

UNITED STATES

**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): February 17, 2011

Ameresco, Inc.

(Exact Name of Registrant as Specified in Charter)

| | | |
|--|--------------------------|-----------------------------------|
| Delaware | 001-34811 | 04-3512838 |
| (State or Other Jurisdiction of Incorporation) | (Commission File Number) | (IRS Employer Identification No.) |
| 111 Speen Street, Framingham, MA | | 1701 |
| (Address of Principal Executive Offices) | | (Zip Code) |

Registrant's telephone number, including area code: (508) 661-2200

(Former Name or Former Address, if Changed Since Last Report)

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

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

Item 2.02. Results of Operations and Financial Condition.

On February 17, 2011, Ameresco, Inc. (the "Company") announced its financial results for the quarter and fiscal year ended December 31, 2010. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Form 8-K (including Exhibit 99.1) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

The following exhibit relating to Item 2.02 shall be deemed to be furnished, and not filed:

99.1 Press Release issued by the Company on February, 17 2011

SIGNATURE

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 hereunto duly authorized.

AMERESCO, INC.

Date: February 17, 2011

By: /s/ Andrew B. Spence

Andrew B. Spence

Vice President and Chief Financial Officer

EXHIBIT INDEX

| Exhibit No. | Description |
|-------------|--|
| 99.1 | Press Release issued by the Company on February 17, 2011 |



FOR IMMEDIATE RELEASE

Contact: Media Relations: CarolAnn Hibbard, (508) 661-2264, news@ameresco.com
Investor Relations: Andrew Spence, (508) 661-2212, ir@ameresco.com

Ameresco Reports Fourth Quarter and Full Year 2010 Financial Results

- Fourth quarter revenues of \$179.3 million, an increase of 35% year-over-year
- Record 2010 revenues of \$618.2 million, an increase of 44% year-over-year
- Record 2010 net income of \$28.7 million, an increase of 44% year-over-year
- Record 2010 earnings per diluted share of \$0.69, an increase of 14% year-over-year

FRAMINGHAM, MA - February 17, 2011 - Ameresco, Inc. (NYSE:AMRC) a leading energy efficiency and renewable energy company, today announced financial results for the fiscal year and quarter ended December 31, 2010.

Ameresco reported record full year 2010 financial results. Total revenues were \$618.2 million for the full year 2010 compared to \$428.5 million for the same period in 2009, an increase of 44% year-over-year. Full year 2010 operating income was \$46 million compared to \$25.3 million for 2009, an increase of 82% year-over-year. Full year 2010 EBITDA was \$59.9 million compared to \$35.1 million in 2009, an increase of 71% year-over-year. Net income for the full year 2010 was \$28.7 million compared with \$19.9 million in 2009, an increase of 44% year-over-year. Full year 2010 earnings per diluted share was \$0.69 compared to \$0.61 per diluted share for 2009.

“Energy efficiency solutions are gaining traction. Commercial, industrial and government organizations are realizing that implementing clean energy solutions not only benefits the environment, but their constituents as well through lower costs, improved cash flows and greener footprints,” stated George Sakellaris, president and chief executive officer of Ameresco. “Ameresco benefited from these trends, finishing our first year as a public company by delivering strong fourth quarter financial results and achieving a record year across the board. We will continue to focus on effectively executing our strategic plan, implementing and efficiently replacing our backlog, and exploring strategic opportunities that we believe will increase our market penetration and broaden our reach. We believe we are well-positioned for future growth.”

A successful fourth quarter contributed to the Company's full year 2010 results, driven by strong market demand for energy solutions, unseasonably high installation activity, and increased operational efficiencies. Ameresco had revenues of \$179.3 million in the fourth quarter of 2010, compared to \$133.4 million in the fourth quarter of 2009, an increase of 35%. Operating income

for the fourth quarter of 2010 was \$12.5 million compared to \$11.3 million in fourth quarter 2009, an increase of 11% year-over-year. EBITDA for the fourth quarter of 2010 increased 11% over the fourth quarter of 2009 to \$15.8 million.

The fourth quarter 2010 increase in operating income was off-set by a higher effective tax rate and increased interest expense when compared to fourth quarter 2009. As a result, net income for the fourth quarter of 2010 was \$7.7 million, compared to \$9.6 million in the fourth quarter of 2009. Net income per diluted share was \$0.17 in the fourth quarter of 2010 compared to \$0.27 per diluted share in the same quarter of 2009. Net income per diluted share declined year-over-year due to the decrease in net income and a higher number of shares outstanding following the Company's initial public offering in July 2010.

Additional 2010 Operating Highlights:

- Ameresco's businesses contributed double digit revenue increases across all regions and markets during fiscal year 2010.
- Operating cash flows were \$22.9 million for 2010.
- Revenue generated from backlog was \$507 million for full year 2010, an increase of 50%.
- Total backlog of contracted and awarded but not yet contracted projects remains strong at \$1.13 billion.
- Ameresco continued its success in its integrated photovoltaic (PV) business with some noteworthy projects: the Veterans Administration Medical Center in Salt Lake City, Utah; City of Englewood, Colorado; Commonwealth of Massachusetts Department of Energy and Resources; City of Lowell, Massachusetts; Greater Essex District School Board in Ontario, Canada; and the Grand Erie District School Board in Ontario, Canada.
- Ameresco placed three biogas facilities into service and commenced permitting and installation of five new biogas projects.
- Ameresco increased its presence in the northwestern United States by completing the acquisition of Quantum Engineering and Development.
- Ameresco continued to expand its expertise and geographic reach in 2010, increasing headcount 16.5% and adding five new offices. Of the new hires, 89% are field-based positions.

FY 2011 Guidance

For the year ending December 31, 2011, Ameresco expects that it will earn total revenues in the range of \$690 million to \$705 million, that EBITDA will be in the range of \$67 million to \$70 million, and that net income will be in the range of \$35 million to \$37 million. The Company also expects that net income per diluted share for 2011 will be in the range of \$0.75 to \$0.79.

Webcast Reminder

Ameresco will hold its earnings conference call today, February 17, at 10:30 a.m. Eastern Time with President and CEO, George Sakellaris, and Vice President and Chief Financial Officer, Andrew Spence, to discuss details regarding the Company's full year and fourth quarter 2010 results, business outlook and strategy. Participants may access it by dialing domestically (888) 713-4217 or internationally (617) 213-4869. The passcode is 69406927. Participants are advised to dial-in at least ten minutes prior to the call to register. Those who wish to listen only to

the conference call webcast may visit the "Investor Relations" section of the Company's website at www.ameresco.com.

Pre-Registration for the call is also available at:

<https://www.theconferencingservice.com/prereg/key.process?key=PXHLF7UUW>. Pre-registrants will be issued a pin number to use when dialing into the live call which will provide quick access to the conference by bypassing the operator upon connection.

Use of Non-GAAP Financial Measures

This press release and the accompanying tables reflect EBITDA, which is a non-GAAP financial measure. For a description of this non-GAAP financial measure, including the reasons management uses this measure; please see the section of the accompanying tables titled "Non-GAAP Financial Measures" in Exhibit A. For a reconciliation from GAAP to Non-GAAP financials, please see Other Non-GAAP Disclosures on the accompanying tables.

About Ameresco, Inc.

Ameresco, Inc. was incorporated in Delaware in April 2000 and is a leading independent provider of comprehensive energy efficiency and renewable energy solutions for facilities throughout North America. Ameresco's solutions include upgrades to a facility's energy infrastructure, and the development, construction, and operation of renewable energy plants. With corporate headquarters located in Framingham, MA, Ameresco has 55 offices in 29 states and four Canadian provinces. For more information, visit www.ameresco.com.

Safe Harbor Statement

Any statements in this press release about future expectations, plans and prospects for Ameresco, Inc., including statements about backlog, estimated future revenues, EBITDA and net income, as well as other statements containing the words "projects," "believes," "anticipates," "plans," "expects," "will" and similar expressions, constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including demand for Ameresco's energy efficiency and renewable energy solutions; the Company's ability to arrange financing for its projects; changes in federal, state and local government policies and programs related to energy efficiency and renewable energy; the timing of work Ameresco does on projects where it recognizes revenue on a percentage of completion basis; seasonality in construction and in demand for its products and services; a customer's decision to delay the Company's work on, or other risks involved with, a particular project; availability and costs of labor and equipment; the addition of new customers or the loss of existing customers; and other factors discussed in Ameresco's Quarterly Report on Form 10-Q, filed with the U.S. Securities and Exchange Commission on November 15, 2010. In addition, the forward-looking statements included in this press release represent Ameresco's views as of the date of this press release. Ameresco anticipates that subsequent events and developments will cause its views to change. However, while Ameresco may elect to update these forward-looking statements at some point in the future, it specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing Ameresco's views as of any date subsequent to the date of this press release.

AMERESCO, INC.
CONSOLIDATED BALANCE SHEETS

| | December 31, | |
|--|-----------------------|-----------------------|
| | 2009 | 2010 |
| | (Unaudited) | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 47,927,540 | \$ 44,691,021 |
| Restricted cash | 9,249,885 | 9,197,447 |
| Accounts receivable, net | 61,279,515 | 69,541,920 |
| Accounts receivable retainage | 9,242,288 | 14,536,071 |
| Costs and estimated earnings in excess of billings | 14,009,076 | 39,754,744 |
| Inventory, net | 4,237,909 | 6,780,092 |
| Prepaid expenses and other current assets | 8,077,761 | 13,310,277 |
| Income tax receivable | — | 2,511,542 |
| Deferred income taxes | 9,279,473 | 12,078,072 |
| Project development costs | 8,468,974 | 7,556,345 |
| Total current assets | 171,772,421 | 219,957,531 |
| Federal ESPC receivable financing | 51,397,347 | 194,684,135 |
| Property and equipment, net | 4,373,256 | 5,406,387 |
| Project assets, net | 117,637,990 | 145,147,475 |
| Deferred financing fees, net | 3,582,560 | 3,412,186 |
| Goodwill | 16,132,429 | 18,624,629 |
| Other assets | 10,648,605 | 3,154,636 |
| | 203,772,187 | 370,429,448 |
| | \$ 375,544,608 | \$ 590,386,979 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Current portion of long-term debt | \$ 8,093,016 | \$ 4,722,118 |
| Accounts payable | 75,578,378 | 96,542,126 |
| Accrued liabilities | 18,362,674 | 15,088,250 |
| Billings in excess of cost and estimated earnings | 28,166,364 | 27,555,894 |
| Income taxes payable | 2,129,529 | 2,488,672 |
| Total current liabilities | 132,329,961 | 146,397,060 |
| Long-term debt: | | |
| Long-term debt, less current portion | 102,807,203 | 202,409,484 |
| Subordinated debt | 2,998,750 | — |
| Deferred income taxes | 11,901,645 | 16,994,087 |
| Deferred grant income | 4,158,508 | 4,200,929 |
| Other liabilities | 18,578,754 | 25,333,688 |
| | 140,444,860 | 248,938,188 |
| Stockholders' equity: | | |
| Series A convertible preferred stock, \$0.0001 par value, 3,500,000 shares authorized, 3,210,000 shares issued and outstanding at 12/31/2009, no shares issued and outstanding at 12/31/2010 | 321 | — |

| | December 31, | |
|--|-----------------------|-----------------------|
| | 2009 | 2010 |
| Preferred stock, \$0.0001 par value, 5,000,000 shares authorized, no shares issued and outstanding at 12/31/2009 and 12/31/2010 | — | — |
| Common stock, \$0.0001 par value, 60,000,000 shares authorized, 17,998,168 shares issued and 13,282,284 outstanding at 12/31/2009, no shares issued and outstanding at 12/31/2010 | 1,800 | — |
| Class A Common stock, \$0.0001 par value, 500,000,000 shares authorized, no shares issued and outstanding at 12/31/2009, 27,925,649 shares issued and 23,092,365 outstanding at 12/31/2010 | — | 2,793 |
| Class B common stock, \$0.0001 par value, 144,000,000 shares authorized, no shares issued and outstanding at 12/31/2009, 18,000,000 shares issued and outstanding at 12/31/2010 | — | 1,800 |
| Additional paid-in capital | 10,466,312 | 74,069,087 |
| Retained earnings | 97,882,985 | 126,609,101 |
| Accumulated other comprehensive income | 2,831,970 | 3,551,521 |
| Less - treasury stock, at cost, 4,715,884 shares and 4,833,284 shares, respectively | (8,413,601) | (9,182,571) |
| Total stockholders' equity | 102,769,787 | 195,051,731 |
| | \$ 375,544,608 | \$ 590,386,979 |

AMERESCO, INC.
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

| | Three Months Ended December 31, | |
|---|---------------------------------|-------------------------|
| | 2009 | 2010 |
| (Unaudited) | | |
| Revenue: | | |
| Energy efficiency revenue | \$ 99,344,814 | \$ 131,751,118 |
| Renewable energy revenue | 34,032,801 | 47,591,019 |
| | <u>133,377,615</u> | <u>179,342,137</u> |
| Direct expenses: | | |
| Energy efficiency expenses | 82,759,076 | 110,589,160 |
| Renewable energy expenses | 23,874,565 | 37,484,158 |
| | <u>106,633,641</u> | <u>148,073,318</u> |
| Gross profit | <u>26,743,974</u> | <u>31,268,819</u> |
| Operating expenses: | | |
| Salaries and benefits | 9,456,066 | 8,827,730 |
| Project development costs | 2,736,880 | 5,783,237 |
| General, administrative and other | 3,270,744 | 4,155,289 |
| | <u>15,463,690</u> | <u>18,766,256</u> |
| Operating income | <u>11,280,284</u> | <u>12,502,563</u> |
| Other income (expenses), net | 50,522 | (998,129) |
| Income before provision for income taxes | <u>11,330,806</u> | <u>11,504,434</u> |
| Income tax provision | 1,756,491 | 3,804,551 |
| Net income | <u>9,574,315</u> | <u>7,699,883</u> |
| Other comprehensive income (loss): | | |
| Unrealized gain from interest rate hedge, net of tax | — | 1,363,788 |
| Foreign currency translation adjustment | 261,110 | 963,633 |
| Comprehensive income | <u>\$ 9,835,425</u> | <u>\$ 10,027,304</u> |
| Net income per share attributable to common shareholders: | | |
| Basic | \$ 0.85 | \$ 0.19 |
| Diluted | \$ 0.27 | \$ 0.17 |
| Weighted average common shares outstanding: | | |
| Basic | 11,224,458 | 41,086,998 |
| Diluted | 35,306,526 | 46,147,728 |
| OTHER NON-GAAP DISCLOSURES | | |
| Gross margins: | | |
| Energy efficiency revenue | 16.7% | 16.1% |
| Renewable energy revenue | 29.8% | 21.2% |
| Total | <u>20.1%</u> | <u>17.4%</u> |
| Operating expenses as a percent of revenue | 11.6% | 10.5% |
| Earnings before interest, taxes, depreciation and amortization (EBITDA): | | |
| Operating income | \$ 11,280,284 | \$ 12,502,563 |
| Depreciation and impairment | 1,671,338 | 2,560,922 |
| Stock-based compensation | 1,324,321 | 740,157 |
| EBITDA | <u>\$ 14,275,943</u> | <u>\$ 15,803,642</u> |
| EBITDA margin | 10.7% | 8.8% |
| Construction backlog: | | |
| Awarded | \$ 705,950,788 | \$ 482,878,178 |
| Fully-contracted | 597,853,401 | 651,232,855 |
| Total construction backlog | <u>\$ 1,303,804,189</u> | <u>\$ 1,134,111,033</u> |

Note: Awarded represents estimated future revenues from projects that have been awarded, though the contracts have not yet been signed.

AMERESCO, INC.
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

| | Years Ended December 31, | |
|---|--------------------------|----------------------|
| | 2009 | 2010 (Unaudited) |
| Revenue: | | |
| Energy efficiency revenue | \$ 340,635,122 | \$ 455,329,696 |
| Renewable energy revenue | 87,881,467 | 162,896,963 |
| | <u>428,516,589</u> | <u>618,226,659</u> |
| Direct expenses: | | |
| Energy efficiency expenses | 282,344,502 | 378,084,610 |
| Renewable energy expenses | 66,472,031 | 129,439,629 |
| | <u>348,816,533</u> | <u>507,524,239</u> |
| Gross profit | 79,700,056 | 110,702,420 |
| Operating expenses: | | |
| Salaries and benefits | 28,273,987 | 30,721,486 |
| Project development costs | 9,599,862 | 13,676,795 |
| General, administrative and other | 16,532,355 | 20,311,842 |
| | <u>54,406,204</u> | <u>64,710,123</u> |
| Operating income | 25,293,852 | 45,992,297 |
| Other income (expenses), net | 1,562,910 | (5,080,546) |
| Income before provision for income taxes | 26,856,762 | 40,911,751 |
| Income tax provision | 6,949,614 | 12,185,635 |
| Net income | <u>19,907,148</u> | <u>28,726,116</u> |
| Other comprehensive income (loss): | | |
| Unrealized loss from interest rate hedge, net of tax | — | (933,879) |
| Foreign currency translation adjustment | 3,530,723 | 1,653,430 |
| Comprehensive income | <u>\$ 23,437,871</u> | <u>\$ 29,445,667</u> |
| Net income per share attributable to common shareholders: | | |
| Basic | \$ 1.99 | \$ 1.12 |
| Diluted | \$ 0.61 | \$ 0.69 |
| Weighted average common shares outstanding: | | |
| Basic | 9,991,912 | 25,728,314 |
| Diluted | 32,705,617 | 41,513,482 |
| OTHER NON-GAAP DISCLOSURES | | |
| Gross margins: | | |
| Energy efficiency revenue | 17.1% | 17.0% |
| Renewable energy revenue | 24.4% | 20.5% |
| Total | <u>18.6%</u> | <u>17.9%</u> |
| Operating expenses as a percent of revenue | 12.7% | 10.5% |
| Earnings before interest, taxes, depreciation and amortization (EBITDA): | | |
| Operating income | \$ 25,293,852 | \$ 45,992,297 |
| Depreciation and impairment | 6,633,690 | 11,419,186 |
| Stock-based compensation | 3,168,721 | 2,498,660 |
| EBITDA | <u>\$ 35,096,263</u> | <u>\$ 59,910,143</u> |
| EBITDA margin | 8.2% | 9.7% |

AMERESCO, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Three Months Ended December 31, | |
|--|---------------------------------|----------------------|
| | 2009 | 2010 |
| | (Unaudited) | |
| Cash flows from operating activities: | | |
| Net income | \$ 9,574,315 | \$ 7,699,883 |
| Adjustment to reconcile net income to cash provided by investing activities: | | |
| Depreciation of project assets | 1,331,826 | 2,011,041 |
| Depreciation of property and equipment | 339,512 | 549,880 |
| Amortization of deferred financing fees | 93,043 | 92,369 |
| Provision for bad debts | 224,810 | 126,219 |
| Gain on sale of assets | (691,292) | — |
| Unrealized gain on interest rate swaps | (629,183) | — |
| Stock-based compensation expense | 1,324,321 | 740,157 |
| Deferred income taxes | 2,982,372 | 2,556,481 |
| Changes in operating assets and liabilities: | | |
| (Increase) decrease in: | | |
| Restricted cash draws | 11,439,330 | 42,086,566 |
| Accounts receivable | 10,025,216 | 22,773,872 |
| Accounts receivable retainage | 6,383,560 | 3,089,145 |
| Federal ESPC receivable financing | (25,844,770) | (51,065,660) |
| Inventory | 1,543,393 | (1,470,915) |
| Costs and estimated earnings in excess of billings | 6,057,847 | (6,849,359) |
| Prepaid expenses and other current assets | 872,543 | 358,680 |
| Project development costs | 4,887,503 | 1,716,435 |
| Other assets | (2,360,935) | 837,934 |
| Increase (decrease) in: | | |
| Accounts payable and accrued expenses | 22,857,457 | 2,941,987 |
| Billings in excess of cost and estimated earnings | (5,282,082) | (3,569,795) |
| Other liabilities | 2,055,407 | 3,964,429 |
| Income taxes payable | 1,204,148 | 666,161 |
| Net cash provided by operating activities | <u>48,388,341</u> | <u>29,255,510</u> |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | (367,345) | (1,251,391) |
| Purchases of project assets | (5,254,404) | (12,230,199) |
| Acquisitions, net of cash received | — | (164,065) |
| Net cash used in investing activities | <u>(5,621,749)</u> | <u>(13,645,655)</u> |
| Cash flows from financing activities: | | |
| Payments of financing fees | (2,724,854) | (73,113) |
| Proceeds from options and warrant exercises and issuance of stock | 874,760 | 10,380 |
| Payments on senior secured credit facility | (10,129,000) | — |
| Proceeds from long-term debt financing | 121,680 | (65,036) |
| Restricted cash | 1,961,655 | (342,555) |
| Payments on long-term debt | (965,148) | (422,058) |
| Net cash used in financing activities | <u>(10,860,907)</u> | <u>(892,382)</u> |
| Effect of exchange rate changes on cash | 554,310 | 707,547 |
| Net increase in cash and cash equivalents | 32,459,995 | 15,425,020 |
| Cash and cash equivalents, beginning of period | 15,467,545 | 29,266,001 |
| Cash and cash equivalents, end of year | <u>\$ 47,927,540</u> | <u>\$ 44,691,021</u> |

AMERESCO, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Years Ended December 31, | |
|--|--------------------------|----------------------|
| | 2009 | 2010 (Unaudited) |
| Cash flows from operating activities: | | |
| Net income | \$ 19,907,148 | \$ 28,726,116 |
| Adjustment to reconcile net income to cash provided by investing activities: | | |
| Depreciation of project assets | 5,260,805 | 9,634,891 |
| Depreciation of property and equipment | 1,372,885 | 1,784,295 |
| Amortization of deferred financing fees | 254,705 | 566,772 |
| Provision for bad debts | 552,368 | 126,219 |
| Gain on sale of assets | (691,292) | — |
| Write-down of long-term receivable | — | 2,111,000 |
| Unrealized (gain) loss on interest rate swaps | (2,263,802) | 133,591 |
| Stock-based compensation expense | 3,168,721 | 2,498,660 |
| Deferred income taxes | 3,400,628 | 2,556,481 |
| Changes in operating assets and liabilities: | | |
| (Increase) decrease in: | | |
| Restricted cash draws | 33,051,426 | 151,022,923 |
| Accounts receivable | (11,033,926) | (1,263,281) |
| Accounts receivable retainage | 5,029,832 | (4,402,580) |
| Federal ESPC receivable financing | (52,900,979) | (161,588,391) |
| Inventory | 3,222,762 | (2,542,183) |
| Costs and estimated earnings in excess of billings | (3,651,857) | (23,509,824) |
| Prepaid expenses and other current assets | (1,591,213) | (5,159,723) |
| Project development costs | 1,987,761 | 925,531 |
| Other assets | 3,846,224 | 7,419,953 |
| Increase (decrease) in: | | |
| Accounts payable and accrued expenses | 27,280,548 | 9,691,890 |
| Billings in excess of cost and estimated earnings | 6,819,869 | (1,258,620) |
| Other liabilities | 8,945 | 5,666,510 |
| Income taxes payable | 2,264,750 | (280,200) |
| Net cash provided by operating activities | <u>45,296,308</u> | <u>22,860,030</u> |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | (1,797,949) | (2,613,267) |
| Purchases of project assets | (19,841,648) | (37,013,261) |
| Acquisitions, net of cash received | (674,110) | (6,303,006) |
| Net cash used in investing activities | <u>(22,313,707)</u> | <u>(45,929,534)</u> |
| Cash flows from financing activities: | | |
| Payments of financing fees | (2,804,759) | (1,373,171) |
| Proceeds from options and warrant exercises and issuance of stock | 874,760 | 60,073,139 |
| Repurchase of stock | (874,948) | (768,970) |
| Payments on senior secured credit facility | (14,578,242) | (19,915,218) |
| Proceeds from long-term debt financing | 28,196,538 | 747,362 |
| Restricted cash | (3,092,590) | (6,298,988) |
| Repayment of subordinated debt | — | (2,998,750) |
| Payments on long-term debt | (3,592,073) | (10,970,656) |
| Net cash provided by financing activities | <u>4,128,686</u> | <u>18,494,748</u> |
| Effect of exchange rate changes on cash | <u>2,667,108</u> | <u>1,338,237</u> |
| Net increase (decrease) in cash and cash equivalents | 29,778,395 | (3,236,519) |
| Cash and cash equivalents, beginning of year | 18,149,145 | 47,927,540 |
| Cash and cash equivalents, end of year | <u>\$ 47,927,540</u> | <u>\$ 44,691,021</u> |

Exhibit A: Non-GAAP Financial Measures

Ameresco defines EBITDA as operating income before depreciation and impairment expense and share-based compensation expense. EBITDA is a non-GAAP financial measure and should not be considered as an alternative to operating income or any other measure of financial performance calculated and presented in accordance with GAAP.

The Company believes EBITDA is useful to investors in evaluating its operating performance for the following reasons: EBITDA and similar non-GAAP measures are widely used by investors to measure a company's operating performance without regard to items that can vary substantially from company to company depending upon financing and accounting methods, book values of assets, capital structures and the methods by which assets were acquired; securities analysts often use EBITDA and similar non-GAAP measures as supplemental measures to evaluate the overall operating performance of companies; and by comparing Ameresco's EBITDA in different historical periods, investors can evaluate its operating results without the additional variations of depreciation and amortization expense, and share-based compensation expense.

Ameresco's management uses EBITDA: as a measure of operating performance, because it does not include the impact of items that management does not consider indicative of our core operating performance; for planning purposes, including the preparation of the annual operating budget; to allocate resources to enhance the financial performance of the business; to evaluate the effectiveness of Ameresco's business strategies; and in communications with the board of directors and investors concerning Ameresco's financial performance.

The Company understands that, although measures similar to EBITDA are frequently used by investors and securities analysts in their evaluation of companies, EBITDA has limitations as an analytical tool, and investors should not consider it in isolation or as a substitute for GAAP operating income or an analysis of Ameresco's results of operations as reported under GAAP. Some of these limitations are: EBITDA does not reflect the Company's cash expenditures or future requirements for capital expenditures or other contractual commitments; EBITDA does not reflect changes in, or cash requirements for, Ameresco's working capital needs; EBITDA does not reflect stock-based compensation expense; EBITDA does not reflect cash requirements for income taxes; EBITDA does not reflect net interest income (expense); although depreciation, amortization and impairment are non-cash charges, the assets being depreciated, amortized or impaired will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for these replacements; and other companies in Ameresco's industry may calculate EBITDA differently than it does, limiting its usefulness as a comparative measure.

To properly and prudently evaluate Ameresco's business, the Company encourages investors to review its GAAP financial statements included above, and not to rely on any single financial measure to evaluate the business. Please refer to the above reconciliation of EBITDA to operating income, the most comparable GAAP measure.