of revenue recognized based upon costs incurred to date relative to total expected costs on active projects.
- **Cost of Revenues and Gross Profit:** the increase in cost of revenues is primarily due to the increase in project revenues described above and higher depreciation expenses from the continued growth in our operating assets portfolio. Gross profit as a percent of revenues decreased due primarily to cost budget revisions on our SCE battery storage projects and mix of lower-margin projects.
- **Selling, General and Administrative Expenses ("SG&A"):** SG&A expenses for the six months ended June 30, 2024 increased over 2023 primarily due to an increase in charges to credit losses and other miscellaneous charges, and higher insurance costs partially offset by lower salaries and related benefits as a result of a decrease in non-cash stock-based compensation expense, project development costs, and professional fees.
- **Other Expenses, Net:** Other expenses, net for the six months ended June 30, 2024 increased over 2023 primarily due to higher interest expenses, net of \$14.6 million related to an increase in the amount of energy asset financings and corporate debt outstanding and higher interest rates, foreign currency transaction losses of \$1.7 million, partially offset by increased gains from derivatives transactions of \$3.7 million.
- **Income Tax Benefit:** the provision for income taxes is based on various rates set by federal, state, provincial and local authorities and is affected by permanent and temporary differences between financial accounting and tax reporting requirements. We expect the effective tax rate will be higher in 2024 as compared to 2023 primarily due to the effects of a smaller Section 179D Energy Efficient Building deduction, partially offset by higher investment tax credits from solar, and storage plants placed into service or are forecasted to be placed into service during 2024, state taxes, and foreign earnings.
- **Net (Loss) Income and Earnings Per Share:** Net income attributable to common shareholders decreased due to the reasons described above, partially offset by a net loss attributable to NCI and redeemable NCI this year compared to income in the prior year. Basic and diluted earnings per share for the six months ended June 30, 2024 was \$0.04 per share, a decrease of \$0.10 per share compared to the same period of 2023.

#### Business Segment Analysis

Our reportable segments for the three and six months ended **March 31, 2024** **June 30, 2024** were North America Regions, U.S. Federal, Europe, Alternative Fuels and All Other. On January 1, 2024, we changed the structure of our internal organization, and our U.S. Regions

and Canada are now included in North America Regions. Additionally, our Asset Sustainability Group was formerly included in Canada, but is now included in "All Other". As a result, previously reported amounts have been reclassified for comparative purposes. These segments do not include results of other activities, such as corporate operating expenses not specifically allocated to the segments. See Note 17 "Business Segment Information" for additional information about our segments.

All financial result comparisons made below relate to the **three-month** **three and six-month** period and are against the same prior year period unless otherwise noted.

#### Revenues

		Three Months Ended March 31,			Six Months Ended June 30,		
		Three Months Ended March 31,			Six Months Ended June 30,		
(In Thousands)							
(In Thousands)	(In Thousands)	2024	2023	Dollar Change	% Change	2024	2023
North America Regions	North America Regions	\$ 208,131	\$ 151,771	\$ 56,360	37.1 %	\$ 346,416	\$ 292,313
North America Regions						\$ 54,103	18.5 %
North America Regions							
U.S. Federal							
U.S. Federal							
U.S. Federal							
Europe							
Europe							
Europe							
Alternative Fuels							
Alternative Fuels							
Alternative Fuels							

All Other													
All Other													
All Other													
Total revenues	Total revenues	\$ 437,982	\$ \$ 327,074	\$ \$ 110,908	33.9	33.9	%	\$ 736,388	\$ \$ 598,116	\$ \$ 138,272	23.1	23.1	%
Total revenues													
Total revenues													

- **North America Regions:** revenues decreased increased primarily due to lower higher project revenues of \$3.0 million resulting from the timing of revenue recognized based upon costs incurred to date relative to total expected costs on active projects, including lower revenue contribution from our SCE battery storage projects.
- **U.S. Federal:** the increase in revenue versus the prior year is primarily due to higher O&M project revenue attributed to the timing of activity on certain long-term contracts and higher energy asset revenue partially offset by lower project revenues. Project revenues decreased year-over-year resulting from the timing of revenue recognized based upon costs incurred to date relative to total expected costs on active projects.
- **Europe:** revenues increased primarily due to higher project revenues resulting from the timing of revenue recognized based upon costs incurred to date relative to total expected costs on active projects in the United Kingdom compared to the prior period including revenues related to the addition of our Energos acquisition in Italy.
- **Alternative Fuels:** the increase is primarily due to higher project revenues and an increase in energy asset revenues resulting from the continued growth of our operating portfolio, increased production levels and stronger pricing on renewable identification numbers ("RIN's") generated from our renewable natural gas facilities, and higher project revenues.
- **All Other:** All other revenues decreased increased year-over-year primarily due to lower project and integrated-PV revenues partially offset by increased consulting revenue.

#### Income (Loss) Income before Taxes and Unallocated Corporate Activity

Three Months Ended March 31,																	
Three Months Ended March 31,																	
Three Months Ended March 31,																	
(In Thousands)																	
(In Thousands)																	
Three Months Ended June 30,																	
Six Months Ended June 30,																	
(In Thousands)		2024		2023		Dollar Change		% Change		2024		2023		Dollar Change		% Change	
North America Regions	North America Regions	\$ 8,843	\$	\$ 11,019	\$	\$ (2,176)	(19.7)		(19.7)%	\$ 14,436	\$	\$ 19,269	\$	\$ (4,833)	(25.1)	(25.1)%	
North America Regions																	
North America Regions																	
U.S. Federal																	
U.S. Federal																	
U.S. Federal																	
Europe																	
Europe																	
Europe																	
Alternative Fuels																	
Alternative Fuels																	
Alternative Fuels																	
All Other																	
All Other																	

All Other							
Unallocated corporate activity							
Unallocated corporate activity							
Unallocated corporate activity							
(Loss) Income before taxes							
(Loss) Income before taxes							
(Loss) Income before taxes							
Income (loss) before taxes	\$ 5,194	\$8,418	\$(3,224)	(38.3)%	\$(984)	\$9,472	\$(10,456)
							(110.4)%

- **North America Regions:** the decrease is primarily due to the lower revenues and gross profit as a percent of revenues, described above, partially offset by lower SG&A expenses and other expenses, net, higher gains on derivatives.

- **U.S. Federal:** the increase is primarily due to the higher revenues described above and higher gross profit as a percent of revenues partially offset by increased SG&A expenses, expenses and interest expenses, net.
- **Europe:** the decrease increase is primarily due to the higher SG&A expenses and other expenses, net increased revenues described above, partially offset by higher revenues described above, SG&A expenses.

- **Alternative Fuels:** the increase for the three-month period is primarily due to the increased revenues described above partially offset by higher interest expenses. The decrease for the six-month period is primarily due to higher interest expenses, expenses partially offset by higher revenues.
- **All Other:** the decrease increase is primarily due to lower higher revenues described above partially offset by and lower SG&A expenses.
- Unallocated corporate activity includes all corporate level selling, general and administrative expenses and other expenses not allocated to the segments. We do not allocate any indirect expenses to the segments. Corporate activity increased primarily due to higher interest expenses, net and foreign currency transaction losses partially offset by lower salaries and related benefits.

## Liquidity and Capital Resources

### Overview

Since inception, we have funded operations primarily through cash flow from operations, advances from Federal ESPC projects, our senior secured credit facility, our second lien term loan and various forms of other debt and equity offerings. See Note 8 "Debt and Financing Lease Liabilities" for additional information.

Working capital requirements can be susceptible to fluctuations during the year due to timing differences between costs incurred, the timing of milestone-based customer invoices and actual cash collections. Working capital may also be affected by seasonality, growth rate of revenue, long lead-time equipment purchase patterns, advances from Federal ESPC projects, and payment terms for payables relative to customer receivables.

We expect to incur additional expenditures in connection with the following activities:

- equity investments, project asset acquisitions and business acquisitions that we may fund from time to time
- capital investment in current and future energy assets
- material, equipment, and other expenditures for large projects

We regularly monitor and assess our ability to meet funding requirements. We believe that cash and cash equivalents, working capital and availability under our revolving senior secured credit facility, combined with our right (subject to lender consent) to increase our revolving credit facility by \$100.0 million, plus asset sales, tax equity transfers, ITC sales, and our general access to credit and equity markets, will be sufficient to fund our operations through at least **May** **August** 2025 and thereafter.

We continue to evaluate and take action, as necessary, to preserve adequate liquidity and ensure that our business can continue to operate and that we can meet our capital and debt service requirements. This may include limiting discretionary spending across the organization and re-prioritizing our capital projects amid times of political unrest, the duration of supply challenges, the rate and duration of the inflationary pressures, and other events affecting our liquidity. For example, recent increases in inflation and interest rates have impacted overall market returns on assets. We have therefore been particularly prudent in our capital commitments over the past few quarters, ensuring that our assets in development continue to align with our hurdle rates.

#### **August 2023 Purchase and Sale Agreement**

On August 4, 2023, we entered into a purchase and sale agreement to acquire an energy asset project and to acquire 100% of the stock of Bright Canyon Energy Corporation ("BCE") in a two-phased transaction. Phase 1, the purchase of the energy asset project, closed on August 4, 2023 and did not constitute a business in accordance with ASC 805-50, Business Combinations.

The purchase price for phase 1 was \$88.0 million, of which \$5.0 million was paid in cash, \$46.7 million was financed through a seller's note, and we assumed a construction loan on the energy asset project for \$36.3 million. We also acquired \$11.2 million cash. During the year ended December 31, 2023, we paid \$18.4 million in principal on the seller's note. In January 2024, the purchase price was increased by \$1.1 million, and we paid off the seller's note in the amount of \$29.4 million. We agreed to sell back to the seller investment tax credits for the project acquired as part of this transaction for the fair market value of these credits in early in 2024 and received \$21.0 million in cash during the three months ended **March 31, 2024** **June 30, 2024**.

In the second phase, which closed on January 12, 2024, we acquired BCE, including its interest in a consolidated joint venture and its interests in project subsidiaries developing or with rights to develop solar, battery, and microgrid assets for an adjusted purchase price of \$48.0 million, of which \$9.8 million was paid in cash **at closing**, and \$32.5 million was financed through a seller's note.

The remaining balance due of **\$5.6 million** **\$4.0 million** is included in accrued expenses and other current liabilities at **March 31, 2024** **June 30, 2024**. We also assumed four land leases for the energy asset projects.

The seller's note bore interest at a fixed rate of 5.0% per annum and the principal and interest was due in August 2024. The note was amended on August 2, 2024 to provide that **it be paid in four installments through December 16, 2024 and bears interest at a rate of 5.0% per annum through August 2, 2024 and a rate of 9.0% per annum thereafter**.

#### **Senior Secured Term Loans Credit Facility**

On April 10, 2024, we entered into amendment number five to the fifth amended and restated senior secured credit facility to extend the maturity date of the delayed draw term loan A ("DDTLA") from March 4, 2025 to August 15, 2024. The amendment also included the following modifications:

- principal installments on the DDTLA of \$5 million when we entered into the amendment and \$8 million each on or before May 15, 2024, June 15, 2024, and July 15, 2024, with the balance of \$7,500 due on August 15, 2024,
- the date by which we shall use commercially reasonable efforts to raise \$100 million in equity or subordinated debt financing was changed from April 15, 2024 to May 15, 2024.

On June 28, 2024, we entered into amendment number six to the fifth amended and restated senior secured credit facility to modify certain of the covenants and other terms to permit us to enter into the second lien credit agreement (as defined below) and to incur indebtedness and make certain other conforming changes in connection with our entry into the second lien credit agreement.

As of **March 31, 2024** **June 30, 2024**, the balance on the senior secured term loans was **\$108.8 million** **\$72.5 million**, the balance on the senior secured revolving credit facility was **\$160.0 million** **\$105.0 million**, and we had funds available of **\$27.3 million** **\$82.0 million**.

#### **June 2024, Second Lien Term Loan, due June 28, 2029**

On June 28, 2024, we entered into a second lien credit agreement which provided a term loan in a principal amount of \$100.0 million with a maturity date of June 28, 2029. The term loan bears an interest rate of SOFR (5.353% at June 30, 2024), and an applicable margin of 5.875% per annum. Interest is payable quarterly and unpaid interest and principal is due in the aggregate on June 28, 2029. At closing, we incurred \$3.6 million in lenders fees and debt issuance costs. Proceeds from this term loan in the amount of \$82.1 million and \$15.0 million were used to pay towards our credit facility and the outstanding portion of the DDTLA, respectively, under our senior secured credit facility at closing.

#### **Energy Asset Financing**

#### Energy Asset Construction Facilities, Financing Facilities, and Term Loans

We have entered into a number of construction and term loan agreements for the purpose of constructing and owning certain renewable energy plants. The physical assets and the operating agreements related to the renewable energy plants are generally owned by wholly owned, single member "special purpose" subsidiaries of Ameresco. These construction and term loans are structured as project financings made directly to a subsidiary, and upon commercial operation and achieving certain milestones in the credit agreement, the related construction loan converts into a term loan. While we are required under generally accepted accounting principles ("GAAP") to reflect these loans as liabilities on our condensed consolidated balance sheets, they are generally non-recourse and not direct obligations of Ameresco, Inc., except to the extent of completion guarantees and EPC contracts and certain equity contribution obligations under our August 2023 Construction Credit Facility as described in more detail below.

Our project financing facilities contain various financial and other covenant requirements which include debt service coverage ratios and total funded debt to EBITDA, as defined in the facilities. Any failure to comply with the financial or other covenants of our project financings would result in inability to distribute funds from the wholly-owned subsidiary to Ameresco, Inc. or constitute an event of default in which the lenders may have the ability to accelerate the amounts outstanding, including all accrued interest and unpaid fees.

Material energy asset construction and term loan financings during the quarter six months ended March 31, 2024 June 30, 2024 were as follows:

- April 2024, Term Notes, due June 30, 2042 - On April 5, 2024, an omnibus amendment and reaffirmation agreement was executed with reference to the note purchase and private shelf agreement, dated as of July 27, 2021, and two new series B notes (first lien and second lien) were authorized in the amounts of \$92.5 million and \$12.7 million, with a maturity date of June 30, 2042. Gross proceeds from the initial issuance on April 5, 2024 were \$83.3 million and \$12.3 million with the remainder to be issued upon achieving certain permitting-related and other administrative conditions. Proceeds from these notes in the amount of \$86.5 million were used to pay a portion of the August 2023 construction credit facility.
- October 2022, Financing Facility, 8.51% - we drew down an additional \$35.4 million \$38.3 million.
- August 2023, Construction Credit Facility, 9.32% 9.34% - we drew down an additional \$31.2 million \$82.8 million.

Net proceeds from energy asset construction facilities and term loans during the three six months ended March 31, 2024 June 30, 2024 totaled \$80.7 million \$230.2 million.

We failed to achieve the final conditions required to convert the term loan related to debt we assumed on an energy asset acquisition on or prior to June 30, 2024, therefore, the \$35,696 outstanding balance was classified as current debt at June 30, 2024. We are negotiating a waiver with the lender that will become effective when the final conditions are met, which is expected to be during the quarter ending September 30, 2024.

#### Sale-leasebacks and Financing Leases

During the three six months ended March 31, 2024 June 30, 2024, we sold and leased back one two energy assets for \$4.4 million \$22.1 million in cash proceeds under our master sale-leaseback agreements.

#### Federal ESPC Liabilities

We have arrangements with certain third-parties to provide advances to us during the construction or installation of projects for certain customers, typically federal governmental entities, in exchange for our assignment to the lenders of our rights to the long-term receivables arising from the ESPCs related to such projects. These financings totaled \$504.7 million \$511.2 million as of March 31, 2024 June 30, 2024. Under the terms of these financing arrangements, we are required to complete the construction or installation of the project in accordance with the contract with our customer, and the liability remains on our condensed consolidated balance sheets until the completed project is accepted by the customer.

We are the primary obligor for financing received, but only until final acceptance of the work by the customer. At this point recourse to us ceases and the ESPC receivables are transferred to the investor. The transfers of receivables under these agreements do not qualify for sales accounting until final customer acceptance of the work, so the advances from the investors are not classified as operating cash flows. Cash draws that we received under these ESPC agreements were \$19.6 million \$120.1 million during the three

six months ended March 31, 2024 June 30, 2024, and are recorded as financing cash inflows. The use of the cash received under these arrangements is to pay project costs classified as operating cash flows and totaled \$26.4 million \$85.8 million during the three six months ended March 31, 2024 June 30, 2024. Due to the manner in which the ESPC contracts with the third-party investors are structured, our reported operating cash flows are materially impacted by the fact that operating cash flows only reflect the ESPC contract expenditure outflows and do not reflect any inflows from the corresponding contract revenues. Upon acceptance of the project by the federal customer the ESPC receivable and corresponding ESPC liability are removed from our condensed consolidated balance sheets as a non-cash settlement.

#### Cash Flows

The following table summarizes our cash flows from operating, investing, and financing activities:

(In Thousands)	(In Thousands)	Three Months Ended March 31,		\$ Change	Six Months Ended June 30,		\$ Change
		2024	2023		2024	2023	
Cash flows from operating activities							
Cash flows from investing activities							

Cash flows from financing activities
Effect of exchange rate changes on cash
Total net cash flows

Our service offering also includes the development, construction, and operation of small-scale renewable energy plants. Small-scale renewable energy projects, or energy assets, can either be developed for the portfolio of assets that we own and operate or designed and built for customers. Expenditures related to projects that we own are recorded as cash outflows from investing activities. Expenditures related to projects that we build for customers are recorded as cash outflows from operating activities as cost of revenues.

#### *Cash Flows from Operating Activities*

Our cash flows from operating activities during the **three** six months ended **March 31, 2024** decreased **June 30, 2024** increased over the same period last year primarily due to an **increase** **increases** of **\$93.6 million** **\$153.3 million** in accounts payable, accrued expenses and other current liabilities, **\$33.5 million** in

deferred revenue (billings in excess of cost and estimated earnings), and **\$23.4 million** in prepaid expenses and other current assets, partially offset by decreases of **\$54.1 million** in accounts receivable and **\$43.4 million** in unbilled revenue (costs and estimated earnings in excess of billings) due to the timing of when certain projects are invoiced, including our SCE battery storage project and a **\$53.1 million** increase in accounts receivable, which were partially offset by increases of **\$106.1 million** in accounts payable, accrued expenses and other current liabilities when compared to the prior year period.

#### *Cash Flows from Investing Activities*

During the **three** six months ended **March 31, 2024** **June 30, 2024** we made capital investments of **\$105.6 million** **\$227.4 million** in new energy assets and **\$5.4 million** **\$10.5 million** in major maintenance of energy assets compared to **\$89.8 million** **\$261.5 million** and **\$0.6 million** **\$5.8 million**, respectively, in 2023.

We currently plan to invest approximately **\$235 million** **\$110 million** to **\$285 million** **\$160 million** in additional capital expenditures during the remainder of 2024, principally for the construction or acquisition of new renewable energy plants, the majority of which we expect to fund with project finance debt.

#### *Cash Flows from Financing Activities*

Our primary sources of financing for the **three** six months ended **March 31, 2024** **June 30, 2024** were net proceeds from long-term debt of **\$88.7 million**, contributions from a non-controlling interest of **\$28.9 million** **\$353.3 million**, net proceeds received from Federal ESPC projects and energy asset receivable financing arrangements of **\$24.3 million** **\$125.4 million**, net proceeds contributions from our senior secured credit facility a non-controlling interest of **\$20.1 million** partially **\$30.8 million**, offset by payments on long-term debt of **\$55.2 million** **\$207.0 million**, net payments on our senior secured credit facility of **\$34.9 million**, and payments on the seller's note for the BCE phase 1 acquisition of **\$29.4 million**.

Our primary sources of financing for the six months ended June 30, 2023 were net proceeds from long-term debt of **\$338.8 million**, net proceeds received from Federal ESPC projects and energy asset receivable financing arrangements of **\$84.8 million**, partially offset by payments on our senior secured credit facility of **\$80.0 million** and payments on long-term debt of **\$61.3 million**.

We currently plan additional project financings of approximately **\$220 million** **\$100 million** to **\$270 million** **\$150 million** during the remainder of 2024 to fund the construction or the acquisition of new renewable energy plants as discussed above.

#### **Critical Accounting Estimates**

Preparing our condensed consolidated financial statements in accordance with GAAP involves us making estimates and assumptions that affect reported amounts of assets and liabilities, net sales and expenses, and related disclosures in the accompanying notes at the date of our financial statements. We base our estimates on historical experience, industry and market

trends, and on various other assumptions that we believe to be reasonable under the circumstances. However, by their nature, estimates are subject to various assumptions and uncertainties, and changes in circumstances could cause actual results to differ from these estimates, sometimes materially.

#### **Income Taxes**

We have reviewed all tax positions taken as of **March 31, 2024** **June 30, 2024** and there were no additional uncertain tax positions taken during the **three** and **six** months ended **March 31, 2024** **June 30, 2024**. We believe our current tax reserves are adequate to cover all known tax uncertainties.

Other than as noted above, there have been no material changes in our critical accounting estimates from those disclosed in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of our 2023 Form 10-K. In addition, refer to Note 2 "Summary of Significant Accounting Policies" for updates to critical accounting policies.

#### **Recent Accounting Pronouncements**

See Note 2, "Summary of Significant Accounting Policies" for a discussion of recent accounting pronouncements.

### Item 3. Quantitative and Qualitative Disclosures About Market Risk

As of **March 31, 2024** **June 30, 2024**, there have been no significant changes in market risk exposures that materially affected the quantitative and qualitative disclosures as described in Item 7A to our 2023 Form 10-K.

### Item 4. Controls and Procedures

#### *Evaluation of Disclosure Controls and Procedures*

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the period covered by this quarterly report, or the evaluation date. Disclosure controls and procedures are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosures. Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our management, after evaluating the effectiveness of our disclosure controls and procedures as of the evaluation date, concluded that as of the evaluation date, our disclosure controls and procedures were effective at a reasonable assurance level.

#### *Changes in Internal Control over Financial Reporting*

There were no changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings

In the ordinary conduct of our business, we are subject to periodic lawsuits, investigations, and claims. Although we cannot predict with certainty the ultimate resolution of such lawsuits, investigations and claims against us, we do not believe that any currently pending or threatened legal proceedings to which we are a party will have a material adverse effect on our business, results of operations or financial condition.

For additional information about certain proceedings, please refer to Note 10, Commitments and Contingencies, to our condensed consolidated financial statements included under Part I, Item 1 of this Quarterly Report on Form 10-Q, which is incorporated into this item by reference.

### Item 1A. Risk Factors

Our business is subject to numerous risks, a number of which are described below and under "Risk Factors" in Part I, Item 1A of our 2023 Form 10-K.

You should carefully consider these risks together with the other information set forth in this report, which could materially affect our business, financial condition and future results. The risks described **below and** in Part I, Item 1A of our 2023 Form 10-K are not the only risks we face. Risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and operating results.

#### **Risks Related to our Indebtedness**

*Our senior secured credit facility, second lien term loan, energy asset financing term loans and construction loans contain financial and operating restrictions that may limit our business activities and our access to credit, and they may not be sufficient to fund our capital needs and growth.*

Provisions in our senior secured credit facility and second lien term loans, project financing term loans and construction loans impose customary restrictions on our and certain of our subsidiaries' business activities and uses of cash and other collateral. These agreements also contain other customary covenants, including covenants that require us to meet specified financial ratios and financial tests. We have a \$200 million revolving senior secured credit facility and \$75 million term loan that mature March 2025 (collectively, the "Senior Credit Facilities") and a \$100 million second lien term loan that matures June 2029. As of June 30, 2024, the balance of our Senior Credit Facilities was \$178 million, and \$100 million was outstanding under our second lien term loan. These Senior Credit Facilities and the second lien term loan may not be sufficient to meet our needs as our business grows, and we may be unable to extend or replace them on acceptable terms, or at all. The Senior Credit Facilities and second lien term loan are subject to quarter end ratio covenants, including a maximum ratio of total funded debt to EBITDA and a debt service

coverage ratio (each as defined in the agreement and described our filings with the SEC) as well as certain other customary operational covenants. EBITDA for purposes of the facilities excludes the results of certain renewable energy projects that we own and which we finance in separate subsidiaries through project financing and the results of our joint ventures. In addition, our project financing term loans and construction loans require us to comply with a variety of financial and operational covenants. Our failure to comply with the

covenants under our project financing debt, our Senior Credit Facilities or our second lien term loan may result in the declaration of an event of default and cause us to be unable to borrow under our Senior Credit Facilities. In addition to preventing additional borrowings under these facilities, an event of default, if not cured or waived, may result in the acceleration of the maturity of indebtedness outstanding under it or the applicable project financing term loan, which would require us to pay all amounts outstanding. If an event of default occurs under our project financing debt, our Senior Credit Facilities or our second lien term loan, we may not be able to cure it within any applicable cure period, if at all. Certain of our debt agreements, including our Senior Credit Facilities and our second lien term loan, also contain subjective acceleration clauses based on a lender deeming that a "material adverse change" in our business has occurred. If these clauses are implicated, and the lender declares that an event of default has occurred, the outstanding indebtedness would likely be immediately due and owing. If the maturity of our indebtedness is accelerated, we may not have sufficient funds available for repayment or we may not have the ability to borrow or obtain sufficient funds to replace the accelerated indebtedness on terms acceptable to us or at all.

## **Item 2. Unregistered Sales of Equity and Use of Proceeds**

### **Stock Repurchase Program**

We did not repurchase any shares of our common stock under our stock repurchase program authorized by the Board of Directors on April 27, 2016 (the "Repurchase Program") during the three months ended **March 31, 2024** June 30, 2024. Under the Repurchase Program, we are authorized to repurchase up to \$17.6 million of our Class A common stock. As of **March 31, 2024** June 30, 2024, there were shares having a dollar value of approximately \$5.9 million that may yet be purchased under the Repurchase Program.

## **Item 5. Other Information**

During the quarter ended **March 31, 2024** June 30, 2024, none of our directors or officers adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as those terms are defined in Item 408(a) of Regulation S-K.

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## **Item 6. Exhibits**

## Exhibit Index

Exhibit Number	Description
10.110.1.1	<a href="#">Amendment No. 5 to Fifth Amended and Restated Credit Agreement dated as of April 10, 2024 among Ameresco, Inc., certain of its subsidiaries, the lenders (as defined therein), and Bank of America, N.A. as administrative agent. Filed as Exhibit 10.1 to our Current Report on Form 8-K filed with the Commission on April 10, 2024 and incorporated herein by reference.</a>
10.1.2	<a href="#">Amendment No. 6 to Fifth Amended and Restated Credit Agreement dated as of June 28, 2024 among Ameresco, Inc., certain of its subsidiaries, the lenders (as defined therein), and Bank of America, N.A. as administrative agent. Filed as Exhibit 10.1 to our Current Report on Form 8-K filed with the Commission on June 28, 2024 and incorporated herein by reference.</a>
10.2	<a href="#">Second Lien Credit Agreement date as of June 28, 2024 among Ameresco, Inc., certain of its subsidiaries, the lenders (as defined therein) and Nuveen EIC Administration LLC as administrative agent. Filed as Exhibit 10.2 to our Current Report on Form 8-K filed with the Commission on June 28, 2024 and incorporated herein by reference.</a>
10.3+	<a href="#">Ameresco, Inc. 2017 Employee Stock Purchase Plan as amended.</a>
31.1*	<a href="#">Principal Executive Officer Certification required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2*	<a href="#">Principal Financial Officer Certification required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1**	<a href="#">Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101*	The following condensed consolidated financial statements from Ameresco, Inc.'s Quarterly Report on Form 10-Q for the quarter ended <b>March 31, 2024</b> June 30, 2024, formatted in Inline XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets (ii) Condensed Consolidated Statements of Income, (iii) Condensed Consolidated Statements of Comprehensive Income, (iv) Condensed Consolidated Statement of Changes in Redeemable Non-Controlling Interests and Stockholders' Equity, (v) Condensed Consolidated Statements of Cash Flows, and (vi) Notes to Condensed Consolidated Financial Statements.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\*Filed herewith.

\*\*Furnished herewith.

+ Identifies a management contract or compensatory plan or arrangement in which an executive officer or director of Ameresco participates.

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## SIGNATURES

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

AMERESCO, INC.

Date: **May 7, August 6, 2024**

By: /s/ Spencer Doran Hole

**Spencer Doran Hole**

**Executive Vice President and Chief Financial Officer  
(duly authorized and principal financial officer)**

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1 AMENDMENT NO. 3 TO 2017 EMPLOYEE STOCK PURCHASE PLAN OF AMERESCO, INC. The 2017 Employee Stock Purchase Plan (the "Plan") of Ameresco, Inc. (the "Company") is hereby amended as follows (all capitalized terms used and not defined herein shall have the respective meanings ascribed to such terms in the Plan): 1. The first paragraph of the Plan is replaced in its entirety with the following: "The purpose of this 2017 Employee Stock Purchase Plan (this "Plan") is to provide eligible employees of Ameresco Inc. (the "Company") and certain of its subsidiaries with opportunities to purchase shares of the Company's Class A common stock, \$0.0001 par value per share (the "Common Stock"), commencing at the time set forth in the Plan. Subject to adjustment under Section 15 hereof, the number of shares of Common Stock that have been approved for this purpose is 575,000 shares of Common Stock." Except as expressly amended herein, the Plan and all of the provisions contained therein shall remain in full force and effect. Except as expressly amended herein, the Plan and all of the provisions contained therein shall remain in full force and effect. \*\*\* Approved by the Board of Directors on February 8, 2028 Approved by the Stockholders on June 4, 2024



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<sup>2</sup> Amersco Inc. 2017 EMPLOYEE STOCK PURCHASE PLAN as amended. The purpose of this 2017 Employee Stock Purchase Plan (the "Plan") is to provide eligible employees of Amersco Inc. (the "Company") and certain of its subsidiaries with opportunities to purchase shares of the Company's Class A common stock, \$0.0001 par value per share (the "Common Stock"), commencing at the time set forth in the Plan. Subject to adjustment under Section 15 hereof, the number of shares of Common Stock that have been approved for this purpose is 575,000 shares of Common Stock. This Plan is intended to qualify as an "employee stock purchase plan" as defined in Section 423 of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations issued thereunder, and shall be interpreted consistent therewith. 1. Administration. The Plan will be administered by the Board of Directors of the Company (the "Board") or by a Committee appointed by the Board (the "Committee"). The Board or the Committee has authority to make rules and regulations for the administration of the Plan and its interpretation and decisions with regard thereto shall be final and conclusive. 2. Eligibility. All employees of the Company and all employees of any subsidiary of the Company (as defined in Section 424(f) of the Code) designated by the Board or the Committee from time to time (a "Designated Subsidiary"), are eligible to participate in any one or more of the offerings of Options (as defined in Section 9) to purchase Common Stock under the Plan provided that: (a) they are customarily employed by the Company or a Designated Subsidiary for more than twenty (20) hours a week and for more than five (5) months in a calendar year; (b) they have been employed by the Company or a Designated Subsidiary for at least six (6) months prior to enrolling in the Plan; and (c) they are employees of the Company or a Designated Subsidiary on the first day of the applicable Plan Period (as defined below). No employee may be granted an Option hereunder if such employee, immediately after the Option is granted, owns 5% or more of the total combined voting power or value of the stock of the Company or any subsidiary. For purposes of the preceding sentence, the attribution rules of Section 424(d) of the Code shall apply in determining the stock ownership of an employee, and all stock that the employee has a contractual right to purchase shall be treated as stock owned by the employee. The Company retains the discretion to determine which eligible employees may participate in an offering pursuant to and consistent with Treasury Regulation Sections 1.423-2(e) and (f).

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3.3. Offerings. The Company will make two offerings in a twelve month period ("Offerings") to employees to purchase stock under this Plan. Offerings will begin each June 1 and December 1, or the first business day thereafter (such dates, the "Offering Commencement Dates"). Each Offering Commencement Date will begin a six (6) month period (a "Plan Period") during which payroll deductions will be made and held for the purchase of Common Stock at the end of the Plan Period. The Board or the Committee may, at its discretion, choose a different Plan Period of not more than twelve (12) months for Offerings. 4. Participation. An employee eligible on the Offering Commencement Date of any Offering may participate in such Offering by completing and forwarding either a written or electronic payroll deduction authorization form to the employee's appropriate payroll office at least ten (10) days prior to the applicable Offering Commencement Date. The form will authorize a regular payroll deduction from the Compensation received by the employee during the Plan Period. Unless an employee files a new form or withdraws from the Plan, his or her deductions and purchases will continue at the same rate for future Offerings under the Plan as long as the Plan remains in effect. The term "Compensation" means the amount of money reportable on the employee's Federal Income Tax Withholding Statement, excluding overtime, shift premium, incentive or bonus awards, allowances and reimbursements for expenses such as relocation allowances for travel expenses, income or gains associated with the grant or vesting of restricted stock, income or gains on the exercise of Company stock options or stock appreciation rights, and similar items, whether or not shown or separately identified on the employee's Federal Income Tax Withholding Statement, but including, in the case of salespersons, sales commissions to the extent determined by the Board or the Committee. 5. Deductions. The Company will maintain payroll deduction accounts for all participating employees. With respect to any Offering made under this Plan, an employee may authorize a payroll deduction in any percentage amount (in whole percentages) up to a maximum of fifteen (15)% of the Compensation he or she receives during the Plan Period or such shorter period during which deductions from payroll are made. The Board or the Committee may, at its discretion, designate a lower maximum contribution rate. The minimum payroll deduction is such percentage of Compensation as may be established from time to time by the Board or the Committee. 6. Deduction Changes. An employee may decrease or discontinue his or her payroll deduction once during any Plan Period, by filing either a written or electronic new payroll deduction authorization form. However, an employee may not increase his or her payroll deduction during a Plan Period. If an employee elects to discontinue his or her payroll deductions during a Plan Period, but does not elect to withdraw his or her funds pursuant to Section 8 hereof, funds deducted prior to his or her election to discontinue will be applied to the purchase of Common Stock on the Exercise Date (as defined below). 7. Interest. Interest will not be paid on any employee accounts, except to the extent that the Board or the Committee, in its sole discretion, elects to credit employee accounts with interest at such rate as it may, from time to time determine. 8. Withdrawal of Funds. An employee may at any time prior to the close of business on the fifteenth business day prior to the end of a Plan Period and for any reason permanently draw

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4 out the balance accumulated in the employee's account and thereby withdraw from participation in an Offering. Partial withdrawals are not permitted. The employee may not begin participation again during the remainder of the Plan Period during which the employee withdrew his or her balance. The employee may participate in any subsequent Offering in accordance with terms and conditions established by the Board or the Committee. 9. Purchase of Shares. (a) Number of Shares. On the Offering Commencement Date, the Company will grant to each eligible employee who is then a participant in the Plan an option (an "Option") to purchase on the last business day of such Plan Period (the "Exercise Date") at the applicable purchase price (the "Option Price") up to that number of shares of Common Stock determined by multiplying \$2,083 by the number of full months in the Plan Period and dividing the result by the closing price (as determined below) on the Offering Commencement Date; provided, however, that no employee may be granted an Option which permits his or her rights to purchase Common Stock under this Plan and any other employee stock purchase plan (as defined in Section 423(b) of the Code) of the Company and its subsidiaries, to accrue at a rate which exceeds \$25,000 of the fair market value of such Common Stock (determined at the date such Option is granted) for each calendar year in which the Option is outstanding at any time; and, provided, further, however, that the Committee may, in its discretion, set a fixed maximum number of shares of Common Stock that each eligible employee may purchase per Plan Period which number may not be greater than the number of shares of Common Stock determined by using the formula in the first clause of this Section 9(a) and which number shall be subject to the second clause of this Section 9 (a). (b) Option Price. The Board or the Committee shall determine the Option Price for each Plan Period, including whether such Option Price shall be determined based on the lesser of the closing price of the Common Stock on (i) the first business day of the Plan Period or (ii) the Exercise Date, or shall be based solely on the closing price of the Common Stock on the Exercise Date; provided, however, that such Option Price shall be at least 85% of the applicable closing price. In the absence of a determination by the Board or the Committee, the Option Price will be 95% of the lesser of the closing price of the Common Stock on (i) the first business day of the Plan Period or (ii) the Exercise Date. The closing price shall be (a) the closing price (for the primary trading session) on any national securities exchange on which the Common Stock is listed or (b) the average of the closing bid and asked prices in the over-the-counter-market, whichever is applicable, as published in The Wall Street Journal or another source selected by the Board or the Committee. If no sales of Common Stock were made on such a day, the price of the Common Stock shall be the reported price for the next preceding day on which sales were made. (c) Exercise of Option. Each employee who continues to be a participant in the Plan on the Exercise Date shall be deemed to have exercised his or her Option at the Option Price on such date and shall be deemed to have purchased from the Company the number of whole shares of Common Stock reserved for the purpose of the Plan that his or her accumulated payroll deductions on such date will pay for, but not in excess of the maximum numbers determined in the manner set forth above.





5. (d) Return of Unused Payroll Deductions. Any balance remaining in an employee's payroll deduction account at the end of a Plan Period will be automatically refunded to the employee. 10. Issuance of Certificates. Certificates representing shares of Common Stock purchased under the Plan may be issued only in the name of the employee, in the name of the employee and another person of legal age as joint tenants with rights of survivorship, or (in the Company's sole discretion) in the name of a brokerage firm, bank, or other nominee holder designated by the employee. The Company may, in its sole discretion and in compliance with applicable laws, authorize the use of book entry registration of shares in lieu of issuing stock certificates. 11. Rights on Retirement, Death or Termination of Employment. If a participating employee's employment ends before the last business day of a Plan Period, no payroll deduction shall be taken from any pay then due and owing to the employee and the balance in the employee's account shall be paid to the employee. In the event of the employee's death before the last business day of a Plan Period, the Company shall, upon notification of such death, pay the balance of the employee's account (a) to the executor or administrator of the employee's estate or (b) if no such executor or administrator has been appointed to the knowledge of the Company, to such other person(s) as the Company may, in its discretion, designate. If, before the last business day of the Plan Period, the Designated Subsidiary by which an employee is employed ceases to be a subsidiary of the Company, or if the employee is transferred to a subsidiary of the Company that is not a Designated Subsidiary, the employee shall be deemed to have terminated employment for the purposes of this Plan. 12. Optionees Not Stockholders. Neither the granting of an Option to an employee nor the deductions from his or her pay shall make such employee a stockholder of the shares of Common Stock covered by an Option under this Plan until he or she has purchased and received such shares. 13. Options Not Transferable. Options under this Plan are not transferable by a participating employee other than by will or the laws of descent and distribution, and are exercisable during the employee's lifetime only by the employee. 14. Application of Funds. All funds received or held by the Company under this Plan may be combined with other corporate funds and may be used for any corporate purpose. 15. Adjustment for Changes in Common Stock and Certain Other Events. (a) Changes in Capitalization. In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any dividend or distribution to holders of Common Stock other than an ordinary cash dividend, (i) the number and class of securities available under this Plan, (ii) the share limitations set forth in Section 9, and (iii) the Option Price shall be equitably adjusted to the extent determined by the Board or the Committee. (b) Reorganization Events.

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6. (1) Definition. A "Reorganization Event" shall mean: (a) any merger or consolidation of the Company with or into another entity as a result of which all of the Common Stock of the Company is converted into or exchanged for the right to receive cash, securities or other property or is cancelled, (b) any transfer or disposition of all of the Common Stock of the Company for cash, securities or other property pursuant to a share exchange or other transaction or (c) any liquidation or dissolution of the Company. (2) Consequences of a Reorganization Event on Options. In connection with a Reorganization Event, the Board or the Committee may take any one or more of the following actions as to outstanding Options on such terms as the Board or the Committee determines: (i) provide that Options shall be assumed, or substantially equivalent Options shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), (ii) upon written notice to employees, provide that all outstanding Options will be terminated immediately prior to the consummation of such Reorganization Event and that all such outstanding Options will become exercisable to the extent of accumulated payroll deductions as of a date specified by the Board or the Committee in such notice, which date shall not be less than ten (10) days preceding the effective date of the Reorganization Event, (iii) upon written notice to employees, provide that all outstanding Options will be cancelled as of a date prior to the effective date of the Reorganization Event and that all accumulated payroll deductions will be returned to participating employees on such date, (iv) in the event of a Reorganization Event under the terms of which holders of Common Stock will receive upon consummation thereof a cash payment for each share surrendered in the Reorganization Event (the "Acquisition Price"), change the last day of the Plan Period to be the date of the consummation of the Reorganization Event and make or provide for a cash payment to each employee equal to (A) (1) the Acquisition Price times (2) the number of shares of Common Stock that the employee's accumulated payroll deductions as of immediately prior to the Reorganization Event could purchase at the Option Price, where the Acquisition Price is treated as the fair market value of the Common Stock on the last day of the applicable Plan Period for purposes of determining the Option Price under Section 9(b) hereof, and where the number of shares that could be purchased is subject to the limitations set forth in Section 9(a), minus (B) the result of multiplying such number of shares by such Option Price, (v) provide that, in connection with a liquidation or dissolution of the Company, Options shall convert into the right to receive liquidation proceeds (net of the Option Price thereof) and (vi) any combination of the foregoing. For purposes of clause (i) above, an Option shall be considered assumed if, following consummation of the Reorganization Event, the Option confers the right to purchase, for each share of Common Stock subject to the Option immediately prior to the consummation of the Reorganization Event, the consideration (whether cash, securities or other property) received as a result of the Reorganization Event by holders of Common Stock for each share of Common Stock held immediately prior to the consummation of the Reorganization Event (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock); provided, however, that if the consideration received as a result of the Reorganization Event is not solely common stock of the acquiring or succeeding corporation (or an affiliate thereof), the Company may, with the consent of the acquiring or succeeding corporation, provide for the consideration to be received upon the exercise of Options to consist solely of such number of shares of common stock of the acquiring or succeeding corporation (or an affiliate thereof) that the Board determines to be equivalent in

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7 value (as of the date of such determination or another date specified by the Board) to the per share consideration received by holders of outstanding shares of Common Stock as a result of the Reorganization Event. 16. Amendment of the Plan. The Board may at any time, and from time to time, amend or suspend this Plan or any portion thereof, except that (a) if the approval of any such amendment by the shareholders of the Company is required by Section 423 of the Code, such amendment shall not be effected without such approval, and (b) in no event may any amendment be made that would cause the Plan to fail to comply with Section 423 of the Code. 17. Insufficient Shares. If the total number of shares of Common Stock specified in elections to be purchased under any Offering plus the number of shares purchased under previous Offerings under this Plan exceeds the maximum number of shares issuable under this Plan, the Board or the Committee will allot the shares then available on a pro-rata basis. 18. Termination of the Plan. This Plan may be terminated at any time by the Board. Upon termination of this Plan all amounts in the accounts of participating employees shall be promptly refunded. 19. Governmental Regulations. The Company's obligation to sell and deliver Common Stock under this Plan is subject to listing on a national stock exchange (to the extent the Common Stock is then so listed or quoted) and the approval of all governmental authorities required in connection with the authorization, issuance or sale of such stock. 20. Governing Law. The Plan shall be governed by Delaware law except to the extent that such law is preempted by federal law. 21. Issuance of Shares. Shares may be issued upon exercise of an Option from authorized but unissued Common Stock, from shares held in the treasury of the Company, or from any other proper source. 22. Notification upon Sale of Shares. Each employee agrees, by entering the Plan, to promptly give the Company notice of any disposition of shares purchased under the Plan where such disposition occurs within two years after the date of grant of the Option pursuant to which such shares were purchased. 23. Grants to Employees in Foreign Jurisdictions. The Company may, to comply with the laws of a foreign jurisdiction, grant Options to employees of the Company or a Designated Subsidiary who are citizens or residents of such foreign jurisdiction (without regard to whether they are also citizens of the United States or resident aliens (within the meaning of Section 7701(b)(1)(A) of the Code)) with terms that are less favorable (but not more favorable) than the terms of Options granted under the Plan to employees of the Company or a Designated Subsidiary who are resident in the United States. Notwithstanding the preceding provisions of this Plan, employees of the Company or a Designated Subsidiary who are citizens or residents of a foreign jurisdiction (without regard to whether they are also citizens of the United States or resident aliens (within the meaning of Section 7701(b)(1)(A) of the Code)) may be excluded from eligibility under the Plan if (a) the grant of an Option under the Plan to a citizen or resident of the foreign jurisdiction is prohibited under the laws of such jurisdiction or (b) compliance with:



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<sup>13</sup> the laws of the foreign jurisdiction would cause the Plan to violate the requirements of Section 423 of the Code. The Company may add one or more appendices to this Plan describing the operation of the Plan in those foreign jurisdictions in which employees are excluded from participation or granted less favorable Options. <sup>24</sup> Authorization of Sub-Plans. The Board may from time to time establish one or more sub-plans under the Plan with respect to one or more Designated Subsidiaries, provided that such sub-plan complies with Section 423 of the Code. <sup>25</sup> Withholding. If applicable tax laws impose a tax withholding obligation, each affected employee shall, no later than the date of the event creating the tax liability, make provision satisfactory to the Board for payment of any taxes required by law to be withheld in connection with any transaction related to Options granted to or shares acquired by such employee pursuant to the Plan. The Company may, to the extent permitted by law, deduct any such taxes from any payment of any kind otherwise due to an employee. <sup>26</sup> Effective Date and Approval of Stockholders. The Plan shall become effective on the date that the Plan is approved by the Company's stockholders (the "Effective Date"). Adopted by the Board of Directors on April 26, 2017 Approved by the stockholders on June 1, 2017 Amendment Adopted by the Board of Directors on February 2, 2018 Amendment Approved by the stockholders on May 24, 2018 Amendment Adopted by the Board of Directors on July 25, 2018 Amendment Adopted by the Board of Directors on February 13, 2020 Amendment Approved by the stockholders on May 29, 2020 Amendment Adopted by the Board of Directors on February 8, 2024 Amendment Approved by the stockholders on June 4, 2024

## PRINCIPAL EXECUTIVE OFFICER CERTIFICATION

I, George P. Sakellaris, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ameresco, Inc. (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: **May 7, 2024** August 6, 2024

/s/ George P. Sakellaris

**George P. Sakellaris**  
**President and Chief Executive Officer**  
**(principal executive officer)**

## PRINCIPAL FINANCIAL OFFICER CERTIFICATION

I, Spencer Doran Hole, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ameresco, Inc. (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: **May 7, 2024** **August 6, 2024**

/s/ Spencer Doran Hole

**Spencer Doran Hole**

**Executive Vice President and Chief Financial Officer**  
**(duly authorized and principal financial officer)**

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT  
TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Ameresco, Inc. (the "Company") to which this certification is attached and as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company hereby certifies, pursuant to Rule 13a-14(b) and 18 U.S.C. Section 1350, as

adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **May 7, 2024** **August 6, 2024**

/s/ George P. Sakellaris

George P. Sakellaris  
President and Chief Executive Officer  
(principal executive officer)

Date: **May 7, 2024** **August 6, 2024**

/s/ Spencer Doran Hole

Spencer Doran Hole  
Executive Vice President and Chief Financial Officer  
(duly authorized and principal financial officer)

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