

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

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED June 30, 2020

OR

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

COMMISSION FILE NUMBER: 001-37796

Infrastructure & Energy Alternatives, Inc.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

47-4787177
(IRS Employer
Identification No.)

**6325 Digital Way
Suite 460
Indianapolis, Indiana**
(Address of Principal Executive Offices)

46278
(Zip Code)

Registrant's telephone number, including area code: **(765) 828-2580**

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

<u>Title of each class</u>	<u>Trading Symbols(s)</u>	<u>Name of exchange on which registered</u>
Common Stock, \$0.0001 par value	IEA	The NASDAQ Stock Market LLC
Warrants for Common Stock	IEAWW	The NASDAQ Stock Market LLC

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 such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past ninety 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 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 the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

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 Act). Yes No

Number of shares of Common Stock outstanding as of the close of business on August 10, 2020: 22,947,871.

Infrastructure and Energy Alternatives, Inc.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS
INFRASTRUCTURE AND ENERGY ALTERNATIVES, INC.
Condensed Consolidated Balance Sheets
(\$ in thousands, except per share data)
(Unaudited)

	June 30, 2020	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 59,392	\$ 147,259
Accounts receivable, net	211,979	203,645
Contract assets	220,868	179,303
Prepaid expenses and other current assets	33,605	16,855
Total current assets	525,844	547,062
Property, plant and equipment, net	133,428	140,488
Operating lease asset	43,045	43,431
Intangible assets, net	30,564	37,272
Goodwill	37,373	37,373
Company-owned life insurance	3,940	4,752
Deferred income taxes	9,333	12,992
Other assets	367	1,551
Total assets	\$ 783,894	\$ 824,921
Liabilities and Stockholder's Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 141,174	\$ 177,783
Accrued liabilities	153,988	158,103
Contract liabilities	123,091	115,634
Current portion of finance lease obligations	23,790	23,183
Current portion of operating lease obligations	10,392	9,628
Current portion of long-term debt	1,680	1,946
Total current liabilities	454,115	486,277
Finance lease obligations, less current portion	35,615	41,055
Operating lease obligations, less current portion	33,633	34,572
Long-term debt, less current portion	156,546	162,901
Debt - Series B Preferred Stock	176,800	166,141
Series B Preferred Stock - warrant obligations	3,800	17,591
Deferred compensation	7,174	8,004
Total liabilities	\$ 867,683	\$ 916,541
Commitments and contingencies:		
Series A Preferred Stock, par value, \$0.0001 per share; 1,000,000 shares authorized; 17,483 shares and 17,483 shares issued and outstanding at June 30, 2020 and December 31, 2019, respectively	17,483	17,483
Stockholders' equity (deficit):		
Common stock, par value, \$0.0001 per share; 150,000,000 and 100,000,000 shares authorized; 21,142,193 and 20,460,533 shares issued and 20,960,862 and 20,446,811 outstanding at June 30, 2020 and December 31, 2019, respectively	2	2
Treasury stock, 181,331 and 13,722 shares at cost at June 30, 2020 and December 31, 2019, respectively.	(395)	(76)
Additional paid in capital	34,463	17,167
Accumulated deficit	(135,342)	(126,196)
Total stockholders' equity (deficit)	(101,272)	(109,103)
Total liabilities and stockholders' equity (deficit)	\$ 783,894	\$ 824,921

See accompanying notes to condensed consolidated financial statements.

INFRASTRUCTURE AND ENERGY ALTERNATIVES, INC.
Condensed Consolidated Statements of Operations
(\$ in thousands, except per share data)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Revenue	\$ 480,604	\$ 327,961	\$ 838,767	\$ 517,742
Cost of revenue	426,363	296,539	751,485	480,576
Gross profit	54,241	31,422	87,282	37,166
Selling, general and administrative expenses	28,074	25,878	57,558	53,632
Income (loss) from operations	26,167	5,544	29,724	(16,466)
Other income (expense), net:				
Interest expense, net	(16,200)	(11,496)	(32,265)	(21,863)
Other income (expense)	(1,631)	18,272	(2,733)	18,102
Income (loss) before benefit for income taxes	8,336	12,320	(5,274)	(20,227)
(Provision) benefit for income taxes	(4,739)	(6,112)	(3,872)	2,796
Net income (loss)	\$ 3,597	\$ 6,208	\$ (9,146)	\$ (17,431)
Less: Convertible Preferred Stock dividends	(606)	(918)	(1,372)	(1,443)
Less: Contingent consideration fair value adjustment	—	(18,835)	—	(18,835)
Less: Net income allocated to participating securities	(802)	—	—	—
Net income (loss) available for common stockholders	\$ 2,189	\$ (13,545)	\$ (10,518)	\$ (37,709)
Net income (loss) per common share - basic	0.11	(0.61)	(0.51)	(1.70)
Net income (loss) per common share - diluted	0.09	(0.61)	(0.51)	(1.70)
Weighted average shares - basic	20,751,673	22,252,489	20,636,944	22,220,799
Weighted average shares - diluted	39,978,382	22,252,489	20,636,944	22,220,799

See accompanying notes to condensed consolidated financial statements.

INFRASTRUCTURE AND ENERGY ALTERNATIVES, INC.
Condensed Consolidated Statements of Stockholders' Equity (Deficit)
(\$ in thousands)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Deficit	Total Equity (Deficit)
	Shares	Par Value		Shares	Cost		
Balance at December 31, 2018	22,155	2	4,751	—	—	(135,931)	(131,178)
Net loss	—	—	—	—	—	(23,639)	(23,639)
Share-based compensation	—	—	1,040	—	—	—	1,040
Share-based payment transaction	111	—	235	(14)	(76)	—	159
Merger recapitalization transaction	—	—	—	—	—	2,754	2,754
Cumulative effect from adoption of new accounting standard, net of tax	—	—	—	—	—	750	750
Series A Preferred dividends	—	—	(525)	—	—	—	(525)
Balance at March 31, 2019	22,266	\$ 2	\$ 5,501	(14)	\$ (76)	\$ (156,066)	\$ (150,639)
Net income	—	—	—	—	—	6,208	6,208
Share-based compensation	—	—	720	—	—	—	720
Series B Preferred Stock - Warrants at close	—	—	9,422	—	—	—	9,422
Series A Preferred dividends	—	—	(918)	—	—	—	(918)
Balance at June 30, 2019	22,266	\$ 2	\$ 14,725	(14)	\$ (76)	\$ (149,858)	\$ (135,207)
Balance at December 31, 2019	20,461	\$ 2	\$ 17,167	(14)	\$ (76)	\$ (126,196)	\$ (109,103)
Net loss	—	—	—	—	—	(12,743)	(12,743)
Share-based compensation	—	—	1,113	—	—	—	1,113
Share-based payment transactions	240	—	280	(38)	(84)	—	196
Series B Preferred Stock - Warrants at close	—	—	15,631	—	—	—	15,631
Series A Preferred dividends	—	—	(766)	—	—	—	(766)
Balance at March 31, 2020	20,701	\$ 2	\$ 33,425	(52)	\$ (160)	\$ (138,939)	\$ (105,672)
Net income	—	—	—	—	—	3,597	3,597
Share-based compensation	—	—	844	—	—	—	844
Share-based payment transactions	441	—	800	(129)	(235)	—	565
Series A Preferred dividends	—	—	(606)	—	—	—	(606)
Balance at June 30, 2020	21,142	\$ 2	\$ 34,463	(181)	\$ (395)	\$ (135,342)	\$ (101,272)

See accompanying notes to condensed consolidated financial statements.

INFRASTRUCTURE AND ENERGY ALTERNATIVES, INC.
Condensed Consolidated Statements of Cash Flows
(\$ in thousands)
(Unaudited)

	Six Months Ended June 30,	
	2020	2019
Cash flows from operating activities:		
Net loss	\$ (9,146)	\$ (17,431)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	24,001	23,801
Contingent consideration fair value adjustment	—	(18,835)
Warrant liability fair value adjustment	2,828	—
Amortization of debt discounts and issuance costs	5,379	2,732
Share-based compensation expense	1,957	1,760
Loss on sale of equipment	574	762
Deferred compensation	(830)	849
Accrued dividends on Series B Preferred Stock	7,959	1,025
Deferred income taxes	3,659	(2,517)
Other, net	227	60
Change in operating assets and liabilities:		
Accounts receivable	(8,349)	(2,291)
Contract assets	(41,565)	(28,471)
Prepaid expenses and other assets	(16,685)	(7,353)
Accounts payable and accrued liabilities	(42,097)	(33,012)
Contract liabilities	7,458	18,090
Net cash used in operating activities	<u>(64,630)</u>	<u>(60,831)</u>
Cash flow from investing activities:		
Company-owned life insurance	812	(296)
Purchases of property, plant and equipment	(5,171)	(4,158)
Proceeds from sale of property, plant and equipment	2,837	6,555
Net cash (used in) provided by investing activities	<u>(1,522)</u>	<u>2,101</u>
Cash flows from financing activities:		
Proceeds from long-term debt	72,000	9,400
Payments on long-term debt	(82,357)	(59,334)
Debt financing fees	—	(9,473)
Payments on finance lease obligations	(12,468)	(10,119)
Sale-leaseback transaction	—	24,343
Proceeds from issuance of stock - Series B Preferred Stock	350	50,000
Proceeds from stock-based awards, net	760	159
Merger recapitalization transaction	—	2,754
Net cash (used in) provided by financing activities	<u>(21,715)</u>	<u>7,730</u>
Net change in cash and cash equivalents	(87,867)	(51,000)
Cash and cash equivalents, beginning of the period	147,259	71,311
Cash and cash equivalents, end of the period	<u>\$ 59,392</u>	<u>\$ 20,311</u>

See accompanying notes to condensed consolidated financial statements.

INFRASTRUCTURE AND ENERGY ALTERNATIVES, INC.
Condensed Consolidated Statements of Cash Flows
(\$ in thousands)
(Unaudited)
(Continued)

	Six Months Ended June 30,	
	2020	2019
Supplemental disclosures:		
Cash paid for interest	17,821	18,281
Cash paid (received) for income taxes	(735)	227
Schedule of non-cash activities:		
Acquisition of assets/liabilities through finance lease	7,635	—
Acquisition of assets/liabilities through operating lease	5,295	—
Series A Preferred dividends declared	1,372	1,443

See accompanying notes to condensed consolidated financial statements.

INFRASTRUCTURE AND ENERGY ALTERNATIVES, INC.
Notes to the Condensed Consolidated Financial Statements
(unaudited)

Note 1. Business, Basis of Presentation and Significant Accounting Policies

Organization and Reportable Segments

Infrastructure and Energy Alternatives, Inc., a Delaware corporation, is a holding company organized on August 4, 2015 (together with its wholly-owned subsidiaries, “IEA” or the “Company”). On March 26, 2018, we became a public company by consummating a merger (the “Merger”) pursuant to an Agreement and Plan of Merger, dated November 3, 2017, with M III Acquisition Corporation (“M III”).

As of December 31, 2019, the Company's total annual gross revenues exceeded \$1.07 billion and thus we are no longer an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act (the “JOBS Act”).

We segregate our business into two reportable segments: the Renewables segment and the Specialty Civil segment. See *Note 10. Segments* for a description of the reportable segments and their operations.

COVID-19 Pandemic

During March 2020, the World Health Organization declared a global pandemic related to the rapidly growing outbreak of a novel strain of coronavirus (“COVID-19”). The COVID-19 pandemic has significantly affected economic conditions in the United States and internationally as national, state and local governments reacted to the public health crisis by requiring mitigation measures that have disrupted business activities for an uncertain period of time. The effects of the COVID-19 pandemic could affect the Company's future business activities and financial results, including; new contract awards, reduced crew productivity, contract amendments/cancellations, higher operating costs and/or delayed project start dates or project shutdowns that may be requested or mandated by governmental authorities or others.

The Company believes that the COVID-19 pandemic has not had a material adverse impact on the Company's financial results for the period ended June 30, 2020. Most of the Company's construction services are currently deemed essential under governmental mitigation orders and all of our business segments continue to operate. The Company has issued several notices of force majeure for the purpose of recognizing delays in construction schedules due to COVID-19 outbreaks on certain of its teams and has also received notices of force majeure from the owners of certain projects and certain subcontractors. Management does not believe that any delays on projects related to these events of force majeure will have a material impact on its results of operations.

Management's top priority has been to take appropriate actions to protect the health and safety of the Company's employees, customers and business partners, including adjusting the Company's standard operating procedures to respond to evolving health guidelines. Management believes that it is taking appropriate steps to mitigate any potential impact to the Company; however, given the uncertainty regarding the potential effects of the COVID-19 pandemic, any future impacts cannot be quantified or predicted with specificity.

Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information and with the instructions for Quarterly Reports on Form 10-Q and Rule 10-01 of Regulation S-X. Pursuant to these rules and regulations, certain information and footnote disclosures normally included in the annual audited consolidated financial statements prepared in accordance with GAAP have been condensed or omitted. Adjustments necessary to arrive at net income (loss) available for common stockholders, previously disclosed in Note 8, have been added to the prior period presentation of the consolidated statements of operations to be comparable with the current period presentation.

The unaudited condensed consolidated financial statements include the accounts of IEA and its wholly-owned direct and indirect domestic and foreign subsidiaries and in the opinion of management, these financial statements reflect all adjustments (consisting of normal recurring adjustments) that are necessary to present fairly the results of operations for the interim periods presented. The results of operations for the six months ended June 30, 2020 are not necessarily indicative of the results that may be expected for the year ending December 31, 2020. These financial statements should be read in conjunction

with the Company's audited consolidated financial statements for the year ended December 31, 2019 and notes thereto included in the Company's 2019 Annual Report on Form 10-K.

Basis of Accounting and Use of Estimates

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with GAAP. The preparation of the condensed consolidated financial statements in conformity with GAAP requires the use of estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and the accompanying notes. Key estimates include: the recognition of revenue and project profit or loss; fair value estimates, including those related to Series B Preferred Stock; valuations of goodwill and intangible assets; asset lives used in computing depreciation and amortization; accrued self-insured claims; other reserves and accruals; accounting for income taxes; and the estimated impact of contingencies and ongoing litigation. While management believes that its estimates are reasonable when considered in conjunction with the Company's consolidated financial position and results of operations, actual results could differ materially from those estimates.

Revenue Recognition

The Company adopted the requirements of Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers, which is also referred to as Accounting Standards Codification ("ASC") Topic 606, under the modified retrospective transition approach effective January 1, 2019, with application to all existing contracts that were not substantially completed as of January 1, 2019. The Company adopted this standard for interim periods beginning after December 31, 2019, and recorded adjustments to the previously issued quarterly financial statements for the six months ended June 30, 2019. The impacts of adoption on the Company's retained earnings on January 1, 2019 was primarily related to variable consideration on unapproved change orders. The cumulative impact of adopting Topic 606 required net adjustments of \$750,000 to the statement of operations between revenue, cost of revenue and income taxes, thereby reducing income for the six months ended June 30, 2019 and reducing the December 31, 2019 accumulated deficit. The Company also adjusted the cashflow statement as of June 30, 2019, to reflect adoption.

Under Topic 606, revenue is recognized when control of promised goods and services is transferred to customers, and the amount of revenue recognized reflects the consideration to which an entity expects to be entitled in exchange for the goods and services transferred. Revenue is recognized by the Company primarily over time utilizing the cost-to-cost measure of progress for fixed price contracts and are based on cost for time and materials and other service contracts, consistent with the Company's previous revenue recognition practices.

Contracts

The Company derives revenue primarily from construction projects performed under contracts for specific projects requiring the construction and installation of an entire infrastructure system or specified units within an infrastructure system. The contracts contain multiple pricing options, including fixed price, time and materials, or unit price. Renewable energy projects are performed for private customers while our Specialty Civil projects are performed for a mix of various governmental entities.

Revenue derived from projects billed on a fixed-price basis totaled 98.0% and 90.7% of consolidated revenue from operations for the three months ended June 30, 2020 and 2019, respectively, and totaled 97.2% and 90.5% for the six months ended June 30, 2020 and 2019, respectively. Revenue and related costs for construction contracts billed on a time and materials basis are recognized as the services are rendered. Revenue derived from projects billed on a time and materials basis totaled 2.0% and 9.3% of consolidated revenue from operations for the three months ended June 30, 2020 and 2019, respectively, and totaled 2.8% and 9.5% for the six months ended June 30, 2020 and 2019, respectively.

Revenue from construction contracts is recognized over time using the cost-to-cost measure of progress for fixed price construction contracts. For these contracts, the cost-to-cost measure of progress best depicts the continuous transfer of control of goods or services to the customer. The contractual terms provide that the customer compensates the Company for services rendered.

Contract costs include all direct materials, labor and subcontracted costs, as well as indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs and the costs of capital equipment. The cost estimation and review process for recognizing revenue over time under the cost-to-cost method is based on the professional knowledge and experience of the Company's project managers, engineers and financial professionals. Management reviews estimates of total contract transaction price and total project costs on an ongoing basis. Changes in job performance, job conditions and management's

assessment of expected variable consideration are factors that influence estimates of the total contract transaction price, total costs to complete those contracts and profit recognition. Changes in these factors could result in revisions to revenue and costs of revenue in the period in which the revisions are determined on a prospective basis, which could materially affect the Company's condensed consolidated results of operations for that period. Provisions for losses on uncompleted contracts are recorded in the period in which such losses are determined.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under Topic 606. The transaction price of a contract is allocated to a distinct performance obligation and recognized as revenue when or as the performance obligation is satisfied. The Company's contracts often require significant integrated services and, even when delivering multiple distinct services, are generally accounted for as a single performance obligation. Contract amendments and change orders are generally not distinct from the existing contract due to the significant integrated service provided in the context of the contract and are accounted for as a modification of the existing contract and performance obligation. With the exception of certain Specialty Civil service contracts, the majority of the Company's performance obligations are completed within one year.

When more than one contract is entered into with a customer on or close to the same date, the Company evaluates whether those contracts should be combined and accounted for as a single contract as well as whether those contracts should be accounted for as more than one performance obligation. This evaluation requires significant judgment and is based on the facts and circumstances of the various contracts, which could change the amount of revenue and profit recognition in a given period depending upon the outcome of the evaluation.

Remaining performance obligations represent the amount of unearned transaction prices for contracts, including approved and unapproved change orders. As of June 30, 2020, the amount of the Company's remaining performance obligations was \$1.1 billion. The Company expects to recognize approximately 72.3% of its remaining performance obligations as revenue during 2020. Revenue recognized from performance obligations satisfied in previous periods was \$(1.6) million and \$1.0 million for the three months ended June 30, 2020 and 2019, respectively, and \$(3.6) million and \$3.8 million for the six months ended June 30, 2020 and 2019, respectively.

Variable Consideration

Transaction pricing for the Company's contracts may include variable consideration, such as unapproved change orders, claims, incentives and liquidated damages. Management estimates variable consideration for a performance obligation utilizing estimation methods that best predict the amount of consideration to which the Company will be entitled. Variable consideration is included in the estimated transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Management's estimates of variable consideration and determination of whether to include estimated amounts in transaction price are based on legal opinions, past practices with the customer, specific discussions, correspondence or preliminary negotiations with the customer and all other relevant information that is reasonably available. The effect of a change in variable consideration on the transaction price of a performance obligation is typically recognized as an adjustment to revenue on a cumulative catch-up basis. To the extent unapproved change orders, claims and liquidated damages reflected in transaction price are not resolved in the Company's favor, or to the extent incentives reflected in transaction price are not earned, there could be reductions in, or reversals of, previously recognized revenue.

As of June 30, 2020 and year ended December 31, 2019, the Company included approximately \$63.5 million and \$73.3 million, respectively, of unapproved change orders and/or claims in the transaction price for certain contracts that were in the process of being resolved in the normal course of business, including through negotiation, arbitration and other proceedings. These transaction price adjustments are included within Contract Assets or Contract Liabilities as appropriate. The Company actively engages with its customers to complete the final change order approval process, and generally expects these processes to be completed within one year. Amounts ultimately realized upon final acceptance by customers could be higher or lower than such estimated amounts.

Disaggregation of Revenue

The following tables disaggregate revenue by customers and services performed, which the Company believes best depicts how the nature, amount, timing and uncertainty of its revenue:

(in thousands)

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Renewables Segment				
Wind	\$ 317,151	\$ 179,069	565,688	\$ 251,103
Solar	7,111	80	7,320	2,077
	<u>\$ 324,262</u>	<u>\$ 179,149</u>	<u>\$ 573,008</u>	<u>\$ 253,180</u>
Specialty Civil Segment				
Heavy civil	\$ 103,721	\$ 86,170	144,943	\$ 136,285
Rail	32,321	37,780	79,378	80,389
Environmental	20,300	24,862	41,438	47,888
	<u>\$ 156,342</u>	<u>\$ 148,812</u>	<u>\$ 265,759</u>	<u>\$ 264,562</u>

Concentrations

The Company had the following approximate revenue and accounts receivable concentrations, net of allowances, for the periods ended:

	Revenue %		Revenue %		Accounts Receivable %	
	Three Months Ended		Six Months Ended			
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	December 31, 2019
Company A (Specialty Civil Segment)	*	10.6 %	*	14.4 %	*	*

* Amount was not above 10% threshold

Recently Adopted Accounting Standards - Guidance Adopted in 2020

In August 2018, the FASB issued ASU 2018-13, "Fair Value Measurement (Topic 820), Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement," which eliminates certain disclosure requirements for recurring and non-recurring fair value measurements, such as the amount of and reason for transfers between Level 1 and Level 2 of the fair value hierarchy, and adds new disclosure requirements for Level 3 measurements. ASU 2018-13 is effective for all entities for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years, with early adoption permitted for any eliminated or modified disclosures. Certain disclosures per ASU 2018-13 are required to be applied on a retrospective basis and others on a prospective basis. We adopted the standard on January 1, 2020, and it did not have an impact on our disclosures for fair value measurements.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)," which is effective for annual reporting periods beginning after December 15, 2018. Under Topic 842, lessees will be required to recognize the following for all leases (with the exception of short-term leases) at the commencement date: i) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and ii) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Topic 842 requires entities to adopt the new lease standard using a modified retrospective method and initially apply the related guidance at the beginning of the earliest period presented in the financial statements.

The Company adopted Topic 842 using the modified retrospective method as of January 1, 2019 and for interim periods beginning after December 31, 2019, without adjusting comparative periods in the financial statements. The most significant effect of the new guidance was the recognition of operating lease right-of-use assets and a liability for operating leases as of December 31, 2019. The accounting for finance leases (capital leases) was substantially unchanged. The Company elected to utilize the package of practical expedients that allowed entities to: (1) not reassess whether any expired or existing

contracts were or contained leases; (2) retain the existing classification of lease contracts as of the date of adoption; (3) not reassess initial direct costs for any existing leases; and (4) not separate non-lease components for all classes of leased assets.

Recently Issued Accounting Standards Not Yet Adopted

In June 2016, the FASB issued ASU 2016-13, “*Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*,” which introduced an expected credit loss methodology for the measurement and recognition of credit losses on most financial assets, including trade accounts receivables. The expected credit loss methodology under ASU 2016-13 is based on historical experience, current conditions and reasonable and supportable forecasts, and replaces the probable/incurred loss model for measuring and recognizing expected losses under current GAAP. The ASU also requires disclosure of information regarding how a company developed its allowance, including changes in the factors that influenced management’s estimate of expected credit losses and the reasons for those changes. The ASU and its related clarifying updates are effective for smaller reporting companies for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years, with early adoption permitted. We are still evaluating the new standard but do not expect it to have a material impact on our estimate of the allowance for uncollectable accounts.

In December 2019, the FASB issued ASU No. 2019-12, “*Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*,” which removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. This ASU is effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. Depending on the amendment, adoption may be applied on the retrospective, modified retrospective, or prospective basis. We are currently evaluating the potential effects of adopting the provisions of ASU No. 2019-12.

Management has evaluated other recently issued accounting pronouncements and does not believe that they will have a significant impact on the financial statements and related disclosures.

Note 2. Contract Assets and Liabilities

The timing of when we bill our customers is generally dependent upon agreed-upon contractual terms, milestone billings based on the completion of certain phases of the work, or when services are provided. Sometimes, billing occurs subsequent to revenue recognition, resulting in unbilled revenue, which is a contract asset. Also, we sometimes receive advance payments or deposits from our customers before revenue is recognized, resulting in deferred revenue, which is a contract liability.

Contract assets in the Condensed Consolidated Balance Sheets represent the following:

- costs and estimated earnings in excess of billings, which arise when revenue has been recorded but the amount has not been billed; and
- retainage amounts for the portion of the contract price billed by us for work performed but held for payment by the customer as a form of security until we reach certain construction milestones or complete the project.

Contract assets consist of the following:

(in thousands)	June 30, 2020	December 31, 2019
Costs and estimated earnings in excess of billings on uncompleted contracts	\$ 105,737	\$ 91,543
Retainage receivable	115,131	87,760
	<u>220,868</u>	<u>179,303</u>

Contract liabilities consist of the following:

(in thousands)	June 30, 2020	December 31, 2019
Billings in excess of costs and estimated earnings on uncompleted contracts	\$ 123,079	\$ 115,570
Loss on contracts in progress	12	64
	<u>\$ 123,091</u>	<u>\$ 115,634</u>

The contract receivables amount as of December 31, 2019 included unapproved change orders of approximately \$9.2 million for which the Company was pursuing settlement through dispute resolution. The Company agreed to settle the unapproved change order dispute in the current quarter.

Revenue recognized for the three and six months ended June 30, 2020 included in the contract liability balance at December 31, 2019 was approximately \$17.8 million and \$108.7 million, respectively, and revenue recognized for the three and six months ended June 30, 2019 included in the contract liability balance at December 31, 2018 was approximately \$18.2 million and \$50.1 million, respectively.

Activity in the allowance for doubtful accounts for the periods indicated is as follows:

(in thousands)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Allowance for doubtful accounts at beginning of period	\$ 89	\$ 72	\$ 75	\$ 42
Plus: provision for (reduction in) allowance	—	30	14	60
Less: write-offs, net of recoveries	—	—	—	—
Allowance for doubtful accounts at period end	\$ 89	\$ 102	\$ 89	\$ 102

Note 3. Property, Plant and Equipment, Net

Property, plant and equipment consisted of the following:

(in thousands)	June 30, 2020	December 31, 2019
Buildings and leasehold improvements	\$ 3,385	\$ 2,919
Land	17,600	17,600
Construction equipment	181,712	173,434
Office equipment, furniture and fixtures	3,562	3,487
Vehicles	5,566	6,087
	211,825	203,527
Accumulated depreciation	(78,397)	(63,039)
Property, plant and equipment, net	\$ 133,428	\$ 140,488

Depreciation expense of property, plant and equipment was \$8,777 and \$8,430 for the three months ended June 30, 2020 and 2019, respectively, and was \$17,293 and \$16,906 for the six months ended June 30, 2020 and 2019, respectively.

Note 4. Goodwill and Intangible Assets, Net

The following table provides the changes in the carrying amount of goodwill, by segment:

(in thousands)	Renewables	Specialty Civil	Total
January 1, 2019	\$ 3,020	\$ 37,237	\$ 40,257
Acquisition adjustments	—	(2,884)	(2,884)
December 31, 2019	\$ 3,020	\$ 34,353	\$ 37,373
Adjustments	—	—	—
June 30, 2020	\$ 3,020	\$ 34,353	\$ 37,373

Intangible assets consisted of the following as of the dates indicated:

(\$ in thousands)	June 30, 2020			Weighted Average Remaining Life	December 31, 2019			Weighted Average Remaining Life
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	
Customer relationships	\$ 26,500	\$ (6,588)	\$ 19,912	5.5 years	\$ 26,500	\$ (4,695)	\$ 21,805	6 years
Trade name	13,400	(4,645)	8,755	3.5 years	13,400	(3,305)	10,095	4 years
Backlog	13,900	(12,003)	1,897	6 months	13,900	(8,528)	5,372	1 year
	<u>\$ 53,800</u>	<u>\$ (23,236)</u>	<u>\$ 30,564</u>		<u>\$ 53,800</u>	<u>\$ (16,528)</u>	<u>\$ 37,272</u>	

Amortization expense associated with intangible assets for the three months ended June 30, 2020 and 2019, totaled \$3.3 million and \$3.4 million, respectively, and \$6.7 million and \$6.9 million for the six months ended June 30, 2020 and 2019, respectively.

The following table provides the annual intangible amortization expense currently expected to be recognized for the years 2020 through 2024:

(in thousands)	Remainder of 2020	2021	2022	2023	2024
Amortization expense	\$ 5,130	\$ 6,466	\$ 6,466	\$ 5,841	\$ 3,785

Note 5. Fair Value of Financial Instruments

The Company applies ASC 820, Fair Value Measurement, which establishes a framework for measuring fair value. ASC 820 defines fair value as an exit price, which is the price that would be received for an asset or paid to transfer a liability in the Company's principal or most advantageous market in an orderly transaction between market participants on the measurement date. The fair value hierarchy established in ASC 820 generally requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect the assumptions that market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the entity's own assumptions based on market data and the entity's judgments about the assumptions that market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances.

The valuation hierarchy is composed of three levels. The classification within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. The levels within the valuation hierarchy are described below:

Level 1 — Assets and liabilities with unadjusted, quoted prices listed on active market exchanges. Inputs to the fair value measurement are observable inputs, such as quoted prices in active markets for identical assets or liabilities.

Level 2 — Inputs to the fair value measurement are determined using prices for recently traded assets and liabilities with similar underlying terms, as well as direct or indirect observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 — Inputs to the fair value measurement are unobservable inputs, such as estimates, assumptions, and valuation techniques when little or no market data exists for the assets or liabilities.

The following table sets forth information regarding the Company's liabilities measured at fair value on a recurring basis:

(in thousands)	June 30, 2020				December 31, 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Liabilities								
Series B Preferred Stock - Series A Conversion Warrants and Exchange Warrants	\$ —	\$ —	\$ 3,400	\$ 3,400	\$ —	\$ —	\$ 4,317	\$ 4,317
Series B-1 Preferred Stock - Additional 6% Warrants	—	—	400	400	—	—	400	400
Series B-3 Preferred - Closing Warrants	—	—	—	—	—	—	11,491	11,491
Rights Offering	—	—	—	—	—	—	1,383	1,383
Total liabilities	\$ —	\$ —	\$ 3,800	\$ 3,800	\$ —	\$ —	\$ 17,591	\$ 17,591

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements using Level 3 inputs:

(in thousands)	Series B Preferred - Series A Conversion Warrants and Exchange Warrants	Series B-1 Preferred Stock - Additional 6% Warrants	Series B-3 Preferred - Closing Warrants	Rights Offering
Beginning Balance, December 31, 2019	\$ 4,317	\$ 400	\$ 11,491	\$ 1,383
Fair value adjustment - (gain) loss recognized in other income	1,509	—	1,677	(1,383)
Transfer to non-recurring fair value instrument (equity)	(2,426)	—	(13,168)	—
Ending Balance, June 30, 2020	\$ 3,400	\$ 400	\$ —	\$ —

The Company entered into three equity commitment agreements at various dates during 2019 with Ares Management, LLC, on behalf of its affiliated funds, investment vehicles and/or managed accounts (“Ares”) and funds managed by Oaktree Capital Management (“Oaktree”). These resulted in Series B-1 Preferred Stock (the “Series B-1 Preferred Stock”), Series B-2 Preferred Stock (the “Series B-2 Preferred Stock”) and Series B-3 Preferred Stock (the “Series B-3 Preferred Stock”) (collectively referred to as “Series B Preferred Stock”).

The information below describes the balance sheet classification and the recurring/nonrecurring fair value measurement:

Series B Preferred Stock (non-recurring) - The Series B Preferred Stock is a mandatorily redeemable financial instrument under ASC 480 and was recorded at relative fair value as debt which was estimated using a discounted cashflow model based on certain significant unobservable inputs, such as accumulated dividend rates, and projected Adjusted EBITDA for the life of the Series B Preferred Stock. The fair value of the liability for each of the transactions, was a combined \$153.7 million and recorded on the balance sheet as debt as of June 30, 2020.

Series B Preferred Stock - Warrants at closing (non-recurring) - The Warrants at closing, with an exercise price of \$0.0001, represented (on an if-converted to common stock basis) 10% of the issued and outstanding common stock of the Company based on the Company’s fully diluted share count on May 20, 2019 (including the number of shares of common stock that may be issued pursuant to all restricted stock awards, restricted stock units, stock options and any other securities or rights (directly or indirectly) convertible into, exchangeable for or to subscribe for common stock that are outstanding on May 20, 2019 (excluding any shares of common stock issuable (a) pursuant to the merger agreement for our business combination, (b) upon conversion of shares of Series A Preferred Stock, (c) upon the exercise of any warrant with an exercise price of \$11.50 or higher or (d) upon the exercise of any equity issued pursuant to the Company’s long term incentive plan or other equity plan with a strike price of \$11.50 or higher). The 2,545,934 warrants at closing were valued at the closing stock price of \$4.21 on May 20, 2019 which was recorded as additional paid in capital.

On August 30, 2019, warrants for 900,000 shares of common stock were issued and were valued at the closing stock price of \$3.75 which was recorded as additional paid in capital.

On November 14, 2019, warrants for 3,568,750 shares of common stock were issued and were valued at the closing stock price of \$2.20 and these were recorded as a liability (Series B-3 Preferred - Closing Warrants) and marked to market at December 31, 2019 at a price of \$3.22. On January 21, 2020 the Company received shareholder approval for the warrants and the liability was marked to market at a price of \$3.69. Upon shareholder approval, the warrants were moved from liability to equity at a fair value of \$13,168 on a non-recurring basis.

Series B-3 Exchange Warrants (non-recurring) - On November 14, 2019, the holders of Series A Preferred Stock converted 50% of their shares to Series B Preferred Stock and reduced the number of the potential additional warrants. In the exchange the holders of Series A Preferred Stock were issued warrants for 657,383 shares of common stock at the closing stock price of \$2.20 and these were recorded as a liability and marked to market at December 31, 2019 at a price of \$3.22. On January 21, 2020 the Company received shareholder approval for the warrants and the liability was marked to market at a price of \$3.69. As of June 30, 2020, these warrants reside as part of equity at a fair value of \$2,426 on a non-recurring basis.

Series B-1 Preferred Stock - Series A Conversion Warrants (recurring) - On May 20, 2019, the conversion rights for the Series A Preferred Stock were amended to allow the holders of Series A Preferred Stock to convert all or any portion of Series A Preferred Stock outstanding at any point in time. If converted, the holders of the Series B Preferred Stock would be entitled to additional warrants, with an exercise price of \$0.0001. These warrants were fair valued using the closing stock price of \$4.21 on May 20, 2019, at an estimated if-converted share count and recorded as a liability.

Series B-1 Preferred Stock - Additional 6% Warrants (recurring) - The Additional 6% Warrants are issuable if the Company fails to meet certain Adjusted EBITDA thresholds on a trailing twelve-month basis from May 31, 2020 through April 30, 2021. The Company recorded the Additional 6% Warrants at fair value, which was estimated using a Monte Carlo Simulation based on certain significant unobservable inputs, such as a risk rate premium, Adjusted EBITDA volatility, stock price volatility and projected Adjusted EBITDA for the Company for 2019. The Additional 6% Warrants were recorded as a liability.

Rights Offering - The Company conducted a rights offering in connection with the offering of the Series B Preferred Stock, in which, each common shareholder as of the record date was issued a right to purchase Series B Preferred Stock and warrants. The right that was issued was fair valued using a Black-Scholes model based on certain significant unobservable inputs, such as a risk rate premium, stock price volatility, dividend yield and expected term of rights offering. The rights offering fair value was recorded as a liability and was a deemed dividend to common stockholders and reflected as a reduction in additional paid in capital. On March 4, 2020 we completed the rights offering, removed the liability associated with the fair value (rights offering - recurring) and issued and sold 350 shares of Series B-3 Preferred Stock (Series B-3 Preferred Stock - non-recurring at a fair value of \$313,000) and 12,029 warrants (non-recurring Series B Preferred Stock - Warrants at closing - non-recurring at a fair value of \$37,000) to purchase common stock.

2020 Commitment - The Company was obligated to sell to, Ares and Oaktree, and they were obligated to purchase, additional shares of Series B Preferred Stock up to approximately \$15.0 million based on a failure by the Company to achieve specified debt and liquidity levels. On May 6, 2020, the Company entered into an amendment to the Equity Commitment Agreement. The amendment extended the period of time required to enter into the 2020 Commitment and purchase from the Company additional shares of Series B-3 Preferred Stock and warrants to July 14, 2020, or such other date as mutually agreed upon. Additionally, the amendment clarified that the 2020 Commitment shall in no event exceed \$5.65 million. See *Note 12. Subsequent Events* for further discussion on the termination of the transaction.

Other financial instruments of the Company not listed in the table consist of cash and cash equivalents, accounts receivable, accounts payable and other current liabilities that approximate their fair values. Additionally, management believes that the outstanding recorded balance on the line of credit and long-term debt, approximates fair value due to their floating interest rates.

Note 6. Debt

Debt consists of the following obligations as of:

(in thousands)	June 30, 2020	December 31, 2019
Term loan	\$ 173,345	\$ 182,687
Commercial equipment notes	4,205	4,456
Total principal due for long-term debt	177,550	187,143
Unamortized debt discount and issuance costs	(19,324)	(22,296)
Less: Current portion of long-term debt	(1,680)	(1,946)
Long-term debt, less current portion	\$ 156,546	\$ 162,901
Debt - Series B Preferred Stock	\$ 189,716	\$ 180,444
Unamortized debt discount and issuance costs	(12,916)	(14,303)
Long-term Series B Preferred Stock	\$ 176,800	\$ 166,141

The weighted average interest rate for the term loan as of June 30, 2020 and December 31, 2019, was 8.20% and 10.35%, respectively.

Debt Covenants

The term loan is governed by the terms of the Third A&R Credit Agreement, which include customary affirmative and negative covenants and provide for customary events of default, which include, nonpayment of principal or interest and failure to timely deliver financial statements. Under the Third A&R Credit Agreement, the financial covenant provides that the First Lien Net Leverage Ratio (as defined therein) may not exceed (i) prior to the fiscal quarter ending December 31, 2019, 4.75:1.0, (ii) for the four fiscal quarters ending December 31, 2020, 3.50:1.0, (iii) for the four fiscal quarters ending December 31, 2021, 2.75:1.0, and (iv) for all subsequent quarters, 2.25:1.0.

The Third A&R Credit Agreement also includes certain limitations on the payment of cash dividends on the Company's common shares and provides for other restrictions on (subject to certain exceptions) liens, indebtedness (including guarantees and other contingent obligations), investments (including loans, advances and acquisitions), mergers and other fundamental changes and sales and other dispositions of property or assets, among others.

Letters of Credit and Surety Bonds

In the ordinary course of business, the Company is required to post letters of credit and surety bonds to customers in support of performance under certain contracts. Such letters of credit are generally issued by a bank or similar financial institution. The letter of credit or surety bond commits the issuer to pay specified amounts to the holder of the letter of credit or surety bond under certain conditions. If the letter of credit or surety bond issuer were required to pay any amount to a holder, the Company would be required to reimburse the issuer, which, depending upon the circumstances, could result in a charge to earnings. As of June 30, 2020, and December 31, 2019, the Company was contingently liable under letters of credit issued under its Third A&R Credit Agreement, in the amount of \$23.5 million and \$21.0 million, respectively, related to projects. In addition, as of June 30, 2020 and December 31, 2019, the Company had outstanding surety bonds on projects of \$2.6 billion and \$2.4 billion, respectively.

Contractual Maturities

Contractual maturities of the Company's outstanding principal on debt obligations as of June 30, 2020:

(in thousands)	Maturities
Remainder of 2020	\$ 1,621
2021	1,228
2022	15,859
2023	29,735
2024	129,107
Thereafter	—
Total contractual maturities	\$ 177,550

Note 7. Commitments and Contingencies

In the ordinary course of business, the Company enters into agreements that provide financing for its machinery and equipment, facility and vehicle needs. The Company reviews these agreements for potential lease classification, and at inception, determines whether a lease is an operating or finance lease. Lease assets and liabilities, which generally represent the present value of future minimum lease payments over the term of the lease, are recognized as of the commencement date. Under Topic 842, leases with an initial lease term of twelve months or less are classified as short-term leases and are not recognized in the condensed consolidated balance sheets unless the lease contains a purchase option that is reasonably certain to be exercised.

Lease term, discount rate, variable lease costs and future minimum lease payment determinations require the use of judgment as these are based on the facts and circumstances related to each specific lease. Lease terms are generally based on their initial non-cancelable terms, unless there is a renewal option that is reasonably certain to be exercised. Various factors, including economic incentives, intent, past history and business need are considered to determine if a renewal option is reasonably certain to be exercised. The implicit rate in a lease agreement is used when it can be determined. Otherwise, the Company's incremental borrowing rate, which is based on information available as of the lease commencement date, including applicable lease terms and the current economic environment, is used to determine the value of the lease obligation.

Finance Leases

The Company has obligations, exclusive of associated interest, under various finance leases for equipment totaling \$59.4 million and \$64.2 million at June 30, 2020 and December 31, 2019, respectively. Gross property under this capitalized lease agreement at June 30, 2020 and December 31, 2019, totaled \$121.8 million and \$116.1 million, less accumulated depreciation of \$45.0 million and \$34.0 million, respectively, for net balances of \$76.8 million and \$82.1 million, respectively. Depreciation of assets held under the finance leases are included in cost of revenue in the condensed consolidated statements of operations.

The future minimum payments of finance lease obligations are as follows:

(in thousands)	
Remainder of 2020	\$ 13,437
2021	23,355
2022	19,304
2023	5,204
2024	1,617
Thereafter	487
Future minimum lease payments	63,404
Less: Amount representing interest	(3,999)
Present value of minimum lease payments	59,405
Less: Current portion of finance lease obligations	23,790
Finance lease obligations, less current portion	\$ 35,615

Operating Leases

In the ordinary course of business, the Company enters into non-cancelable operating leases for certain of its facilities, vehicles and equipment. The Company has obligations, exclusive of associated interest, totaling \$44.0 million and \$44.2 million at June 30, 2020 and December 31, 2019, respectively. Property under these operating lease agreements at June 30, 2020 and December 31, 2019, totaled \$43.0 million and \$43.4 million, respectively.

The Company has long-term power-by-the-hour equipment rental agreements with a construction equipment manufacturer that have a guaranteed minimum monthly hour requirement. The minimum guaranteed amount based on the Company's current operations is \$3.2 million per year. Total expense under these agreements are listed below as variable lease costs.

The future minimum payments under non-cancelable operating leases are as follows:

(in thousands)	
Remainder of 2020	\$ 6,769
2021	11,902
2022	9,480
2023	6,754
2024	3,454
Thereafter	20,650
Future minimum lease payments	59,009
Less: Amount representing interest	(14,984)
Present value of minimum lease payments	44,025
Less: Current portion of operating lease obligations	10,392
Operating lease obligations, less current portion	\$ 33,633

Lease Information

	Three months ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Finance Lease cost:				
Amortization of right-of-use assets	\$ 5,858	\$ 5,837	\$ 11,555	\$ 10,845
Interest on lease liabilities	\$ 940	\$ 1,249	\$ 2,126	\$ 2,898
Operating lease cost	\$ 3,490	\$ 2,314	\$ 6,967	\$ 4,145
Short-term lease cost	\$ 45,134	\$ 6,272	\$ 66,768	\$ 14,768
Variable lease cost	\$ 985	\$ 2,189	\$ 1,944	\$ 2,380
Sublease Income	\$ (33)	\$ (24)	\$ (66)	\$ (47)
Total lease cost	\$ 56,374	\$ 17,837	\$ 89,294	\$ 34,989

Other information:

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

Operating cash flows from finance leases	\$ 940	\$ 1,249	\$ 2,126	\$ 2,898
Operating cash flows from operating leases	\$ 3,385	\$ 3,929	\$ 6,728	\$ 7,176
Weighted-average remaining lease term - finance leases			2.70 years	3.14 years
Weighted-average remaining lease term - operating leases			7.86 years	9.74 years
Weighted-average discount rate - finance leases			6.27 %	6.67 %
Weighted-average discount rate - operating leases			6.96 %	6.91 %

Note 8. Earnings Per Share

The Company calculates earnings (loss) per share ("EPS") in accordance with ASC 260, *Earnings per Share*. Basic EPS is computed by dividing income (loss) available to common stockholders by the weighted average number of common shares of common stock outstanding during the period.

Income (loss) available to common stockholders is computed by deducting the dividends accrued for the period on cumulative preferred stock from net income. If there is a net loss, the amount of the loss is increased by those preferred dividends.

Diluted EPS assumes the dilutive effect of (i) contingently issuable earn-out shares, (ii) Series A cumulative convertible preferred stock, using the if-converted method, and (iii) the assumed exercise of in-the-money stock options and warrants and the assumed vesting of outstanding restricted stock units ("RSUs"), using the treasury stock method.

Whether the Company has net income, or a net loss determines whether potential issuances of common stock are included in the diluted EPS computation or whether they would be anti-dilutive. As a result, if there is a net loss, diluted EPS is computed in the same manner as basic EPS is computed. Similarly, if the Company has net income but its preferred dividend adjustment made in computing income available to common stockholders results in a net loss available to common stockholders, diluted EPS would be computed the same as basic EPS.

The calculations of basic and diluted EPS, are as follows:

(\$ in thousands, except per share data)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Numerator:				
Net income (loss)	\$ 3,597	\$ 6,208	\$ (9,146)	\$ (17,431)
Less: Convertible Preferred Stock dividends	(606)	(918)	(1,372)	(1,443)
Less: Contingent consideration fair value adjustment	—	(18,835)	—	(18,835)
Less: Net income allocated to participating securities	(802)	—	—	—
Net income (loss) available to common stockholders	2,189	(13,545)	(10,518)	(37,709)
Denominator:				
Weighted average common shares outstanding - basic	20,751,673	22,252,489	20,636,944	22,220,799
Series B Preferred - Warrants at closing	7,683,716	—	—	—
Convertible Series A Preferred	9,448,988	—	—	—
RSUs	2,094,005	—	—	—
Weighted average common shares outstanding - diluted	39,978,382	22,252,489	20,636,944	22,220,799
Anti-dilutive: ⁽¹⁾⁽²⁾				
Convertible Series A Preferred	—	9,122,860	8,001,014	7,084,004
Series B Preferred - Warrants at closing	—	1,131,526	7,679,520	565,749
RSUs	—	632,911	1,775,182	493,508
Basic EPS	0.11	(0.61)	(0.51)	(1.70)
Diluted EPS	0.09	(0.61)	(0.51)	(1.70)

(1) As of June 30, 2020 and 2019, publicly traded warrants to purchase 8,480,000 shares of common stock at \$11.50 per share were not considered as dilutive as the warrants' exercise price was greater than the average market price of the common stock during the period.

(2) As of June 30, 2020 and 2019, there were 539,034 and 646,405 of vested and unvested options and 513,153 and 817,817 unvested RSUs, respectively. These were also not considered as dilutive as the respective exercise price or average stock price required for vesting of such awards was greater than the average market price of the common stock during the period.

Series A Preferred Stock

As of June 30, 2020, we had 17,483 shares of Series A Preferred Stock with a stated value of \$1,000 per share plus accumulated dividends. Dividends are paid on the Series A Preferred Stock as, if and when declared by our Board. To extent permitted, dividends are required to be paid in cash quarterly in arrears on each March 31, June 30, September 30 and December 31 on the stated value at a rate of 10% per annum.

If not paid in cash, dividends will accrue on the stated value and will increase the stated value on and effective as of the applicable dividend date without any further action by the Board at 12% per annum.

So long as any shares of Series B Preferred Stock of the Company are currently outstanding or from and after the occurrence of any non-payment event or default event and until cured or waived, the foregoing rates will increase by 2% per annum.

As of June 30, 2020, the Company has accrued a cumulative of \$3.1 million in dividends to holders of Series A Preferred Stock as a reduction to additional paid-in capital.

Series B Preferred Stock

As of June 30, 2020, we had 199,474 shares of Series B Preferred Stock outstanding, with each share having a stated value of \$1,000 plus accumulated dividends. Our common stock and Series A Preferred Stock are junior to the Series B Preferred Stock. Dividends are paid in cash on the Series B Preferred Stock as, if and when declared by our Board. To the extent not prohibited by applicable law, dividends are required to be declared and paid in cash quarterly in arrears on each March 31, June 30, September 30 and December 31. Any dividend period for which the Total Net Leverage Ratio is greater than 1.50:1.00, the dividend rate is 13.5% per annum and (ii) with respect to any dividend period for which the Total Net Leverage Ratio is less than or equal to 1.50:1.00, at a rate of 12% per annum.

If not paid in cash, dividends will accrue on the stated value and will increase the stated value on Series B Preferred Stock and is effective as of the applicable dividend date without any further action by the Board at a rate of 15%.

The Company has accrued a cumulative of \$18.3 million in dividends to holders of Series B Preferred Stock, which is recorded in convertible debt in the Company's condensed consolidated balance sheet for the period ended June 30, 2020. See *Note 5. Fair Value of Financial Instruments* for discussion regarding the Company's valuation of Series B Preferred Stock.

Contingent Consideration

Pursuant to the original merger agreement with M III Acquisition Corp., the Company was required to issue up to an additional 9,000,000 shares of common stock, which should have been fully earned if the final 2019 adjusted EBITDA targets were achieved. As of June 30, 2019, the Company recorded an adjustment of \$18.8 million to the liability primarily based on the significant decrease in the Company's prior year stock price.

Stock Compensation

Under guidance of ASC Topic 718 "Compensation — Stock Compensation," stock-based compensation expense is measured at the date of grant, based on the calculated fair value of the stock-based award, and is recognized as expense over the employee's requisite service period (generally the vesting period of the award).

The fair value of the RSUs was based on the closing market price of our common stock on the date of the grant. Stock compensation expense for the RSUs is being amortized using the straight-line method over the service period. For the three months ended June 30, 2020 and 2019, we recognized \$0.8 million and \$0.8 million in compensation expense, respectively, and \$2.0 million and \$1.8 million for the six months ended June 30, 2020 and 2019, respectively.

Note 9. Income Taxes

The Company's statutory federal tax rate was 21.00% for the periods ended June 30, 2020 and 2019, respectively. State tax rates for the same period vary among states and range from approximately 0.8% to 12.0%. A small number of states do not impose an income tax.

The effective tax rates for the three months ended June 30, 2020 and 2019 were 56.8% and 49.6%, respectively, and were (73.42)% and 13.82% for the six months ended June 30, 2020 and 2019, respectively. The difference between the Company's effective tax rate and the federal statutory rate primarily results from permanent differences related to the interest accrued for the Series B Preferred Stock, which is not deductible for federal and state income taxes. The six months ended June 30, 2020 have the full impact of all the Series B Preferred Stock that was issued in 2019 whereas the six months ended June 30, 2019 only have a relatively small amount of non-deductible Series B Preferred Stock expenses. There were no changes in uncertain tax positions during the periods ended June 30, 2020 and 2019.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted by the US Government in response to the COVID-19 pandemic to provide employment retention incentives. We do not believe that these relief measures materially affect the condensed consolidated financial statements for the first or second quarter of 2020.

Note 10. Segments

We operate our business as two reportable segments: the Renewables segment and the Specialty Civil segment. Each of our reportable segments is comprised of similar business units that specialize in services unique to the respective markets that each segment serves. The classification of revenue and gross profit for segment reporting purposes can at times require judgment on the part of management. Our segments may perform services across industries or perform joint services for customers in multiple industries. To determine reportable segment gross profit, certain allocations, including allocations of shared and indirect costs, such as facility costs, equipment costs and indirect operating expenses, were made based on segment revenue.

Separate measures of the Company's assets, including capital expenditures and cash flows by reportable segment are not produced or utilized by management to evaluate segment performance. A substantial portion of the Company's fixed assets are owned by and accounted for in our equipment department, including operating machinery, equipment and vehicles, as well as office equipment, buildings and leasehold improvements, and are used on an interchangeable basis across our reportable segments. As such, for reporting purposes, total under/over absorption of equipment expenses consisting primarily of depreciation is allocated to the Company's two reportable segments based on segment revenue.

The following is a brief description of the Company's reportable segments:

Renewables Segment

The Renewables segment operates throughout the United States and specializes in a range of services for the power delivery, solar, wind and battery storage markets that includes design, procurement, construction, restoration, and maintenance.

Specialty Civil Segment

The Specialty Civil segment operates throughout the United States and specializes in a range of services that include:

- Heavy civil construction services such as road and bridge construction, specialty paving, sports field development, industrial maintenance, outsourced contract mining and heavy hauling.
- Environmental remediation services such as site development, environmental site closure, and coal ash management.
- Rail infrastructure services such as planning, design, procurement, construction and maintenance of major railway and intermodal facilities.

Segment Revenue

Revenue by segment was as follows:

(in thousands)	Three Months Ended June 30,				Six months ended June 30,			
	2020		2019		2020		2019	
Segment	Revenue	% of Total Revenue	Revenue	% of Total Revenue	Revenue	% of Total Revenue	Revenue	% of Total Revenue
Renewables	\$ 324,262	67.5 %	\$ 179,149	54.6 %	\$ 573,008	68.3 %	\$ 253,180	48.9 %
Specialty Civil	156,342	32.5 %	148,812	45.4 %	265,759	31.7 %	264,562	51.1 %
Total revenue	\$ 480,604	100.0 %	\$ 327,961	100.0 %	\$ 838,767	100.0 %	\$ 517,742	100.0 %

Segment Gross Profit

Gross profit by segment was as follows:

(in thousands)	Three Months Ended June 30,				Six months ended June 30,			
	2020		2019		2020		2019	
Segment	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
Renewables	\$ 36,983	11.4 %	\$ 16,150	9.0 %	\$ 62,812	11.0 %	\$ 17,308	6.8 %
Specialty Civil	17,258	11.0 %	15,272	10.3 %	24,470	9.2 %	19,858	7.5 %
Total gross profit	\$ 54,241	11.3 %	\$ 31,422	9.6 %	\$ 87,282	10.4 %	\$ 37,166	7.2 %

Note 11. Related Party Transactions

Related Party Shareholders

Type of Equity	Holder	Ownership Percentage
Series A Preferred, Series A Conversion Warrants and Exchange Warrants, Series B-3 Preferred Stock (exchange agreement)	Infrastructure and Energy Alternatives, LLC	100 %
Series B-1 Preferred Stock, Series A Conversion Warrants, Additional 6% Warrants, Warrants at closing	Ares Oaktree Power Opportunities Fund III Delaware, L.P.	60 % 40 %
Series B-2 and B-3 Preferred Stock, Warrants at closing	Ares	100 %

Note 12. Subsequent Event

Amendment to Equity Commitment Agreement

On July 22, 2020, the Company entered into a Second Amendment to the Equity Commitment Agreement (the "Amendment"). The Amendment terminated Section 9.18 of the Equity Commitment Agreement relating to the obligation of the Company to issue additional shares of Series B-3 Preferred Stock, and warrants pursuant to the 2020 Commitment. The Company paid \$1,322,250 in full satisfaction of the 2019 Commitment and 2020 Commitment Fees and reimbursed certain expenses in the amount of \$343,621. The payments were accrued at June 30, 2020.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The forward-looking statements can be identified by the use of forward-looking terminology including "may," "should," "likely," "will," "believe," "expect," "anticipate," "estimate," "forecast," "seek," "target," "continue," "plan," "intend," "project," or other similar words. All statements, other than statements of historical fact included in this Quarterly Report, regarding expectations for the impact of COVID-19, future financial performance, business strategies, expectations for our business, future operations, liquidity positions, availability of capital resources, financial position, estimated revenues and losses, projected costs, prospects, plans, objectives and beliefs of management are forward-looking statements.

These forward-looking statements are based on information available as of the date of this Quarterly Report and our management's current expectations, forecasts and assumptions, and involve a number of judgments, risks and uncertainties. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we cannot give any assurance that such expectations will prove correct. Forward-looking statements should not be relied upon as representing our views as of any subsequent date. As a result of a number of known and unknown risks and uncertainties, our actual results or performance may be materially different from those expressed or implied by these forward-looking statements. Some factors that could cause actual results to differ include:

- potential risks and uncertainties relating to COVID-19, including the geographic spread, the severity of the disease, the scope and duration of the COVID-19 pandemic, actions that may be taken by governmental authorities to contain the COVID-19 pandemic or to treat its impact, and the potential negative impacts of COVID-19 on economies and financial markets;
- availability of commercially reasonable and accessible sources of liquidity and bonding;
- our ability to generate cash flow and liquidity to fund operations;
- the timing and extent of fluctuations in geographic, weather and operational factors affecting our customers, projects and the industries in which we operate;
- our ability to identify acquisition candidates and integrate acquired businesses;
- consumer demand;
- our ability to grow and manage growth profitably;
- the possibility that we may be adversely affected by economic, business, and/or competitive factors;
- market conditions, technological developments, regulatory changes or other governmental policy uncertainty that affects us or our customers;
- our ability to manage projects effectively and in accordance with management estimates, as well as the ability to accurately estimate the costs associated with our fixed price and other contracts, including any material changes in estimates for completion of projects;
- the effect on demand for our services and changes in the amount of capital expenditures by customers due to, among other things, economic conditions, commodity price fluctuations, the availability and cost of financing, and customer consolidation;
- the ability of customers to terminate or reduce the amount of work, or in some cases, the prices paid for services, on short or no notice;
- customer disputes related to the performance of services;
- disputes with, or failures of, subcontractors to deliver agreed-upon supplies or services in a timely fashion;
- our ability to replace non-recurring projects with new projects;
- the impact of U.S. federal, local, state, foreign or tax legislation and other regulations affecting the renewable energy industry and related projects and expenditures;
- the effect of state and federal regulatory initiatives, including costs of compliance with existing and future safety and environmental requirements;
- fluctuations in equipment, fuel, materials, labor and other costs;
- our beliefs regarding the state of the renewable wind energy market generally; and
- the "Risk Factors" described in our Annual Report on Form 10-K for the year ended December 31, 2019, and in our quarterly reports, other public filings and press releases.

We do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Throughout this section, unless otherwise noted “IEA,” “Company,” “we,” “us,” and “our” refer to Infrastructure and Energy Alternatives, Inc. and its consolidated subsidiaries. Certain amounts in this section may not foot due to rounding.

Overview

We are a leading diversified infrastructure construction company with specialized energy and heavy civil expertise throughout the United States. We segregate our business into two reportable segments: the Renewables segment and the Specialty Civil segment.

The Renewables segment operates throughout the United States and specializes in a range of services for the power delivery, solar, wind and battery storage markets that includes design, procurement, construction, restoration, and maintenance. The Company is one of the largest providers in the renewable energy industry and has completed more than 200 utility scale wind and solar projects in 35 states.

The Specialty Civil segment operates throughout the United States and specializes in a range of services that include:

- Heavy civil construction services such as road and bridge construction, specialty paving, sports field development, industrial maintenance, outsourced contract mining and heavy hauling.
- Environmental remediation services such as site development, environmental site closure, and coal ash management.
- Rail infrastructure services such as planning, design, procurement, construction and maintenance of major railway and intermodal facilities.

The Company has created a diverse national platform of specialty construction capabilities with market leadership in the niche markets of power delivery, solar power, wind power, rail, heavy civil and environmental.

Coronavirus Pandemic Update

The Coronavirus Disease (“COVID-19”) pandemic continues to significantly impact the United States and the world. Since the start of the COVID-19 pandemic, we have been focused on the safety of our employees and ensuring that our construction sites are managed by taking all reasonable precautions to protect on-site personnel.

We have taken the following actions to address the risks attributable to the COVID-19 pandemic:

- We established a dedicated COVID-19 task force representing all parts of the Company to review and implement actions to prepare for the impacts on our operations, including a variety of protocols in the areas of social distancing, working from home, emergency office and project site closures, and travel restrictions.
- In addition to our existing site crisis management plans, our operations expanded and implemented their pandemic response plans to ensure a consistent, comprehensive response to various COVID-19 scenarios.
- We implemented more stringent office and project site cleaning and hygiene protocols in all locations. We also developed more stringent tool, vehicle and equipment cleaning protocols.
- For employees, we established a regularly updated COVID-19 information hub with FAQs, important communications, regularly updated protocols, business planning tools, best practices, signage/flyers and other important resources.
- We have significantly increased communications, signage and oversight of personal hygiene requirements to drive better prevention practices.
- We postponed social gatherings, large in-person training sessions and other activities involving groups of 10 or more.

- We have prohibited virtually all Company air travel unless approved by executive leadership. We have also required all employees to report their personal travel schedules so we can closely monitor and take any necessary steps to maintain the safety of our workforce.
- We have increased our efforts to reduce SG&A expenses by delaying the Company 401(k) match until later in the year, prohibiting all non-essential travel and canceling any non-essential capital expenditures or consulting work.
- To mitigate the effects of working from home and travel bans, we have significantly increased the use of remote communication technologies.

We are actively monitoring the COVID-19 pandemic, including disease progression, federal, state and local government actions, CDC and WHO responses, supplier and supply chain risks, and prevention and containment measures to maintain business operations. As the COVID-19 pandemic and the responses by federal, state and local governments continue to evolve, we continue to make adjustments to our practices and policies to protect the health of our employees and those we work with at our projects and office locations, while continuing to provide our essential construction services to our clients.

We believe that the foregoing actions have significantly reduced the Company's exposure to the effects of COVID-19, including our workforce's exposure to infection from COVID-19. As of today, we have had a low incidence of infection in our workforce.

The impact of COVID-19 on construction businesses such as ours is evolving rapidly and its future effects are uncertain. While we have received notices of force majeure from certain of our suppliers and customers, we don't believe at this time, that any such notices will cause critical project delays. To date, we have not had any work stoppages or indications that any of our key projects will be significantly delayed. However, we cannot predict significant disruptions beyond our control, including quarantines and customer work stoppages, significant force majeure declarations by our suppliers or other equipment providers material to our projects. We are taking actions to preserve our liquidity such as limiting our hiring and delaying spending on non-critical initiatives. At this point, we do not believe that COVID-19 is having a negative impact on our liquidity. We could see a change in this status if we experience work stoppages at our projects which would prevent us from billing customers for new work performed. If the federal, state and local governments proceed with more restrictive measures, and our customers determine to stop work or terminate projects, these actions would negatively impact our business, results of operations, liquidity and prospects. In addition, the Company is unable to predict any changes in the market for bonding by our sureties.

Economic and Market Factors

We closely monitor the effects that changes in economic and market conditions may have on our customers. General economic and market conditions can negatively affect demand for our customers' products and services, which can lead to reductions in our customers' capital and maintenance budgets in certain end-markets. In the face of increased pricing pressure, we strive to maintain our profit margins through productivity improvements and cost reduction programs. Other market, regulatory and industry factors could also affect demand for our services, such as:

- changes to our customers' capital spending plans;
- mergers and acquisitions among the customers we serve;
- access to capital for customers in the industries we serve;
- changes in tax and other incentives;
- new or changing regulatory requirements or other governmental policy uncertainty;
- economic, market or political developments; and
- changes in technology.

We cannot predict the effect that changes in such factors may have on our future results of operations, liquidity and cash flows, and we may be unable to fully mitigate, or benefit from, such changes.

Industry Trends

Our industry is composed of national, regional and local companies in a range of industries, including renewable power generation, traditional power generation and the civil infrastructure industries. We believe the following industry trends will help to drive our growth and success over the coming years:

Renewables - We have maintained a focus on construction of renewable power production capacity as renewable energy, particularly from wind and solar. On December 16, 2019, the federal government implemented an agreement that extended lapsed and expiring tax breaks for wind renewable projects. The extension provides a single year extension of the production tax credit (“PTC”) at a 60% level and the investment tax credit (“ITC”) at an 18% level to qualifying projects for which the construction commencement date is now prior to January 1, 2021. On May 27, 2020, the federal government extended the safe harbor for completion of projects from four years to five years giving an extra year to complete construction due to delays from COVID-19. We believe that demand will continue to remain strong even after expiration due to the following factors:

- Technological advances in turbines sizes and battery storage continue to drive lower costs of electricity generated from wind and solar farms;
- Approximately 40 states, as well as the District of Columbia and four territories, have adopted renewable portfolio standards or goals that incentivize clean energy; and
- The Annual Energy Outlook 2020 published by the U.S. Department of Energy (“DOE”) in January 2020 projected the addition of approximately 117 gigawatts of new utility-scale wind and solar capacity from 2020 to 2023. We estimate that EPC services will account for approximately 30% of the estimated \$28.4 billion of construction over that time period.

We believe that a reduction of owner financing related to the current COVID-19 environment could cause delays or cancellations of future projects which could challenge our future revenue streams in the Renewables segment:

Specialty Civil - Our Specialty Civil revenue has been generated through a combination of heavy civil construction, rail construction and environmental remediation. We believe that demand will continue to remain strong based on the following factors:

- Heavy civil - the FMI 2020 Overview Report published in the fourth quarter of 2019 project that nonresidential construction put in place for the United States will be over \$850 million per year from 2020 to 2023.
- Rail - Fostering Advancements in Shipping And Transportation For The Long-Term Achievement of National Efficiencies (FASTLANE) grants are expected to provide \$4.5 billion through 2020 to freight and highway projects of national or regional significance.
- Environmental remediation - According to the American Coal Ash Association, more than 102.3 million tons of coal ash was generated in 2018 and 42% of coal ash generated was disposed of.

We believe that a decrease in consumption taxes due to COVID-19 could cause decreases in state departments of transportation budgets from lack of revenues thus reducing civil construction projects which could challenge our future revenue streams in the Specialty Civil segment.

Impact of Seasonality and Cyclical Nature of Business

Our revenue and results of operations are subject to seasonal and other variations. These variations are influenced by weather, customer spending patterns, bidding seasons, project schedules and timing, in particular, for large non-recurring projects and holidays. Typically, our revenue in our Renewable segment is lowest in the first quarter of the year because cold, snowy or wet conditions experienced in the northern climates are not conducive to efficient or safe construction practices. Revenue in the second quarter is typically higher than in the first quarter, as some projects begin, but continued cold and wet weather and effects from thawing ground conditions can often impact second quarter productivity. The third and fourth quarters are typically the most productive quarters of the year as a greater number of projects are underway and weather is normally more accommodating to construction projects. In the fourth quarter, many projects tend to be completed by customers seeking to spend their capital budgets before the end of the year, which generally has a positive impact on our revenue. Nevertheless, the holiday season and inclement weather can cause delays, which can reduce revenue and increase costs on affected projects. Any quarter may be positively or negatively affected by adverse or unusual weather patterns, including excessive rainfall, warm winter weather or natural catastrophes such as hurricanes or other severe weather, making it difficult to predict quarterly revenue and margin variations. The Company has started construction on 2020 renewable projects in late 2019 due to the desire of our customers to finish these projects before September 30, 2020. This shift in demand will impact 2020 quarterly revenues, which we currently anticipate will shift revenue from the fourth quarter back into the second and third quarter of 2020.

Our revenue and results of operations for our Specialty Civil segment are also affected by seasonality but to a lesser extent as these projects are more geographically diverse and located in less severe weather areas. While the first and second quarter revenues are typically lower than the third and fourth quarter, this diversity has allowed this segment to be less seasonal over the course of the year.

Our industry is also highly cyclical. Fluctuations in end-user demand within the industries we serve, or in the supply of services within those industries, can impact demand for our services. As a result, our business may be adversely affected by industry declines or by delays in new projects. Variations in project schedules or unanticipated changes in project schedules, in particular, in connection with large construction and installation projects, can create fluctuations in revenue, which may adversely affect us in a given period. In addition, revenue from master service agreements, while generally predictable, can be subject to volatility. The financial condition of our customers and their access to capital, variations in project margins, regional, national and global economic, political and market conditions, regulatory or environmental influences, and acquisitions, dispositions or strategic investments can also materially affect quarterly results. Accordingly, our operating results in any particular period may not be indicative of the results that can be expected for any other period.

Critical Accounting Policies and Estimates

This discussion and analysis of our financial condition and results of operations is based upon our condensed consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of our condensed consolidated financial statements requires the use of estimates and assumptions that affect the amounts reported in our condensed consolidated financial statements and the accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis of making judgments about our operating results, including the results of construction contracts accounted for under the cost-to-cost method, and the carrying values of assets and liabilities that are not readily apparent from other sources. Given that management estimates, by their nature, involve judgments regarding future uncertainties, actual results may differ from these estimates if conditions change or if certain key assumptions used in making these estimates ultimately prove to be inaccurate. Refer to *Note 1. Business, Basis of Presentation and Significant Accounting Policies* in the notes to our condensed consolidated financial statements and to our 2019 Form 10-K for discussion of our significant accounting policies.

We believe that our key estimates include: the recognition of revenue and project profit or loss; fair value estimates, including those related to Series B Preferred Stock; valuations of goodwill and intangible assets; asset lives used in computing depreciation and amortization; accrued self-insured claims; other reserves and accruals; accounting for income taxes; and the estimated impact of contingencies and ongoing litigation. While management believes that such estimates are reasonable when considered in conjunction with the Company's condensed consolidated financial position and results of operations, actual results could differ materially from those estimates.

“Emerging Growth Company” Status

As of December 31, 2019, the Company’s total annual gross revenues exceed \$1.07 billion and we are no longer an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act (the “JOBS Act”). See *Note 1. Business, Basis of Presentation and Significant Accounting Policies* to our consolidated financial statements for more information.

Results of Operations

Three Months Ended June 30, 2020 and 2019

The following table reflects our condensed consolidated results of operations in dollar and percentage of revenue terms for the periods indicated:

(in thousands)	Three Months Ended June 30,			
	2020		2019	
Revenue	\$ 480,604	100.0 %	\$ 327,961	100.0 %
Cost of revenue	426,363	88.7 %	296,539	90.4 %
Gross profit	54,241	11.3 %	31,422	9.6 %
Selling, general and administrative expenses	28,074	5.8 %	25,878	7.9 %
Income from operations	26,167	5.4 %	5,544	1.7 %
Interest expense, net	(16,200)	(3.4) %	(11,496)	(3.5) %
Other income (expense)	(1,631)	(0.3) %	18,272	5.6 %
Income from continuing operations before income taxes	8,336	1.7 %	12,320	3.8 %
Provision for income taxes	(4,739)	(1.0) %	(6,112)	(1.9) %
Net income	\$ 3,597	0.7 %	\$ 6,208	1.9 %

We review our operating results by reportable segment. See *Note 10. Segments* in the notes to the condensed consolidated financial statements in Part 1. Financial Statements. Management’s review of reportable segment results includes analyses of trends in revenue and gross profit. The following table presents revenue and gross profit by reportable segment for the periods indicated:

(in thousands)	Three Months Ended June 30,			
	2020		2019	
Segment	Revenue	% of Total Revenue	Revenue	% of Total Revenue
Renewables	\$ 324,262	67.5 %	\$ 179,149	54.6 %
Specialty Civil	156,342	32.5 %	148,812	45.4 %
Total revenue	\$ 480,604	100.0 %	\$ 327,961	100.0 %

Segment	2020		2019	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
Renewables	\$ 36,983	11.4 %	\$ 16,150	9.0 %
Specialty Civil	17,258	11.0 %	15,272	10.3 %
Total gross profit	\$ 54,241	11.3 %	\$ 31,422	9.6 %

The following discussion and analysis of our results of operations should be read in conjunction with our condensed consolidated financial statements and the notes relating thereto, included in Item 1 of this Quarterly Report on Form 10-Q.

Revenue. Revenue increased 46.5%, or \$152.6 million, in the second quarter of 2020, compared to the same period in 2019.

Renewables Segment. Renewables revenue was \$324.3 million for the second quarter of 2020, as compared to \$179.1 million for the same period in 2019, an increase of \$145.1 million, or 81.0%. The increase was primarily due to more favorable weather conditions at job sites, the benefit from mobilization of several wind projects at the end of 2019, and an increase in the number and value of projects during the quarter.

Specialty Civil Segment. Specialty Civil revenue was \$156.3 million for the second quarter of 2020, as compared to \$148.8 million for the same period in 2019, an increase of \$7.5 million, or 5.0%. The increase was primarily due to higher revenue generated from heavy civil construction projects.

Gross profit. Gross profit increased 72.6%, or \$22.8 million, in the second quarter of 2020, compared to the same period in 2019. As a percentage of revenue, gross profit was 11.3% in the quarter, as compared to 9.6% in the prior-year period.

Renewables Segment. Gross profit was \$37.0 million for the second quarter of 2020, as compared to \$16.2 million for the same period in 2019. As a percentage of revenue, gross profit was 11.4% in the quarter, as compared to 9.0% in the prior-year period. The increase in gross profit percentage and dollars is related to the increased revenue, coupled with reduced adverse weather conditions in the second quarter of 2020 and a larger number and greater average value of construction projects. In 2019, the reduction of gross profit dollars and margin was negatively impacted by the completion of six construction projects affected by severe weather in 2018. These six projects together produced a gross margin of 0.4% and comprised 3.5% of 2019 second quarter revenue.

Specialty Civil Segment. Gross profit was \$17.3 million for the second quarter of 2020, as compared to \$15.3 million for the same period in 2019. As a percentage of revenue, gross profit was 11.0% in the quarter, as compared to 10.3% in the prior-year period. The increase in dollars and percentage was related to higher margins generated on the mix of projects under construction in the second quarter 2020 compared to the same period in the prior year.

Selling, general and administrative expenses. Selling, general and administrative expenses increased 8.5%, or \$2.2 million, in the second quarter of 2020, compared to the same period in 2019. Selling, general and administrative expenses were 5.8% of revenue in the second quarter of 2020, compared to 7.9% in the same period in 2019. The increase in selling, general and administrative expenses was primarily driven by increased compensation expense related to significantly larger operations in both of the Company's operating segments.

Interest expense, net. Interest expense, net increased by \$4.7 million, in the second quarter of 2020, compared to the same period in 2019. This increase was primarily driven by dividends on Series B Preferred Stock, which are recorded as interest expense, offset by the decreased borrowings under our line of credit and term loan in the second quarter of 2020.

Other income (expense). Other income (expense) decreased by \$19.9 million, to an expense of \$1.6 million in the second quarter of 2020 from an income of \$18.3 million for the same period in 2019. This decrease was primarily the result of the impact of reducing a contingent liability by \$18.8 million in the second quarter of 2019. See further discussion in *Note 8. Earnings Per Share* included in Item 1 of this Quarterly Report on Form 10-Q.

Provision for income taxes. Provision for income taxes decreased 22.5%, or \$1.4 million, to an expense of \$4.7 million in the second quarter of 2020, compared to an expense of \$6.1 million for the same period in 2019. The effective tax rates for the period ended June 30, 2020 and 2019 were 56.8% and 49.6%, respectively. The higher effective tax rate in the second quarter of 2020 was primarily attributable to accrued dividends for the Series B Preferred Stock which are recorded as interest expense and not deductible for federal and state income taxes. There were no changes in uncertain tax positions during the periods ended June 30, 2020 and 2019.

Six Months Ended June 30, 2020 and 2019

The following table reflects our condensed consolidated results of operations in dollar and percentage of revenue terms for the periods indicated:

(in thousands)	Six Months Ended June 30,			
	2020		2019	
Revenue	\$ 838,767	100 %	\$ 517,742	100.0 %
Cost of revenue	751,485	89.6 %	480,576	92.8 %
Gross profit	87,282	10.4 %	37,166	7.2 %
Selling, general and administrative expenses	57,558	6.9 %	53,632	10.4 %
Income from operations	29,724	3.5 %	(16,466)	(3.2)%
Interest expense, net	(32,265)	(3.8)%	(21,863)	(4.2)%
Other income (expense)	(2,733)	(0.3)%	18,102	3.5 %
Income from continuing operations before income taxes	(5,274)	(0.6)%	(20,227)	(3.9)%
Benefit (provision) for income taxes	(3,872)	(0.5)%	2,796	0.5 %
Net loss	\$ (9,146)	(1.1)%	\$ (17,431)	(3.4)%

(in thousands)	Six months ended June 30,			
	2020		2019	
Segment	Revenue	% of Total Revenue	Revenue	% of Total Revenue
Renewables	\$ 573,008	68.3 %	\$ 253,180	48.9 %
Specialty Civil	265,759	31.7 %	264,562	51.1 %
Total revenue	\$ 838,767	100.0 %	\$ 517,742	100.0 %

Segment	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
Renewables	\$ 62,812	11.0 %	\$ 17,308	6.8 %
Specialty Civil	24,470	9.2 %	19,858	7.5 %
Total gross profit	\$ 87,282	10.4 %	\$ 37,166	7.2 %

Revenue. Revenue increased 62.0%, or \$321.0 million, in the first six months of 2020, compared to the same period in 2019.

Renewables Segment. Renewables revenue was \$573.0 million for the first six months of 2020, as compared to \$253.2 million for the same period in 2019, an increase of \$319.8 million, or 126.3%. The increase was primarily due to more favorable weather conditions at job sites, the benefit from mobilization of several wind projects at the end of 2019, and an increase in the number and value of projects during the quarter.

Specialty Civil Segment. Specialty Civil revenue was \$265.8 million for the first six months of 2020, as compared to \$264.6 million for the same period in 2019, an increase of \$1.2 million, or 0.5%. The increase was primarily due to higher revenue generated from heavy civil construction projects.

Gross profit. Gross profit increased 134.8%, or \$50.1 million, in the first six months of 2020, compared to the same period in 2019. As a percentage of revenue, gross profit was 10.4% in the quarter, as compared to 7.2% in the prior-year period. The 2020 gross profit included the impact of recognizing increased potential future costs from the COVID-19 pandemic, which

reduced gross margin by \$7.5 million or 0.9% of revenue. If we do not incur the costs, we will increase margins as the projects are completed.

Renewables Segment. Gross profit was \$62.8 million for the first six months of 2020, as compared to \$17.3 million for the same period in 2019. As a percentage of revenue, gross profit was 11.0% in the quarter, as compared to 6.8% in the prior-year period. The increase in gross profit percentage and dollars is related to the increased revenue, coupled with reduced adverse weather conditions in the second quarter of 2020 and a larger number and greater average value of construction projects. In 2019, the reduction of gross profit dollars and margin was negatively impacted by the completion of six construction projects affected by severe weather in 2018. These six projects together produced a gross margin of 0.8% and comprised 10.6% of revenue for the first six months in 2019.

Specialty Civil Segment. Gross profit was \$24.5 million for the first six months of 2020, as compared to \$19.9 million for the same period in 2019. As a percentage of revenue, gross profit was 9.2% in the quarter, as compared to 7.5% in the prior-year period. The increase in dollars and percentage was related to higher margins generated on the mix of projects under construction in 2020 compared to the same period in the prior year.

Selling, general and administrative expenses. Selling, general and administrative expenses increased 7.3%, or \$3.9 million, in the first six months of 2020, compared to the same period in 2019. Selling, general and administrative expenses were 6.9% of revenue in the first six months of 2020, compared to 10.4% in the same period in 2019. The increase in selling, general and administrative expenses was primarily driven by increased compensation expense related to significantly larger operations in both of the Company's operating segments.

Interest expense, net. Interest expense, net increased by \$10.4 million, in the first six months of 2020, compared to the same period in 2019. This increase was primarily driven by dividends on Series B Preferred Stock, which are recorded as interest expense, offset by the decreased borrowings under our line of credit and term loan in the first six months of 2020.

Other income (expense). Other income (expense) decreased by \$20.8 million, to an expense of \$2.7 million in the first six months of 2020, compared to income of \$18.1 million for the same period in 2019. This decrease was primarily the result of the impact of reducing a contingent liability by \$18.8 million in the second quarter of 2019. See further discussion in *Note 8. Earnings Per Share* included in Item 1 of this Quarterly Report on Form 10-Q.

Benefit (provision) for income taxes. Benefit (provision) for income taxes increased 238.5%, or \$6.7 million, to an expense of \$3.9 million in the first six months of 2020, compared to a benefit of \$2.8 million for the same period in 2019. The effective tax rates for the period ended June 30, 2020 and 2019 were (73.4)% and 13.8%, respectively. The lower effective tax rate in the first six months of 2020 was primarily attributable to accrued dividends for the Series B Preferred Stock which are recorded as interest expense and not deductible for federal and state income taxes. The six months ended June 30, 2020 have the full impact of all the Series B Preferred Stock that was issued in 2019 whereas the six months ended June 30, 2019 only have a relatively small amount of non-deductible Series B Preferred Stock expenses. There were no changes in uncertain tax positions during the periods ended June 30, 2020 and 2019.

Backlog

For companies in the construction industry, backlog can be an indicator of future revenue streams. Estimated backlog represents the amount of revenue we expect to realize from the uncompleted portions of existing construction contracts, including new contracts under which work has not begun and awarded contracts for which the definitive project documentation is being prepared, as well as revenue from change orders and renewal options. Estimated backlog for work under fixed price contracts and cost-reimbursable contracts is determined based on historical trends, anticipated seasonal impacts, experience from similar projects and estimates of customer demand based on communications with our customers. Cost-reimbursable contracts are included in backlog based on the estimated total contract price upon completion.

As of June 30, 2020 and December 31, 2019, our total backlog was approximately \$1.8 billion and \$2.2 billion, respectively, compared to \$2.6 billion as of June 30, 2019. The decrease was primarily related to the Company's traditional seasonality. The Company expects to recognize revenue related to its backlog of 51.8% for the remainder of 2020, 38.3% in 2021, and 9.9% in 2022 and beyond.

The following table summarizes our backlog by segment as of June 30, 2020 and December 31, 2019:

(in millions)				
Segments	June 30, 2020		December 31, 2019	
Renewables	\$	1,177.6	\$	1,582.5
Specialty Civil		579.8		588.7
Total	\$	1,757.4	\$	2,171.2

Based on historical trends in the Company's backlog, we believe awarded contracts to be firm and that the revenue for such contracts will be recognized over the life of the project. Timing of revenue for construction and installation projects included in our backlog can be subject to change as a result of customer delays, regulatory factors and/or other project-related factors. These changes could cause estimated revenue to be realized in periods later than originally expected, or not at all. In the past, we have occasionally experienced postponements, cancellations and reductions on construction projects, due to market volatility and regulatory factors. There can be no assurance as to our customers' requirements or the accuracy of our estimates. As a result, our backlog as of any particular date is an uncertain indicator of future revenue and earnings.

Backlog is not a term recognized under GAAP, although it is a common measurement used in our industry. Our methodology for determining backlog may not be comparable to the methodologies used by others. See "Item 1A. Risk Factors" in our Annual Report on Form 10-K filed with the SEC on March 12, 2020 for a discussion of the risks associated with our backlog.

Liquidity and Capital Resources

Overview

Our primary sources of liquidity are cash flows from operations, our cash balances and availability under our Third A&R Credit Agreement. Our primary liquidity needs are for working capital, debt service, dividends on our Series A Preferred Stock and Series B Preferred Stock, income taxes, capital expenditures, insurance collateral, and strategic acquisitions. As of June 30, 2020, we had approximately \$59.4 million in cash, and \$26.5 million availability under our Third A&R Credit Agreement.

We anticipate that our existing cash balances, funds generated from operations, and borrowings will be sufficient to meet our cash requirements for the next twelve months. No assurance can be given, however, that these sources will be sufficient, because there are many factors which could affect our liquidity, including some which are beyond our control. Please see "Item 1A. Risk Factors" in our Annual Report on Form 10-K filed with the SEC on March 12, 2020 for a discussion of the risks associated with our liquidity. Please also see "Item 1A. Risk Factors" of this Quarterly Report on Form 10-Q.

Capital Expenditures

For the six months ended June 30, 2020, we incurred \$12.5 million in finance lease payments and an additional \$5.2 million cash purchases for equipment. We estimate that we will spend approximately two percent of revenue for capital expenditures for 2020 and 2021. Actual capital expenditures may increase or decrease in the future depending upon business activity levels, as well as ongoing assessments of equipment lease versus buy decisions based on short and long-term equipment requirements.

Working Capital

We require working capital to support seasonal variations in our business, primarily due to the effect of weather conditions on external construction and maintenance work and the spending patterns of our customers, both of which influence the timing of associated spending to support related customer demand. Our business is typically slower in the first quarter of each calendar year. Working capital needs are generally lower during the spring when projects are awarded and we receive down payments from customers. Conversely, working capital needs generally increase during the summer or fall months due to increased demand for our services when favorable weather conditions exist in many of the regions in which we operate. Again, working capital needs are typically lower and working capital is converted to cash during the winter months. These seasonal trends, however, can be offset by changes in the timing of projects, which can be affected by project delays or accelerations and/or other factors that may affect customer spending.

Generally, we receive 5% to 10% cash payments from our customers upon the inception of our Renewable projects. Timing of billing milestones and project close-outs can contribute to changes in unbilled revenue. As of June 30, 2020, substantially all of our costs in excess of billings and earnings will be billed to customers in the normal course of business within the next twelve months. Net accounts receivable balances, which consist of contract billings as well as costs and earnings in excess of billings and retainage, increased to \$432.8 million as of June 30, 2020 from \$382.9 million as of December 31, 2019, due primarily to higher levels of revenue, timing of project activity, and collection of billings to customers.

Our billing terms are generally net 30 days, and some of our contracts allow our customers to retain a portion of the contract amount (generally, from 5% to 10%) until the job is completed. As part of our ongoing working capital management practices, we evaluate opportunities to improve our working capital cycle time through contractual provisions and certain financing arrangements. Our agreements with subcontractors often may contain a “pay-if-paid” provision, whereby our payments to subcontractors are made only after we are paid by our customers.

Sources and Uses of Cash

Sources and uses of cash are summarized below:

(in thousands)	Six Months Ended June 30,	
	2020	2019
Net cash used in operating activities	(64,630)	(60,831)
Net cash provided by (used in) investing activities	(1,522)	2,101
Net cash provided by (used in) financing activities	(21,715)	7,730

Operating Activities. Net cash used in operating activities for the six months ended June 30, 2020 was \$64.6 million, as compared to net cash used by operating activities of \$60.8 million over the same period in 2019. The increase in net cash used by operating activities reflects the timing of receipts from customers and payments to vendors in the ordinary course of business. The change was primarily attributable to \$19.2 million related to reduced collections of accounts receivable and increased contract assets offset by the decrease in net loss.

Investing Activities. Net cash used by investing activities for the six months ended June 30, 2020 was \$1.5 million, as compared to net cash provided by investing activities of \$2.1 million over the same period in 2019. The decrease in net cash provided by investing activities was primarily attributable to a reduction of proceeds from the sale of property, plant and equipment.

Financing Activities. Net cash used in financing activities for the six months ended June 30, 2020 was \$21.7 million, as compared to net cash provided of \$7.7 million over the same period in 2019. The reduction of cash provided by financing activities of \$29.4 million was primarily attributable to a sales leaseback transaction of \$24.3 million and merger recapitalization costs received in 2019.

Series A Preferred Stock

As of June 30, 2020, we had 17,483 shares of Series A Preferred Stock issued and outstanding. Each share of Series A Preferred Stock had an initial stated value of \$1,000 per share (or approximately \$17.5 million in the aggregate). Dividends are paid on the Series A Preferred Stock as, if and when declared by our Board. To extent permitted, dividends are required to be paid in cash quarterly in arrears on each March 31, June 30, September 30 and December 31 on the stated value at a rate of 10% per annum.

If not paid in cash, dividends will accrue on the stated value and will increase the stated value on and effective as of the applicable dividend date without any further action by the Board at 12% per annum. As of June 30, 2020, the Company had increased the initial stated value by \$3.1 million in the aggregate rather than pay cash dividends.

So long as any shares of Series B Preferred Stock of the Company are currently outstanding or from and after the occurrence of any non-payment event or default event and until cured or waived, the foregoing rates will increase by 2% per annum.

The Series A Preferred Stock do not have a scheduled redemption date or maturity date. Subject to the terms of the Series B Preferred Stock, we may, at any time and from time to time, redeem all or any portion of the shares of Series A

Preferred Stock then outstanding. As a condition to the consummation of any change of control (as described in the certificate governing the Series A Preferred Stock), we are required to redeem all shares of Series A Preferred Stock then outstanding. We are also required to use the net cash proceeds from certain transactions to redeem the maximum number of shares of Series A Preferred Stock that can be redeemed with such net cash proceeds, except as prohibited by the Third A&R Credit Agreement.

Based on the stated value of the Series A Preferred Stock as of June 30, 2020 after giving effect to the accrual of dividends, we would be required to pay quarterly cash dividends in the aggregate of \$0.6 million on the Series A Preferred Stock. If our business does not generate enough cash to pay future cash dividends, the dividends will accrue at a rate of 12% per annum and increase the stated value of the Series A Preferred Stock, which will make cash dividends on the Series A Preferred Stock more difficult for us to make in the future. We do not presently expect to pay cash dividends, although an actual decision regarding payment of cash dividends on the Series A Preferred Stock will be made at the time of the applicable dividend payment based upon availability of capital resources, business conditions, other cash requirements, and other relevant factors.

Series B Preferred Stock

As of June 30, 2020, we had 199,474 shares of Series B Preferred Stock issued and outstanding. Each share of Series B Preferred Stock had an initial stated value of \$1,000 per share (or approximately \$199.5 million in the aggregate). Our common stock and Series A Preferred Stock are junior to the Series B Preferred Stock. Dividends are paid in cash on the Series B Preferred Stock as, if and when declared by our Board. To the extent not prohibited by applicable law, dividends are required to be declared and paid in cash quarterly in arrears on each March 31, June 30, September 30 and December 31. Any dividend period for which the Total Net Leverage Ratio is greater than 1.50:1.00, the dividend rate is 13.5% per annum and (ii) with respect to any dividend period for which the Total Net Leverage Ratio is less than or equal to 1.50:1.00, at a rate of 12% per annum.

If not paid in cash, dividends will accrue on the stated value and will increase the stated value on Series B Preferred Stock effective as of the applicable dividend date without any further action by the Board at a rate of 15%. As of June 30, 2020 the Company had increased the initial stated value by \$18.3 million in the aggregate rather than pay cash dividends.

Until the Series B Preferred Stock is redeemed, neither we nor any of our subsidiaries can declare, pay or set aside any dividends on shares of any other class or series of capital stock, except in limited circumstances. We are required to redeem all shares of Series B Preferred Stock outstanding on February 15, 2025 at the then stated value plus all accumulated and unpaid dividends thereon through the day prior to such redemption. Subject to compliance with the terms of any credit agreement, we are also required to redeem all of the Series B Preferred Stock as a condition to the consummation of certain changes in control (as defined in certificate governing the Series B Preferred Stock), as well as use the net cash proceeds from certain transactions to redeem shares of Series B Preferred Stock.

Based on the stated value of the Series B Preferred Stock as of June 30, 2020 after giving effect to the accrual of dividends, we would be required to pay quarterly cash dividends in the aggregate of \$6.6 million on the Series B Preferred Stock. If our business does not generate enough cash to pay future cash dividends, the dividends will accrue at a rate of 15% per annum and increase the stated value of the Series A Preferred Stock, which will make cash dividends on the Series B Preferred Stock more difficult for us to make in the future. Actual decisions regarding payment of cash dividends on the Series B Preferred Stock will be made at the time of the applicable dividend payment based upon availability of capital resources, business conditions, other cash requirements, and other relevant factors.

Deferred Taxes - COVID-19

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was enacted on March 27, 2020, in response to the COVID-19 emergency. The CARES Act includes many measures to assist companies, including temporary changes to income and non-income-based tax laws. Some of the key income tax-related provisions of the CARES Act include:

- Eliminating the 80% of taxable income limitation by allowing corporate entities to fully utilize net operating losses ("NOLs") to offset taxable income in 2018, 2019 or 2020
- Allowing NOLs originating in 2018, 2019 or 2020 to be carried back five years
- Increasing the net interest expense deduction limit to 50% of adjusted taxable income from 30% for tax years beginning 1 January 2019 and 2020

- Allowing taxpayers with alternative minimum tax (“AMT”) credits to claim a refund in 2020 for the entire amount of the credit instead of recovering the credit through refunds over a period of years, as originally enacted by the TCJA
- Payroll tax deferral

The new NOL carryforward and interest expense deduction rules are favorable for IEA and will help defer future cash tax liabilities. IEA has filed an election to refund \$0.5 million AMT credit in April 2020 that was received in the second quarter.

IEA has also made use of the payroll deferral provision to defer the 6.2% social security tax, which is approximately \$9.0 million through December 31, 2020. This amount is required to be paid at 50% on December 31, 2021 and December 31, 2022.

Contractual Obligations

The following table sets forth our contractual obligations and commitments for the periods indicated as of June 30, 2020.

(in thousands)	Payments due by period						Thereafter
	Total	Remainder of 2020	2021	2022	2023	2024	
Debt (principal) ⁽¹⁾	177,550	1,621	1,228	15,859	29,735	129,107	—
Debt (interest) ⁽²⁾	55,107	7,200	14,306	14,095	12,097	7,409	—
Debt - Series B Preferred Stock ⁽³⁾	199,474	—	—	—	—	—	199,474
Dividends - Series B Preferred Stock ⁽⁴⁾	137,154	13,201	26,401	26,401	26,401	26,401	18,349
Finance leases ⁽⁵⁾	63,404	13,437	23,355	19,304	5,204	1,617	487
Operating leases ⁽⁶⁾	59,009	6,769	11,902	9,480	6,754	3,454	20,650
Total	\$ 691,698	\$ 42,228	\$ 77,192	\$ 85,139	\$ 80,191	\$ 167,988	\$ 238,960

(1) Represents the contractual principal payment due dates on our outstanding debt.

(2) Includes variable rate interest using June 30, 2020 rates.

(3) Represents the convertible debt - Series B Preferred with expected redemption date of February 15, 2025.

(4) Future declared dividends have been included at 12% but payment determination will be evaluated each quarter resulting in differing accumulated dividend rates.

(5) We have obligations, exclusive of associated interest, recognized under various finance leases for equipment totaling \$63.4 million at June 30, 2020. Net amounts recognized within property, plant and equipment, net in the condensed consolidated balance sheet under these financed lease agreements at June 30, 2020 totaled \$76.8 million.

(6) We lease real estate, vehicles, office equipment and certain construction equipment from unrelated parties under non-cancelable leases. Lease terms range from month-to-month to terms expiring through 2038.

For detailed discussion and additional information pertaining to our debt instruments, see *Note 6. Debt* and *Note 7. Commitments and Contingencies* in the notes to condensed consolidated financial statements, included in Item 1.

Off-Balance Sheet Arrangements

As is common in our industry, we have entered into certain off-balance sheet arrangements in the ordinary course of business. Our significant off-balance sheet transactions include liabilities associated with letter of credit obligations, surety and performance and payment bonds entered into in the normal course of business, liabilities associated with deferred compensation plans, liabilities associated with certain indemnification and guarantee arrangements.

As of June 30, 2020 and December 31, 2019, the Company was contingently liable under letters of credit issued under its revolving credit facility or its old credit facility in the amount of \$23.5 million and \$21.0 million, respectively, related to projects.

As of June 30, 2020 and December 31, 2019, the Company had outstanding surety bonds on projects of \$2.6 billion and \$2.4 billion, respectively, including the bonding line of the acquired ACC Companies and Saiia.

See *Note 6. Debt* in the notes to condensed consolidated financial statements, included in Item 1 of this Quarterly Report on Form 10-Q, for discussion pertaining to our off-balance sheet arrangements. See *Note 1. Business, Basis of Presentation and Summary of Significant Accounting Policies* and *Note 11. Related Party Transactions* in the notes to condensed consolidated financial statements, included in Item 1, for discussion pertaining to certain of our investment arrangements.

Recently Issued Accounting Pronouncements

See *Note 1. Business, Basis of Presentation and Summary of Significant Accounting Policies* in the notes to condensed consolidated financial statements, included in Item 1.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Credit Risk

We are subject to concentrations of credit risk related to our net receivable position with customers, which includes amounts related to billed and unbilled accounts receivable and costs and earnings in excess of billings (“CIEB”) on uncompleted contracts net of advanced billings with the same customer. We grant credit under normal payment terms, generally without collateral, and as a result, we are subject to potential credit risk related to our customers’ ability to pay for services provided. This risk may be heightened if there is depressed economic and financial market conditions. However, we believe the concentration of credit risk related to billed and unbilled receivables and costs and estimated earnings in excess of billings on uncompleted contracts is limited because of the lack of concentration and the high credit rating of our customers.

Interest Rate Risk

Borrowings under the new credit facility and certain other borrowings are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. The outstanding debt balance as of June 30, 2020 was \$177.6 million. A one hundred basis point change in the LIBOR rate would increase or decrease interest expense by \$1.8 million. As of June 30, 2020, we had no derivative financial instruments to manage interest rate risk.

Item 4. Control and Procedures

Attached as exhibits to this Quarterly Report on Form 10-Q are certifications of IEA’s Chief Executive Officer and Chief Financial Officer that are required in accordance with Rule 13a-14 of the Exchange Act of 1934. This section includes information concerning the controls and controls evaluation referred to in the certifications, and it should be read in conjunction with the certifications.

Evaluation of Disclosure Controls and Procedures

Our management has established and maintains a system of disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act, such as this Quarterly Report, is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms. The disclosure controls and procedures are also designed to provide reasonable assurance that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

As of the end of the period covered by this Quarterly Report, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(b) of the Exchange Act. This evaluation was carried out under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer. Based on this evaluation, these officers have concluded that, as of June 30, 2020, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

As previously discussed in *Item 2. Management Discussion and Analysis*, the Company is using remote technology for employees working from home due to COVID-19. Although certain employees are working remotely, there has been no change in our internal control over financial reporting during the quarter ended June 30, 2020, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II. OTHER INFORMATION

Item 1A. Risk Factors

At June 30, 2020, there have been no other material changes from the risk factors previously disclosed in the Company's Annual Report on Form 10-K filed with the SEC on March 12, 2020, which is accessible on the SEC's website at www.sec.gov, except as described below.

The ultimate effects of the current COVID-19 pandemic are unknown and evolving, and could result in negative effects on our business, financial condition, results of operations and prospects.

The COVID-19 pandemic is a rapidly developing situation around the globe that has adversely impacted economic activity and conditions in the United States and worldwide. In particular, efforts to control the spread of COVID-19 have led to local and worldwide shutdowns and stay-at-home orders, stock price declines, employee layoffs, and governmental programs to support the economy.

The COVID-19 pandemic could affect us in a number of other ways, including but not limited to:

- Inabilities to properly staff our construction projects due to quarantines and stay at home orders.
- Inabilities of customers to fund project obligations due to liquidity issues.
- Termination or delay in project construction at our customers' discretion due to financial uncertainties.
- Inability of, or delays by, our subcontractors to deliver equipment and services.
- Restrictions on our ability to obtain new business if our customer base is financially constrained.
- Inability to obtain bonding from our sureties due to tightening of credit markets.
- Decrease in demand for civil construction resulting from corresponding decreases in federal, state and local budgets.

Each of the foregoing would cause project delays, force majeure events and project terminations, which could negatively impact our ability to recognize revenues and bill our customers for current costs. In addition, if our customers are unable to finance new projects as a result of their liquidity issues during and in the aftermath of the pandemic, our business outlook will be negatively impacted. A prolonged continuation of the COVID-19 pandemic, or a resurgence of the pandemic even if the current pandemic is significantly reduced, could also result in additional impacts to our business, financial condition, results of operations and prospects. The ultimate effects of the COVID-19 pandemic are unknown at this time. We are continuing to monitor developments but cannot predict at this time whether COVID-19 will have a material impact on our business, financial condition, liquidity or results of operations.

Item 5. Other Information

Appointment of Peter Moerbeek as Executive Vice President and Chief Financial Officer; Employment Agreement

On August 6, 2020, Peter Moerbeek was appointed to the position of Executive Vice President and Chief Financial Officer. Additionally, on August 6, 2020, the Company and Mr. Moerbeek entered into an employment agreement (the "Employment Agreement") that supersedes that certain employment letter agreement between the Company and Mr. Moerbeek, dated March 5, 2020, in its entirety.

Pursuant to the Employment Agreement, Mr. Moerbeek is employed as Chief Financial Officer and receives a base salary of \$450,000 (payable retroactive to March 5, 2020) for an initial term of three years. The Employment Agreement provides that Mr. Moerbeek will have the opportunity to earn a performance-based bonus each calendar year in a target amount of 70% of his base salary (pro-rated for the 2020 calendar year), administered and payable under the Company's annual bonus plan. Mr. Moerbeek is also eligible to receive equity awards each calendar year with a target award of 125% of his base salary, administered and payable under the Infrastructure and Energy Alternatives, Inc. 2018 Amended and Restated Equity Incentive

Plan. Additionally, Mr. Moerbeek will receive temporary housing, a vehicle allowance and other standard benefits and perquisites that are provided to similarly situated executives. The Employment Agreement contains standard post-employment non-competition and non-solicitation covenants during the 12-month period following Mr. Moerbeek's termination.

If Mr. Moerbeek is terminated by the Company without "cause" or if Mr. Moerbeek resigns for "good reason," then Mr. Moerbeek shall receive: (i) a severance payment in the amount of (a) 12 months of his then existing base salary, plus (b) an amount equal to the greater of the target bonus for year of termination or the average of his annual bonus payable in the prior three or fewer calendar years, such amount to be payable over the 12-month period following termination (the "Severance Payment"); (ii) his pro-rated bonus for the year of termination, payable in a lump sum at the time such amount would have been paid under the annual bonus plan; and (iii) payment of the applicable premium for continuation coverage for him and his eligible dependents under the Company's group medical plan, such amount "grossed up" to account for additional income and employment taxes incurred on such amount. In addition, all of Mr. Moerbeek's equity grants and awards shall become vested (at target level for performance awards) and immediately exercisable.

In the event Mr. Moerbeek's employment is terminated for the reasons described above within 24 months following a Change in Control (as defined in the Company's 2018 Amended and Restated Equity Incentive Plan), then Mr. Moerbeek shall receive: (i) two times the amount of the Severance Payment, payable over the 12-month period following termination; (ii) his pro-rated bonus for the year of termination, payable in a lump sum at the time such amount would have been paid under the annual bonus plan; (iii) payment of the applicable premium for continuation coverage for him and his eligible dependents under the Company's group medical plan, such amount "grossed up" to account for additional income and employment taxes on such amount; and (iv) a reimbursement of up to \$50,000 for the use of outplacement services. In addition, all of Mr. Moerbeek's equity grants and awards shall become vested (at target level for performance awards) and immediately exercisable.

Following any termination for Cause or due to death or "disability" (as defined in the Employment Agreement), or if Mr. Moerbeek terminates his employment for any reason other than for Good Reason, Mr. Moerbeek will receive a payment of accrued but unpaid base salary, any earned and unpaid bonus and payment of unreimbursed expenses. Further, if Mr. Moerbeek's employment is terminated due to death or "disability," all of Mr. Moerbeek's equity grants and awards shall become vested (at the target level for performance awards) and exercisable.

"Cause" means: (i) Mr. Moerbeek's substantial and repeated failure to perform duties as reasonably directed by the Board of Directors (the "Board") of the Company (not as a consequence of "disability") after written notice thereof and failure to cure within 10 days; (ii) Mr. Moerbeek's misappropriation or fraud with regard to the Company or its assets; (iii) conviction of, or the pleading of guilty to, a felony, or any other crime involving either fraud or a breach of Mr. Moerbeek's duty of loyalty with respect to the Company or any of its customers or suppliers that results in material injury to the Company; (iv) Mr. Moerbeek's violation of the written policies of the Company, or other misconduct in connection with the performance of his duties that in either case results in material injury to the Company, after written notice thereof and failure to cure within 10 days; or (v) Mr. Moerbeek's breach of any material provision of the Employment Agreement, including without limitation the confidentiality and non-disparagement provisions and the non-competition and non-solicitation provisions described above.

"Good Reason" means the occurrence of any of the following events without Mr. Moerbeek's prior express written consent: (i) any reduction in Mr. Moerbeek's base salary or target bonus percentage, or any material diminution in Mr. Moerbeek's duties or authorities; (ii) any relocation of Mr. Moerbeek's principal place of employment to a location more than 75 miles from Mr. Moerbeek's principal place of employment as of the effective date of the Employment Agreement; or (iii) any material breach by the Company of any material obligation owed to Mr. Moerbeek; provided however, that prior to resigning for any "good reason," Mr. Moerbeek shall give written notice to the Company of the facts and circumstances claimed to provide a basis for such resignation not more than 30 days following his knowledge of such facts and circumstances, and the Company shall have 30 days after receipt of such notice to cure the circumstances giving rise to such resignation for "good reason."

The foregoing description of the Employment Agreement is qualified in its entirety by reference to the full text of the Employment Agreement, which is filed as Exhibit 10.3 to this Quarterly Report on Form 10-Q and incorporated in this "Item 5. Other Information" by reference.

Item 6. Exhibits

(a) Exhibits.

Exhibit Number	Description
2.1	<u>Agreement and Plan of Merger, dated as of November 3, 2017, by and among the Company, IEA Energy Services LLC, Wind Merger Sub I, Inc., Wind Merger Sub II, LLC, Infrastructure and Energy Alternatives, LLC, Oaktree Power Opportunities Fund III Delaware, L.P., solely in its capacity as the representative of the seller, and, solely for purposes of Section 10.3 thereof, and, to the extent related thereto, Article 12 thereof, M III Sponsor I LLC and M III Sponsor I LP (incorporated by reference to Exhibit 2.1 to the Company's Amendment No. 1 to its Current Report on Form 8-K (File No. 001-37796) filed November 8, 2017).</u>
2.2	<u>Amendment No. 1 to the Agreement and Plan of Merger, dated as of November 15, 2017, by and among IEA Energy Services LLC, M III Acquisition Corp., Wind Merger Sub I, Inc., Wind Merger Sub II, LLC, Infrastructure and Energy Alternatives, LLC, Oaktree Power Opportunities Fund III Delaware, L.P., solely in its capacity as the representative of the seller, and solely for purposes of Section 10.3 thereof, and, to the extent related thereto, Article 12 thereof, M III Sponsor I LLC and M III Sponsor I LP (incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K (File No. 001-37796) filed November 21, 2017).</u>
2.3	<u>Amendment No. 2 to the Agreement and Plan of Merger, dated as of December 27, 2017, by and among IEA Energy Services LLC, M III Acquisition Corp., Wind Merger Sub I, Inc., Wind Merger Sub II, LLC, Infrastructure and Energy Alternatives, LLC, Oaktree Power Opportunities Fund III Delaware, L.P., solely in its capacity as the representative of the seller, and solely for purposes of Section 10.3 thereof, and, to the extent related thereto, Article 12 thereof, M III Sponsor I LLC and M III Sponsor I LP (incorporated by reference to Exhibit 2.3 to the Company's Current Report on Form 8-K (File No. 001-37796) filed January 2, 2018).</u>
2.4	<u>Amendment No. 3 to the Agreement and Plan of Merger, dated as of January 9, 2018, by and among IEA Energy Services LLC, M III Acquisition Corp., Wind Merger Sub I, Inc., Wind Merger Sub II, LLC, Infrastructure and Energy Alternatives, LLC, Oaktree Power Opportunities Fund III Delaware, L.P., solely in its capacity as the representative of the seller, and solely for purposes of Section 10.3 thereof, and, to the extent related thereto, Article 12 thereof, M III Sponsor I LLC and M III Sponsor I LP (incorporated by reference to Exhibit 2.4 to the Company's Current Report on Form 8-K (File No. 001-37796) filed January 10, 2018).</u>
2.5	<u>Amendment No. 4 to the Agreement and Plan of Merger, dated as of February 7, 2018, by and among IEA Energy Services LLC, M III Acquisition Corp., Wind Merger Sub I, Inc., Wind Merger Sub II, LLC, Infrastructure and Energy Alternatives, LLC, Oaktree Power Opportunities Fund III Delaware, L.P., solely in its capacity as the representative of the seller, and solely for purposes of Section 10.3 thereof, and, to the extent related thereto, Article 12 thereof, M III Sponsor I LLC and M III Sponsor I LP (incorporated by reference to Exhibit 2.5 to the Company's Current Report on Form 8-K (File No. 001-37796) filed February 9, 2018).</u>
2.6	<u>Amendment No. 5 to the Agreement and Plan of Merger, dated as of March 8, 2018, by and among IEA Energy Services LLC, M III Acquisition Corp., Wind Merger Sub I, Inc., Wind Merger Sub II, LLC, Infrastructure and Energy Alternatives, LLC, Oaktree Power Opportunities Fund III Delaware, L.P., solely in its capacity as the representative of the seller, and solely for purposes of Section 10.3 thereof, and, to the extent related thereto, Article 12 thereof, M III Sponsor I LLC and M III Sponsor I LP (incorporated by reference to Exhibit 2.6 to the Company's Current Report on Form 8-K (File No. 001-37796) filed March 8, 2018).</u>
2.7	<u>Purchase and Sale Agreement, dated August 9, 2018, by and among IEA Energy Services LLC, Consolidated Construction Solutions I LLC and Consolidated Construction Investment Holdings LLC (incorporated by reference to Exhibit 2.1 to the Company's Amendment to the Current Report on Form 8-K/A (File No. 001-37796) filed August 14, 2018).</u>
2.8	<u>Equity Purchase Agreement, dated October 12, 2018, by and among IEA Energy Services LLC, William Charles Construction Group and the owners thereof (incorporated by reference to Exhibit 2.1 to the Company's Amendment to the Current Report on Form 8-K/A (File No. 001-37796) filed October 15, 2018).</u>
2.9	<u>Amendment No. 1 to Equity Purchase Agreement, dated October 31, 2018, by and among IEA Energy Services LLC, William Charles Construction Group and the owners thereof (incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K (File No. 001-37796) filed November 2, 2018).</u>
3.1	<u>Second Amended and Restated Certificate of Incorporation of Infrastructure and Energy Alternatives, Inc., as amended through May 29, 2020.</u>
3.2	<u>Amended and Restated Bylaws of Infrastructure and Energy Alternatives, Inc. (incorporated by reference to Exhibit 3.2 of the Company's Current Report on Form 8-K (File No. 001-37796) filed with on March 29, 2018).</u>
3.3	<u>Certificate of Designations of Series A Preferred Stock of Infrastructure and Energy Alternatives, Inc. (incorporated by reference to Exhibit 3.3 to the Company's Current Report on Form 8-K (File No. 001-37796) filed on March 29, 2018).</u>

3.4 [Amended and Restated Certificate of Designations of Series A Preferred Stock of Infrastructure and Energy Alternatives, Inc. \(incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K \(File No. 001-37796\) filed May 22, 2019\).](#)

3.5 [Certificate of Designations of Series B Preferred Stock of Infrastructure and Energy Alternatives, Inc. \(incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K \(File No. 001-37796\) filed May 22, 2019\).](#)

3.6 [Amended and Restated Certificate of Designations of Series B-1 Preferred Stock of Infrastructure and Energy Alternatives, Inc. \(incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K \(File No. 001-37796\) filed on August 30, 2019\).](#)

3.7 [Certificate of Designations of Series B-2 Preferred Stock of Infrastructure and Energy Alternatives, Inc. \(incorporated by reference to Exhibit 3.2 of the Company's Current Report on Form 8-K \(File No. 001-37796\) filed on August 30, 2019\).](#)

3.8 [Certificate of Designations of Series B-3 Preferred Stock of Infrastructure and Energy Alternatives, Inc. \(incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K \(File No. 001-37796\) filed with the Securities Exchange Commission on November 15, 2019\).](#)

3.9 [Second Amended and Restated Certificate of Designations of Series B-1 Preferred Stock of Infrastructure and Energy Alternatives, Inc. \(incorporated by reference to Exhibit 3.2 of the Company's Current Report on Form 8-K \(File No. 001-37796\) filed with the Securities Exchange Commission on November 15, 2019\).](#)

3.10 [Amended and Restated Certificate of Designations of Series B-2 Preferred Stock of Infrastructure and Energy Alternatives, Inc. \(incorporated by reference to Exhibit 3.3 of the Company's Current Report on Form 8-K \(File No. 001-37796\) filed with the Securities Exchange Commission on November 15, 2019\).](#)

4.1 [Specimen Common Stock Certificate \(incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K \(File No. 001-37796\) filed with the Securities Exchange Commission on March 29, 2018\).](#)

4.2 [Specimen Preferred Stock Certificate \(incorporated by reference to Exhibit 4.2 of the Company's Current Report on Form 8-K \(File No. 001-37796\) filed with the Securities Exchange Commission on March 29, 2018\).](#)

4.3 [Specimen Warrant Certificate \(incorporated by reference to Exhibit 4.3 of the Company's Current Report on Form 8-K \(File No. 001-37796\) filed with the Securities Exchange Commission on March 29, 2018\).](#)

4.4 [Warrant Certificate, dated August 30, 2019, by and among Infrastructure and Energy Alternatives, Inc. and Ares Special Situations Fund IV, L.P. \(incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K \(File No. 001-37796\) filed with the Securities Exchange Commission on August 30, 2019\).](#)

4.5 [Warrant Certificate, dated August 30, 2019, by and among Infrastructure and Energy Alternatives, Inc. and ASOF Holdings I, L.P. \(incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K \(File No. 001-37796\) filed with the Securities Exchange Commission on August 30, 2019\).](#)

4.6 [Warrant Agreement, dated July 7, 2016, between the Company and Continental Stock Transfer & Trust Company \(incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K \(File No. 001-37796\) filed with the Securities Exchange Commission on July 13, 2016\).](#)

4.7 [Amended and Restated Warrant Agreement, dated as of March 26, 2018, by and between the Company and Continental Stock Transfer & Trust Company, as Warrant Agent. \(incorporated by reference to Exhibit 4.4 of the Company's Current Report on Form 8-K \(File No. 001-37796\) filed with the Securities Exchange Commission on March 29, 2018\).](#)

4.8 [Warrant Agreement, dated May 20, 2019, by and among Infrastructure and Energy Alternatives, Inc. and Ares Special Situations Fund IV, L.P. \(incorporated by reference to Exhibit 10.6 of the Company's Current Report on Form 8-K \(File No. 001-37796\) filed with the Securities Exchange Commission on May 22, 2019\).](#)

4.9 [Warrant Agreement, dated May 20, 2019, by and among Infrastructure and Energy Alternatives, Inc. and OT POF IEA Preferred B Aggregator, L.P. \(incorporated by reference to Exhibit 10.7 of the Company's Current Report on Form 8-K \(File No. 001-37796\) filed with the Securities Exchange Commission on May 22, 2019\).](#)

4.10 [Warrant Certificate, dated November 14, 2019, by and among Infrastructure and Energy Alternatives, Inc. and Ares Special Situations Fund IV, L.P. \(incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K \(File No. 001-37796\) filed with the Securities Exchange Commission on November 15, 2019\).](#)

4.11 [Warrant Certificate, dated November 14, 2019, by and among Infrastructure and Energy Alternatives, Inc. and ASOF Holdings I, L.P. \(incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K \(File No. 001-37796\) filed with the Securities Exchange Commission on November 15, 2019\).](#)

4.12 [Warrant Certificate, dated November 14, 2019, by and among Infrastructure and Energy Alternatives, Inc. and Infrastructure and Energy Alternatives, LLC \(incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K \(File No. 001-37796\) filed with the Securities Exchange Commission on November 15, 2019\).](#)

4.13	<u>Subscription Rights Certificate (incorporated by reference to Exhibit 4.13 of the Company's Registration Statement on Form S-1 (File No. 333-235280) filed on January 29, 2020).</u>
4.14	<u>Form of Warrant Certificate (incorporated by reference to Exhibit A to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 001-37796) filed on March 4, 2020).</u>
4.15	<u>Warrant Agreement, dated as of March 3, 2020, by and between Infrastructure and Energy Alternatives, Inc. and Continental Stock Transfer & Trust Company (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K (File No. 001-37796) filed on March 4, 2020).</u>
10.1	<u>Second Amendment to the Equity Commitment Agreement, dated as of July 23, 2020, by and among the Company, Ares Special Situations Fund IV, L.P., ASOF Holdings I, L.P., Infrastructure and Energy Alternatives, LLC, Oaktree Power Opportunities Fund III Delaware, L.P., and OT POF IEA Preferred B Aggregator, L.P. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-37796) filed on July 24, 2020).</u>
10.2†	<u>Form of Amended and Restated Performance Based Restricted Stock Unit Award Agreement (2020 Grants) (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-37796) filed on May 19, 2020).</u>
10.3*†	<u>Employment Agreement, dated as of August 6, 2020, between IEA Energy Services, LLC and Peter Moerbeek.</u>
31.1*	<u>Certification of the Principal Executive Officer required by Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002.</u>
31.2*	<u>Certification of the Principal Financial Officer required by Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002.</u>
32.1**	<u>Certification of the Principal Executive Officer required by 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.</u>
32.2**	<u>Certification of the Principal Financial Officer required by 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.</u>
101.INS*	XBRL Instance Document (the Instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL)
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101.INS)

* Filed herewith.

** Furnished herewith.

† Indicates a management contract or compensatory plan or arrangement.

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.

INFRASTRUCTURE AND ENERGY ALTERNATIVES, INC.

Dated: August 10, 2020

By: /s/ JP Roehm

Name: JP Roehm

Title: Chief Executive Officer

Dated: August 10, 2020

By: /s/ Peter J. Moerbeek

Name: Peter J. Moerbeek

Title: Chief Financial Officer

Dated: August 10, 2020

By: /s/ Bharat Shah

Name: Bharat Shah

Title: Chief Accounting Officer

This EMPLOYMENT AGREEMENT (this "Agreement") is dated as of August 6, 2020 by and between IEA Energy Services, LLC a Delaware limited liability company (the "Company"), and Peter Moerbeek ("Executive"), and replaces and supersedes, in its entirety, that certain offer of employment for Interim Chief Financial Officer between the parties dated March 5, 2020 (the "Offer Letter").

WHEREAS, the Executive previously accepted a position as Interim Chief Financial Officer effective March 5, 2020 (the "Original Employment Date"); and

WHEREAS, the Company and Executive desire to enter into this employment agreement (this "Agreement") pursuant to the terms, provisions and conditions set forth herein, which will govern the terms of Executive's employment with the Company from and after the Effective Date.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, and intending to be legally bound hereby, the parties hereto agree as set forth below:

1. Term. (a) The term of Executive's employment under this Agreement shall be effective as of the date set forth above (the "Effective Date"), and shall continue until the third (3rd) anniversary thereof (the "Initial Expiration Date"), provided that on the Initial Expiration Date and each subsequent anniversary of the Initial Expiration Date, the term of Executive's employment under this Agreement shall be automatically extended for one additional year unless either party provides written notice to the other party at least ninety (90) days prior to the Initial Expiration Date (or any such anniversary, as applicable) that Executive's employment hereunder shall not be so extended (in which case Executive's employment and this Agreement shall terminate on the Initial Expiration Date or expiration of the extended term, as applicable); provided, however, that Executive's employment and this Agreement may be terminated earlier at any time pursuant to the provisions of Section 5. The period of time from the Effective Date through the termination of this Agreement and Executive's employment hereunder pursuant to its terms is herein referred to as the "Term"; and the date on which the Term is scheduled to expire (i.e., the Initial Expiration Date or the scheduled expiration of the extended term, if applicable) is herein referred to as the "Expiration Date".

(b) Executive agrees and acknowledges that the Company has no obligation to extend the Term or to continue Executive's employment following the Expiration Date, and Executive expressly acknowledges that no promises or understandings to the contrary have been made or reached. Executive also agrees and acknowledges that, should Executive and the Company choose to continue Executive's employment for any period of time following the Expiration Date without extending the term of Executive's employment under this Agreement or entering into a new written employment agreement, Executive's employment with the Company shall be "at will", such that the Company may terminate Executive's employment at any time, with or without reason and with or without notice, and Executive may resign at any time, with or without reason and with or without notice.
2. Definitions. For purposes of this Agreement, the following terms, as used herein, shall have the definitions set forth below:

"Affiliate" means, with respect to any specified Person, any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such specified Person, provided that, in any event, any business in which the Company has any direct or indirect ownership interest shall be treated as an Affiliate of the Company.

"Control" (including, with correlative meanings, the terms "Controlled by" and "under common Control with"), as used with respect to any Person, means the direct or indirect possession of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Governmental Entity" means any national, state, county, local, municipal or other government or any court of competent jurisdiction, administrative agency or commission or other governmental authority or instrumentality.

"Person" means any individual, firm, corporation, partnership, limited liability company, trust, joint venture, association, Governmental Entity, unincorporated entity or other entity.

3. Duties and Responsibilities. (a) During the Term, Executive agrees to be employed and devote substantially all of Executive's business time and efforts to the Company and the promotion of its interests and the performance of Executive's duties and responsibilities hereunder as Chief Financial Officer, upon the terms and conditions of this Agreement and commensurate with similar duties of a chief financial officer of a similarly sized company

in a similar line of business as the Company. Executive shall perform such lawful duties and responsibilities as directed from time to time by the Chief Executive Officer of the Company (“CEO”), or the Board of Directors of the Company (the “Board”) that are customary for a Chief Financial Officer.

- (b) During the Term, Executive shall report directly to the CEO or his/her designee, or in the absence thereof the Board. Executive acknowledges that Executive’s duties and responsibilities may require Executive to travel on business to the extent necessary to fully perform Executive’s duties and responsibilities hereunder. It is anticipated that Executive shall physically be on Company premises or working from his home (or traveling on Company business) during normal business hours (unless absent due to vacation, injury, illness or other approved leave of absence). The Executive may serve as an officer and director of subsidiaries and affiliates, but shall not be entitled to any additional compensation for such service while employed by the Company.
 - (c) During the Term, Executive shall use Executive’s best efforts to faithfully and diligently serve the Company and shall not act in any capacity that is in conflict with Executive’s duties and responsibilities hereunder; provided, however, Executive may manage Executive’s personal investments and affairs and participate in non-profit, educational, charitable and civic activities, to the extent that such activities do not interfere with the performance of Executive’s duties hereunder, and are not in conflict with the business interests of the Company or its Affiliates or otherwise compete with the Company or its Affiliates. Except as provided in the immediately preceding sentence, for the avoidance of doubt, during the Term Executive shall not be permitted to become engaged in or render services for any Person other than the Company and its Affiliates, and shall not be permitted to be a member of the board of directors of any company without the prior consent of the Company.
4. Compensation and Related Matters. (a) Base Salary. During the Term, for all services rendered under this Agreement, Executive shall receive an annualized base salary (“Base Salary”) at a rate of Four-hundred and fifty thousand dollars (\$450,000), payable in accordance with the Company’s applicable payroll practices. References in this Agreement to “Base Salary” shall be deemed to refer to the most recently effective annual base salary rate. For all future years, the Company will review the Base Salary approximately annually during the Term to determine, at the discretion of the Company, whether the Base Salary should be increased and, if so, the amount of such increase and time at which it should take effect. The Base Salary described in this Agreement shall be payable retroactively to the Original Employment Date.
- (b) Annual Bonus. During the Term, subject to Section 5(c), for each calendar year, Executive shall have the opportunity to earn an annual bonus (“Annual Bonus”) based on performance against specified objective (including safety, budgetary or financial-based) performance criteria (“Performance Goals”) established by the Board prior to or as soon as practicable following the start of each calendar year, subject to Executive’s continued employment through December 31 of each such calendar year (except as otherwise provided in Section 5). The Annual Bonus shall be equal to seventy percent (70%) of Base Salary if the Company achieves its Performance Goals (the “Target Bonus”), with the opportunity for an Annual Bonus in excess of the Target Bonus for performance that exceeds additional Performance Goals established by the Board. Any Annual Bonus payable for the 2020 calendar year shall be pro-rated based on the number of days between the Original Employment Date through December 31, 2020, divided by 365.
 - (c) Equity. Commencing with the 2020 calendar year, Executive shall be eligible for annual equity grants under the Infrastructure and Energy Alternatives, Inc. 2018 Amended and Restated Equity Incentive Plan, as may be amended and restated from time to time (the “LTIP”) at a target of one hundred twenty-five percent (125%) of annual base salary in form and substance applicable to IEA executive management generally and at the discretion of the Board of Directors.
 - (d) Benefits and Perquisites. During the Term, Executive shall be entitled to participate in the benefit plans and programs commensurate with Executive’s position, that are provided by the Company from time to time for its senior executives generally, subject to the terms and conditions of such plans which may be amended, modified, or terminated by the Company.
 - (e) Business Expense Reimbursements. During the Term, the Company shall promptly reimburse Executive for Executive’s reasonable and necessary business expenses incurred in connection with performing Executive’s duties hereunder in accordance with its then prevailing policies and procedures for expense reimbursement (which shall include appropriate itemization and substantiation of expenses incurred).

- (f) Vacation. During the Term, Executive shall be entitled to four (4) weeks paid vacation each calendar year, in accordance with the Company's vacation policy to be taken at such times as may be mutually agreed by Executive and the Company.
 - (g) Sick Leave. Executive shall be entitled to sick leave and emergency leave according to the regular policies and procedures of Company.
 - (h) Intentionally Omitted.
 - (i) Temporary Housing. The Company will provide temporary housing in the Indianapolis area throughout the Term, on the same terms and conditions under which Executive was offered temporary housing under the Offer Letter. Per IRS regulations, temporary housing paid by the Company is considered taxable earnings and will be included in the Executive's year-end earnings totals and will be subject to income tax withhold.
 - (j) Vehicle Allowance. A Company-owned or leased vehicle will be provided to Executive during the Term. To support deductions for business mileage as is permissible under IRS Rules, it is the Executive's responsibility to maintain a log of business miles to report to the IRS if requested.
 - (k) Liability Insurance. The Company shall cover Executive under its director and officer liability insurance in the same amount and to the same extent as the Company covers its other officers and directors.
 - (l) Indemnification. The Company shall indemnify Executive and hold him harmless in accordance with the Company's Certificate of Incorporation and consistent with the indemnification provided to other executives.
5. Termination of Employment. Executive's employment may be terminated by either party at any time and for any reason; provided, however, that Executive shall be required to give the Company at least thirty (30) days advance written notice of any voluntary resignation of Executive's employment hereunder (and in such event the Company in its sole discretion may elect to accelerate Executive's date of termination of employment, it being understood that such termination shall still be treated as a voluntary resignation for purposes of this Agreement and Company shall pay Executive for the entirety of the notice period). Notwithstanding the foregoing, Executive's employment shall automatically terminate upon Executive's death.
- (a) Following any termination of Executive's employment for Cause, because of Executive's Death or Disability, or if Executive terminates his employment for any reason other than for Good Reason, the obligations of the Company to pay or provide Executive with compensation and benefits under Section 4 shall cease, and the Company shall have no further obligations to provide compensation or benefits to Executive hereunder except:
 - i. for payment of (A) any accrued but unpaid Base Salary through the date of termination, (B) any earned and unpaid Annual Bonus for the year prior to the year in which termination occurs, and (C) any unreimbursed expenses under Section 4(e), in each case accrued or incurred through the date of termination of employment, payable as soon as practicable and in all events within thirty (30) days following termination of employment;
 - ii. as explicitly set forth in any other benefit plans, programs or arrangements applicable to terminated employees in which Executive participates, other than policies; and
 - iii. as otherwise expressly required by applicable law (collectively, the "Accrued Obligations").

Provided, further, that if Executive's employment is terminated due to Executive's Death or Disability, (A) all grants and awards under the LTIP then subject to restriction or a vesting period shall become immediately vested and, to the extent applicable, exercisable; and (B) any grant or award subject to performance conditions shall be deemed vested, and such conditions deemed satisfied based on achievement of target performance in the year of Executive's termination.

- (b) If Executive's employment is terminated (I) by the Company without Cause, or (II) by the Executive for Good Reason, then Executive, in addition to the Accrued Obligations, shall be entitled to receive (A) Executive's Base Salary and Target Bonus Amount (defined below), both as in effect on the date of termination, paid in twelve (12) equal monthly installments during the twelve (12) month period

immediately following such termination (the “Severance Payment”), (B) if an Annual Bonus would otherwise have been payable to Executive under Section 4(b) above for the year in which Executive’s employment terminates had Executive remained employed, a prorated portion of that Annual Bonus amount (prorated by a fraction, the numerator of which is the number of days that have elapsed in the calendar year as of the date of employment termination, and the denominator of which is 365), payable at the time the Annual Bonus would otherwise have been payable had Executive remained employed, and (C) if Executive and/or his dependents timely elect to continue group medical, dental or vision coverage within the meaning of Code Section 4980B(f)(2) with respect to a plan sponsored by the Company (other than a health flexible spending account under a self-insured medical reimbursement plan described in Code Section 125), the amount of the applicable continuation coverage premium as well as an additional amount sufficient to gross up Executive for any amounts Executive would recognize as additional income tax attributable to the payment of the applicable premium, payable on the first day of each month, for the lesser of twelve (12) months or the period of such coverage as determined in accordance with Code Section 4980B. The Company shall use its commercially reasonable efforts to extend insurance coverage under Code Section 4980B(f)(2) with respect to a plan sponsored by the Company (other than a health flexible spending account under a self-insured medical reimbursement plan described in Code Section 125) through January of 2026 so long as the Company does not incur any additional cost to do so and is permitted to do so by law. In addition, in the event Executive’s employment is terminated for any of the reasons described in this Section 5(b) and notwithstanding any provision of the LTIP to the contrary, (A) all grants and awards under the LTIP then subject to restriction or a vesting period shall become immediately vested and, to the extent applicable, exercisable; and (B) any grant or award subject to performance conditions shall be deemed vested, and such conditions deemed satisfied, based on achievement of target performance in the year of Executive’s termination.

For purposes of this paragraph 5(b), the term “Target Bonus Amount” shall mean the greater of (I) the Target Bonus for the year of termination, or (II) the average of the Annual Bonus payable in the three full calendar years prior to termination, or such shorter period if Executive has not been employed for three full calendar years.

- (c) In the event Executive’s employment is terminated for any of the reasons described in Section 5(b) within 24 months following a Change in Control (as defined in the Company’s LTIP), then Executive shall be entitled to (A) two (2) times the amount of the Severance Payment, paid in twelve (12) equal monthly installments during the twelve (12) month period immediately following such termination; (B) the Target Bonus Amount for the year of Executive’s termination, prorated by a fraction, the numerator of which is the number of days that have elapsed in the calendar year as of the date of employment termination, and the denominator of which is 365; (C) if Executive and/or his dependents timely elect to continue group medical, dental or vision coverage within the meaning of Code Section 4980B(f)(2) with respect to a plan sponsored by the Company (other than a health flexible spending account under a self-insured medical reimbursement plan described in Code Section 125), the amount of the applicable continuation coverage premium, payable on the first day of each month as well as an additional amount sufficient to gross up Executive for any amounts Executive would recognize as additional income tax attributable to the payment of the applicable premium, for the lesser of twenty-four (24) months or the period of such coverage as determined in accordance with Code Section 4980B; and (D) \$50,000 for the use of outplacement services, such amount to be reimbursed to Executive upon presentment of appropriate invoices or receipts to the Company for such services. To the extent continuation coverage cannot be provided under the Company’s group medical plan under subsection (C) beyond an 18-month period, the Company shall procure and pay for an individual health care insurance policy with similar coverage and benefits for Executive and his qualifying dependents for the remainder of the period described in subsection (C). In addition, in the event Executive’s employment is terminated for any of the reasons described in this Section 5(b) within 24 months following a Change in Control and notwithstanding any provision of the LTIP to the contrary, (A) all grants and awards under the LTIP then subject to restriction or a vesting period shall become immediately vested and, to the extent applicable, exercisable; and (B) any grant or award subject to performance conditions shall be deemed vested, and such conditions deemed satisfied, based on achievement of target performance in the year of Executive’s termination.
- (d) Any payments or benefits under Section 5(b) or 5(c) shall be (A) conditioned upon Executive and the Company having executed an irrevocable waiver and general release of claims in the Company’s customary form (the “Release”) that is effective in accordance with its terms within sixty (60) days after the date of termination, (B) subject to Executive’s continued compliance with the terms of this Agreement and (C) subject to Section 27.

- (e) For purposes of this Agreement, “Cause” means: (A) the Executive’s substantial and repeated failure to perform duties as reasonably directed by the Board (not as a consequence of Disability) after written notice thereof and failure to cure within ten (10) days; (B) the Executive’s misappropriation or fraud with regard to the Company or its Affiliates or their respective assets; (C) conviction of, or the pleading of guilty or nolo contendere to, a felony, or any other crime involving either fraud or a breach of the Executive’s duty of loyalty with respect to the Company or any Affiliates thereof, or any of its customers or suppliers that results in material injury to the Company or any of its Affiliates; (D) the Executive’s violation of the written policies of the Company or any of its Affiliates, or other misconduct in connection with the performance of his duties that in either case results in material injury to the Company or any of its Affiliates, after written notice thereof and failure to cure within ten (10) days; or (E) the Executive’s breach of any material provision of this Agreement, including without limitation the confidentiality and non-disparagement provisions and the non-competition and non-solicitation provisions to which the Executive is subject, including without limitation Sections 4 and 5 hereof. For the avoidance of doubt, Executive will have no cure right if Executive is not reasonably capable of prompt cure.
- (f) For purposes of this Agreement, “Disability” means Executive would be entitled to long-term disability benefits under the Company’s long-term disability plan as in effect from time to time, without regard to any waiting or elimination period under such plan and assuming for the purpose of such determination that Executive is actually participating in such plan at such time. If the Company does not maintain a long-term disability plan, “Disability” means Executive’s inability to perform Executive’s duties and responsibilities hereunder due to physical or mental illness or incapacity that is expected to last for a consecutive period of ninety (90) days or for a period of one hundred twenty (120) days in any three hundred sixty five (365) day period as determined by the Board in its good faith judgment.
- (g) For purposes of this Agreement, “Good Reason” shall mean the occurrence of any of the following events without Executive’s prior express written consent: (A) any reduction in Executive’s Base Salary or Target Bonus percentage, or any material diminution in Executive’s duties or authorities; (B) any relocation of Executive’s principal place of employment, to a location more than seventy-five (75) miles from the Executive’s principal place of employment on the date hereof; or (C) any material breach by the Company, or any of its Affiliates, of any material obligation to Executive; provided however, that prior to resigning for Good Reason, Executive shall give written notice to the Company of the facts and circumstances claimed to provide a basis for such resignation not more than thirty (30) days following his knowledge of such facts and circumstances, and the Company shall have thirty (30) days after receipt of such notice to cure such facts and circumstances (and if so cured then Executive shall not be permitted to resign for Good Reason in respect thereof).
- (h) Upon termination of Executive’s employment for any reason, upon the Company’s request Executive agrees to resign, as of the date of such termination of employment or such other date requested, from the Board and any committees thereof (and, if applicable, from the board of directors (and any committees thereof) of any Affiliate of the Company) to the extent Executive is then serving thereon, Executive agrees to execute any documents reasonably required to effectuate the foregoing.
- (i) The payment of any amounts accrued under any benefit plan, program or arrangement in which Executive participates shall be subject to the terms of the applicable plan, program or arrangement, and any elections Executive has made thereunder. Except as prohibited by the terms of any Company benefit plan, program or arrangement, the Company may offset any amounts due and payable by Executive to the Company or its subsidiaries against any amounts the Company owes Executive hereunder; provided, however, no offsets shall be permitted against amounts that constitute deferred compensation subject to Section 409A. Except as set forth in this Section 5(h), Executive shall be under no obligation to seek other employment or to otherwise mitigate the obligations of the Company under this Agreement, and there shall be no offset against amounts or benefits due to Executive under this Agreement or otherwise on account of any claim (other than any preexisting debts then due in accordance with their terms) the Company or its affiliates may have against him or any remuneration or other benefit earned or received by the Executive after such termination.
- (j) Notwithstanding any provision of this Agreement to the contrary, if the aggregate of all payments and benefits due to Executive hereunder, including any payment or benefit provided to Executive under a separate plan or arrangement (collectively, the “Aggregate Payments”) would result in any such payment being a “parachute payment” within the meaning of Code Section 280G, such payments shall

be reduced to the minimum extent necessary (but in no event to less than zero) so that no portion of such payments and benefits, as so reduced, shall be deemed to constitute an “excess parachute payment.” For this purpose: (A) the determination of whether any reduction in the Aggregate Payments is required hereunder shall be made at the expense of the Company and by the Company’s independent accountants or another independent accountants agreed upon by Executive and the Company; and (B) in the event that any portion of the Aggregate Payments is required to be reduced hereunder, then the reduction shall occur in the following order: (I) reduction of the Severance Payments; and (II) forfeiture of any grant or award under the LTIP. Within any of the foregoing categories, a reduction shall occur first with respect to amounts that are not deemed to constitute “deferral of compensation” within the meaning of and subject to Code Section 409A (“Nonqualified Deferred Compensation”) and then with respect to amounts that are treated as Nonqualified Deferred Compensation, with such reduction being applied in each case to the payments in the reverse order in which they would otherwise be made (that is, later payments shall be reduced before earlier payments).

6. Noncompetition and Nonsolicitation. For purposes of Sections 5, 6, 7, 8, 9, 10 and 11 of this Agreement, references to the Company shall include its subsidiaries and Affiliates.

(a) Executive agrees that Executive shall not, while an employee of the Company and during the twelve (12) month period following termination of employment (such collective duration, the “Restriction Period”), directly or indirectly, without the prior written consent of the Company:

- i. (A) engage in activities or businesses (including without limitation by owning any interest in, managing, controlling, participating in, consulting with, advising, rendering services for, or in any manner engaging in the business of owning, operating or managing any business) anywhere in the United States or other countries outside the United States in which the Company does business, that are principally or primarily engaged in any business or activity that competes with any of the businesses of the Company or any of its subsidiaries or controlled affiliates or any entity owned by the Company (“Competitive Activities”) or (B) assist any Person in any way to do, or attempt to do, anything prohibited by this Section 6(a)(i)(A) above; or
- ii. perform any action, activity or course of conduct that is substantially detrimental to the businesses or business reputations of the Company and involves (A) soliciting, recruiting or hiring (or attempting to solicit, recruit or hire) any employees of the Company or Persons who have worked for the Company during the twelve (12) month period immediately preceding such solicitation, recruitment or hiring or attempt thereof; (B) soliciting or encouraging (or attempting to solicit or encourage) any employee of the Company to leave the employment of the Company; (C) intentionally interfering with the relationship of the Company with any Person who or which is employed by or otherwise engaged to perform services for, or any customer, client, supplier, licensee, licensor or other business relation of, the Company; or (D) assisting any Person in any way to do, or attempt to do, anything prohibited by Section 6(a)(ii)(A), (B) or (C) above.

The Restriction Period shall be tolled during (and shall be deemed automatically extended by) any period in which Executive is in violation of the provisions of this Section 6(a) unless provided below.

- (b) The provisions of Section 6(a) shall not be deemed breached as a result of Executive’s passive ownership of less than an aggregate of three percent (3%) of any class of securities of a Person engaged, directly or indirectly, in Competitive Activities, so long as Executive does not actively participate in the business of such Person; provided, however, that such stock is listed on a national securities exchange (for the sake of clarity, Executive shall remain bound by the other restrictive covenants in this agreement, including but not limited to Section 7 hereof).
- (c) Notwithstanding the fact that any provision of this Section 6 is determined not to be specifically enforceable, the Company may nevertheless be entitled to recover monetary damages as a result of Executive’s material breach of such provision.
- (d) Executive acknowledges that the Company has a legitimate business interest and right in protecting its Confidential Information (as defined below), business strategies, employee and customer relationships

and goodwill, and that the Company would be seriously damaged by the disclosure of Confidential Information and the loss or deterioration of its business strategies, employee and customer relationships and goodwill. Executive acknowledges that Executive is being provided with significant additional consideration (to which Executive is not otherwise entitled), including equity awards, to induce Executive to enter into this Agreement. Executive expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area. Executive further acknowledges that although Executive's compliance with the covenants contained in Sections 6, 7, 8 and 9 may prevent Executive from earning a livelihood in a business similar to the business of the Company, Executive's experience and capabilities are such that Executive has other opportunities to earn a livelihood and adequate means of support for Executive and Executive's dependents.

7. Nondisclosure of Confidential Information.

- (a) Executive acknowledges that Executive is and shall become familiar with the Company's Confidential Information (as defined below), including trade secrets, and that Executive's services are of special, unique and extraordinary value to the Company. Executive acknowledges that the Confidential Information obtained by Executive while employed by the Company is the property of the Company. Therefore, Executive agrees that Executive shall not disclose to any unauthorized Person or use for Executive's own purposes any Confidential Information without the prior written consent of the Company, unless and to the extent that the aforementioned matters become generally known to and available for use by the public other than as a result of Executive's acts or omissions in violation of this Agreement; provided, however, that if Executive receives a request to disclose Confidential Information pursuant to a deposition, interrogatory, request for information or documents in legal proceedings, subpoena, civil investigative demand, governmental or regulatory process or similar process, to the extent permitted by law, (i) Executive shall promptly notify in writing the Company, and consult with and assist the Company in seeking a protective order or request for other appropriate remedy, (ii) in the event that such protective order or remedy is not obtained, or if the Company waives compliance with the terms hereof, Executive shall disclose only that portion of the Confidential Information which, in the written opinion of Executive's legal counsel, is legally required to be disclosed and shall exercise reasonable best efforts to provide that the receiving Person shall agree to treat such Confidential Information as confidential to the extent possible (and permitted under applicable law) in respect of the applicable proceeding or process and (iii) the Company shall be given an opportunity to review the Confidential Information prior to disclosure thereof.
- (b) For purposes of this Agreement, "Confidential Information" means information, observations and data concerning the business or affairs of the Company, including, without limitation, all business information (whether or not in written form) which relates to the Company, or its customers, suppliers or contractors or any other third parties in respect of which the Company has a business relationship or owes a duty of confidentiality, or their respective businesses or products, and which is not known to the public generally other than as a result of Executive's breach of this Agreement, including but not limited to: technical information or reports; formulas; trade secrets; unwritten knowledge and "know-how"; operating instructions; training manuals; customer lists; customer buying records and habits; product sales records and documents, and product development, marketing and sales strategies; market surveys; marketing plans; profitability analyses; product cost; long-range plans; information relating to pricing, competitive strategies and new product development; information relating to any forms of compensation or other personnel-related information; contracts; and supplier lists. Confidential Information will not include such information known to Executive prior to Executive's involvement with the Company or information rightfully obtained from a third party (other than pursuant to a breach by Executive of this Agreement). Without limiting the foregoing, Executive agrees to keep confidential the existence of, and any information concerning, any dispute between Executive and the Company, except that Executive may disclose information concerning such dispute to his immediate family, to the court that is considering such dispute or to Executive's legal counsel and other professional advisors (provided that such counsel and other advisors agree not to disclose any such information other than as necessary to the prosecution or defense of such dispute).
- (c) Executive further agrees that Executive will not improperly use or disclose any confidential information or trade secrets, if any, of any former employers or any other Person to whom Executive has an obligation of confidentiality, and will not bring onto the premises of the Company any unpublished documents or any property belonging to any former employer or any other Person to

whom Executive has an obligation of confidentiality unless consented to in writing by the former employer or other Person.

8. Return of Property. Executive acknowledges that all notes, memoranda, specifications, devices, formulas, records, files, lists, drawings, documents, models, equipment, property, computer, software or intellectual property relating to the businesses of the Company, in whatever form (including electronic), and all copies thereof, that are received or created by Executive while an employee of the Company or its subsidiaries or Affiliates (including but not limited to Confidential Information and Inventions (as defined below)) are and shall remain the property of the Company, and Executive shall immediately return such property to the Company upon the termination of Executive's employment and, in any event, at the Company's request. Executive further agrees that any property situated on the premises of, and owned by, the Company, including disks and other storage media, filing cabinets or other work areas, is subject to inspection by the Company's personnel at any time with or without notice.
9. Intellectual Property Rights.
 - (a) Executive agrees that the results and proceeds of Executive's services for the Company (including, but not limited to, any trade secrets, products, services, processes, know-how, designs, developments, innovations, analyses, drawings, reports, techniques, formulas, methods, developmental or experimental work, improvements, discoveries, inventions, ideas, source and object codes, programs, matters of a literary, musical, dramatic or otherwise creative nature, writings and other works of authorship) resulting from services performed while an employee of the Company and any works in progress, whether or not patentable or registrable under copyright or similar statutes, that were made, developed, conceived or reduced to practice or learned by Executive, either alone or jointly with others (collectively, "Inventions"), shall be works-made-for-hire and the Company shall be deemed the sole owner throughout the universe of any and all trade secret, patent, copyright and other intellectual property rights (collectively, "Proprietary Rights") of whatsoever nature therein, whether or not now or hereafter known, existing, contemplated, recognized or developed, with the right to use the same in perpetuity in any manner the Company determines in its sole discretion, without any further payment to Executive whatsoever. If, for any reason, any of such results and proceeds shall not legally be a work-made-for-hire and/or there are any Proprietary Rights which do not accrue to the Company under the immediately preceding sentence, then Executive hereby irrevocably assigns and agrees to assign any and all of Executive's right, title and interest thereto, including any and all Proprietary Rights of whatsoever nature therein, whether or not now or hereafter known, existing, contemplated, recognized or developed, to the Company, and the Company shall have the right to use the same in perpetuity throughout the universe in any manner determined by the Company without any further payment to Executive whatsoever. As to any Invention that Executive is required to assign, Executive shall promptly and fully disclose to the Company all information known to Executive concerning such Invention.
 - (b) Executive agrees that, from time to time, as may be requested by the Company and at the Company's sole cost and expense, Executive shall do any and all things that the Company may reasonably deem useful or desirable to establish or document the Company's exclusive ownership throughout the United States of America or any other country of any and all Proprietary Rights in any such Inventions, including the execution of appropriate copyright and/or patent applications or assignments. To the extent Executive has any Proprietary Rights in the Inventions that cannot be assigned in the manner described above, Executive unconditionally and irrevocably waives the enforcement of such Proprietary Rights. This Section 7(b) is subject to and shall not be deemed to limit, restrict or constitute any waiver by the Company of any Proprietary Rights of ownership to which the Company may be entitled by operation of law by virtue of the Company's being Executive's employer. Executive further agrees that, from time to time, as may be requested by the Company and at the Company's sole cost and expense, Executive shall assist the Company in every proper and lawful way to obtain and from time to time enforce Proprietary Rights relating to Inventions in any and all countries. Executive shall execute, verify and deliver such documents and perform such other acts (including appearances as a witness) as the Company may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such Proprietary Rights and the assignment thereof. In addition, Executive shall execute, verify and deliver assignments of such Proprietary Rights to the Company or its designees. Executive's obligations under this Section 7 shall continue beyond the termination of Executive's employment with the Company.

- (c) Executive hereby waives and quitclaims to the Company any and all claims, of any nature whatsoever, that Executive now or may hereafter have for infringement of any Proprietary Rights assigned hereunder to the Company.
10. Nondisparagement. Executive shall not, whether in writing or orally, malign, denigrate or disparage the Company or its predecessors and successors, or any of the current directors, officers, partners, members, agents or representatives of any of the foregoing, with respect to any of their respective past or present activities, or otherwise publish (whether in writing or orally) statements that tend to portray any of the aforementioned parties in an unfavorable light; provided that nothing herein shall or shall be deemed to prevent or impair Executive from, in the course of and consistent with his duties for the Company, making public comments that include good faith, candid discussions, or acknowledgements regarding the Company's performance or business, or discussing other officers, directors, and employees in connection with normal performance evaluations, or otherwise testifying truthfully in any legal or administrative proceeding where such testimony is compelled, or requested or from otherwise complying with legal requirements.
11. Notification of Subsequent Employer. Executive hereby agrees that prior to accepting employment with, or agreeing to provide services to, any other Person during any period during which Executive remains subject to any of the covenants set forth in Section 6, Executive shall provide such prospective employer with written notice of such provisions of this Agreement, with a copy of such notice delivered simultaneously to the Company.
12. Remedies and Injunctive Relief. Executive acknowledges that a violation by Executive of any of the covenants contained in Section 6, 7, 8, 9 or 10 would cause irreparable damage to the Company in an amount that would be material but not readily ascertainable, and that any remedy at law (including the payment of damages) would be inadequate. Accordingly, Executive agrees that, notwithstanding any provision of this Agreement to the contrary, the Company shall be entitled (without the necessity of showing economic loss or other actual damage) to injunctive relief (including temporary restraining orders, preliminary injunctions and/or permanent injunctions) in any court of competent jurisdiction for any actual or threatened breach of any of the covenants set forth in Section 6, 7, 8, 9 or 10 in addition to any other legal or equitable remedies it may have. The preceding sentence shall not be construed as a waiver of the rights that the Company may have for damages under this Agreement or otherwise, and all of the Company's rights shall be unrestricted.
13. Representations of Executive; Advice of Counsel. (a) Executive represents, warrants and covenants that as of the date hereof: (i) Executive has the full right, authority and capacity to enter into this Agreement and perform Executive's obligations hereunder, (ii) Executive is not bound by any agreement that conflicts with or prevents or restricts the full performance of Executive's duties and obligations to the Company hereunder during or after the Term and (iii) the execution and delivery of this Agreement shall not result in any breach or violation of, or a default under, any existing obligation, commitment or agreement to which Executive is subject.
- (a) Executive represents that, prior to execution of this Agreement, Executive has been advised by an attorney of Executive's own selection regarding this Agreement. Executive acknowledges that Executive has entered into this Agreement knowingly and voluntarily and with full knowledge and understanding of the provisions of this Agreement after being given the opportunity to consult with counsel. Executive further represents that in entering into this Agreement, Executive is not relying on any statements or representations made by any of the Company's directors, officers, employees or agents which are not expressly set forth herein, and that Executive is relying only upon Executive's own judgment and any advice provided by Executive's attorney.
14. Cooperation. Executive agrees that, upon reasonable notice and without the necessity of the Company obtaining a subpoena or court order, Executive shall provide reasonable cooperation in connection with any suit, action or proceeding (or any appeal from any suit, action or proceeding), and any investigation and/or defense of any claims asserted against any of Executive and the Company, its respective Affiliates, their respective predecessors and successors, and all of the respective current or former directors, officers, employees, shareholders, partners, members, agents or representatives of any of the foregoing, which relates to events occurring during Executive's employment with the Company and its Affiliates as to which Executive may have relevant information (including but not limited to furnishing relevant information and materials to the Company or its designee and/or providing testimony at depositions and at trial), provided that with respect to such cooperation occurring following termination of employment, the Company shall reimburse Executive for expenses reasonably incurred in connection therewith, and further provided that any such cooperation occurring after the termination of Executive's employment shall be scheduled to the extent reasonably practicable so as not to unreasonably interfere with Executive's business or personal affairs.

15. Withholding Taxes. The Company may deduct and withhold from any amounts payable under this Agreement such Federal, state, local, non-U.S. or other taxes as are required or permitted to be withheld pursuant to any applicable law or regulation.
16. Assignment. (a) This Agreement is personal to Executive and without the prior written consent of the Company shall not be assignable by Executive, except for the assignment by will or the laws of descent and distribution of any accrued pecuniary interest of Executive, and any assignment in violation of this Agreement shall be void. The Company may assign this Agreement, and its rights and obligations hereunder, to any of its Affiliates.
 - (a) This Agreement shall be binding on, and shall inure to the benefit of, the parties to it and their respective heirs, legal representatives, successors and permitted assigns (including, without limitation, successors by merger, consolidation, sale or similar transaction, and, in the event of Executive's death, Executive's estate and heirs in the case of any payments due to Executive hereunder).
 - (b) Executive acknowledges and agrees that all of Executive's covenants and obligations to the Company, as well as the rights of the Company hereunder, shall run in favor of and shall be enforceable by the Company and its successors and assigns.
17. Protected Rights. Notwithstanding any other provision in this Agreement or any other agreement that Executive may have entered with the Company prior to the date hereof, including, but not limited to, any prior employment agreement (collectively, the "Prior Agreements"), nothing contained in any of the Prior Agreements (i) prohibit Executive from reporting to the staff of the SEC possible violations of any law or regulation of the SEC, (ii) prohibit Executive from making other disclosures to the staff of the SEC that are protected under the whistleblower provisions of any federal securities laws or regulations or (iii) limit Executive's right to receive an award for information provided to the SEC staff in accordance with the foregoing. Executive does not need the prior authorizations of the Company to engage in such reports, communications or disclosures and Executive is not required to notify the Company if Executive engages in any such reports, communications or disclosures.
18. Governing Law; No Construction Against Drafter. This Agreement shall be deemed to be made in the State of Delaware, and the validity, interpretation, construction, and performance of this Agreement in all respects shall be governed by the laws of the State of Delaware without regard to its principles of conflicts of law. No provision of this Agreement or any related document will be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured or drafted such provision.
19. Consent to Jurisdiction; Waiver of Jury Trial. (a) Except as otherwise specifically provided herein, Executive and the Company each hereby irrevocably submit to the exclusive jurisdiction of the United States District Court for the Southern District of Indiana, Indianapolis Division (or, if subject matter jurisdiction in that court is not available, in any state court located within the State of Indiana) over any dispute arising out of or relating to this Agreement. Except as otherwise specifically provided in this Agreement, the parties undertake not to commence any suit, action or proceeding arising out of or relating to this Agreement in a forum other than a forum described in this Section 19(a); provided, however, that nothing herein shall preclude the Company from bringing any suit, action or proceeding in any other court for the purposes of enforcing the provisions of this Section 19 or enforcing any judgment obtained by the Company.
 - (a) The agreement of the parties to the forum described in Section 19(a) is independent of the law that may be applied in any suit, action, or proceeding and the parties agree to such forum even if such forum may under applicable law choose to apply non-forum law. The parties hereby waive, to the fullest extent permitted by applicable law, any objection which they now or hereafter have to personal jurisdiction or to the laying of venue of any such suit, action or proceeding brought in an applicable court described in Section 19(a), and the parties agree that they shall not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court. The parties agree that, to the fullest extent permitted by applicable law, a final and non-appealable judgment in any suit, action or proceeding brought in any applicable court described in Section 19(a) shall be conclusive and binding upon the parties and may be enforced in any other jurisdiction.
 - (b) The parties hereto irrevocably consent to the service of any and all process in any suit, action or proceeding arising out of or relating to this Agreement by the mailing via certified mail of copies of such process to such party at such party's address specified in Section 24.

- (c) Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding arising out of or relating to this Agreement. Each party hereto (i) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such party would not, in the event of any action, suit or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party hereto has been induced to enter into this Agreement by, among other things, the mutual waiver and certifications in this Section 19(d).
- (d) Each party shall bear its own costs and expenses (including reasonable attorneys' fees and expenses) incurred in connection with any dispute arising out of or relating to this Agreement; provided that, the Company shall reimburse the Executive for reasonable attorneys' fees and expenses to the extent that Executive substantially prevails as to a material issue with respect to any matters subject to dispute hereunder.
20. Amendment; No Waiver. No provisions of this Agreement may be amended, modified, waived or discharged except by a written document signed by Executive and a duly authorized officer of the Company (other than Executive). The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. No failure or delay by either party in exercising any right or power hereunder will operate as a waiver thereof, nor will any single or partial exercise of any such right or power, or any abandonment of any steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power.
21. Severability. If any term or provision of this Agreement is invalid, illegal or incapable of being enforced by any applicable law or public policy, all other conditions and provisions of this Agreement shall nonetheless remain in full force and effect so long as the economic and legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any party; provided, however, that if any term or provision of Section 6, 7, 8, 9 or 10 is invalid, illegal or incapable of being enforced by any applicable law or public policy, all other conditions and provisions of this Agreement shall nonetheless remain in full force and effect to the fullest extent permitted by law; provided further, that in the event that any court of competent jurisdiction shall finally hold in a non-appealable judicial determination that any provision of Section 6, 7, 8, 9 or 10 (whether in whole or in part) is void or constitutes an unreasonable restriction against Executive, such provision shall not be rendered void but shall be deemed to be modified to the minimum extent necessary to make such provision enforceable for the longest duration and the greatest scope as such court may determine constitutes a reasonable restriction under the circumstances. Subject to the foregoing, upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.
22. Entire Agreement. This Agreement, including the Exhibits hereto, constitutes the entire agreement and understanding between the Company and Executive with respect to the subject matter hereof and supersedes all prior agreements and understandings (whether written or oral), between Executive and the Company, relating to such subject matter. None of the parties shall be liable or bound to any other party in any manner by any representations and warranties or covenants relating to such subject matter except as specifically set forth herein. Notwithstanding the foregoing, the Company intends to enter into a separate standard indemnification agreement with the Executive.
23. Survival. The rights and obligations of the parties under the provisions of this Agreement shall survive, and remain binding and enforceable, notwithstanding the expiration of the Term, the termination of this Agreement, the termination of Executive's employment hereunder or any settlement of the financial rights and obligations arising from Executive's employment hereunder, to the extent necessary to preserve the intended benefits of such provisions.
24. Notices. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand or sent by facsimile or electronic image scan (pdf) or sent, postage prepaid, by registered, certified or express mail or overnight courier service and shall be deemed given when so delivered by hand or facsimile, or if mailed, three days after mailing (one business day in the case of express mail or overnight courier service) to the parties at the following addresses or facsimiles or email addresses (or at such other address for a party as shall be specified by like notice):

If to the Company:

IEA Energy Services, LLC
6325 Digital Way
Suite 460
Indianapolis, IN 46278
Fax: (888)884-9845
Attention: Gil Melman
Email: gil.melman@iea.net

If to Executive: At the most recent address and fax or email in Company personnel records

Notices delivered by facsimile shall have the same legal effect as if such notice had been delivered in person.

25. Headings and References. The headings of this Agreement are inserted for convenience only and neither constitute a part of this Agreement nor affect in any way the meaning or interpretation of this Agreement. When a reference in this Agreement is made to a Section, such reference shall be to a Section of this Agreement unless otherwise indicated.
26. Counterparts. This Agreement may be executed in one or more counterparts (including via facsimile and electronic image scan (pdf)), each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.
27. Section 409A.
 - (a) For purposes of this Agreement, "Section 409A" means Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder (and such other Treasury or Internal Revenue Service guidance) as in effect from time to time. The parties intend that any amounts payable hereunder that could constitute "deferred compensation" within the meaning of Section 409A will be compliant with Section 409A or exempt from Section 409A. Notwithstanding the foregoing, the Company shall not be liable to, and the Executive shall be solely liable and responsible for, any taxes or penalties that may be imposed on such Executive under Section 409A of the Code with respect to Executive's receipt of payments hereunder.
 - (b) Notwithstanding anything in this Agreement to the contrary, the following special rule shall apply, if and to the extent required by Section 409A, in the event that (i) Executive is deemed to be a "specified employee" within the meaning of Section 409A(a)(2)(B)(i), (ii) amounts or benefits under this Agreement or any other program, plan or arrangement of the Company or a controlled group affiliate thereof are due or payable on account of "separation from service" within the meaning of Treasury Regulations Section 1.409A-1(h) and (iii) no payments hereunder that are "deferred compensation" subject to Section 409A shall be made to Executive prior to the date that is six (6) months after the date of Executive's separation from service or, if earlier, Executive's date of death; following any applicable six (6) month delay, all such delayed payments will be paid in a single lump sum on the earliest permissible payment date.
 - (c) Any payment or benefit due upon a termination of Executive's employment that represents a "deferral of compensation" within the meaning of Section 409A shall commence to be paid or provided to Executive 61 days following a "separation from service" as defined in Treas. Reg. § 1.409A-1(h), provided that Executive executes, if required by Section 4(d), the release described therein, within 60 days following his "separation from service." Each payment made under this Agreement (including each separate installment payment in the case of a series of installment payments) shall be deemed to be a separate payment for purposes of Section 409A. Amounts payable under this Agreement shall be deemed not to be a "deferral of compensation" subject to Section 409A to the extent provided in the exceptions in Treasury Regulation §§ 1.409A-1(b)(4) ("short-term deferrals") and (b)(9) ("separation pay plans," including the exception under subparagraph (iii)) and other applicable provisions of Section 409A. For purposes of this Agreement, with respect to payments of any amounts that are considered to be "deferred compensation" subject to Section 409A, references to "termination of employment", "termination", or words and phrases of similar import, shall be deemed to refer to Executive's "separation from service" as defined in Section 409A, and shall be interpreted and applied in a manner that is consistent with the requirements of Section 409A.

- (d) Notwithstanding anything to the contrary in this Agreement, any payment or benefit under this Agreement or otherwise that is exempt from Section 409A pursuant to Treasury Regulation § 1.409A-1(b)(9)(v)(A) or (C) (relating to certain reimbursements and in-kind benefits) shall be paid or provided to Executive only to the extent that the expenses are not incurred, or the benefits are not provided, beyond the last day of the second calendar year following the calendar year in which Executive's "separation from service" occurs; and provided further that such expenses are reimbursed no later than the last day of the third calendar year following the calendar year in which Executive's "separation from service" occurs. To the extent any indemnification payment, expense reimbursement, or the provision of any in-kind benefit is determined to be subject to Section 409A (and not exempt pursuant to the prior sentence or otherwise), the amount of any such indemnification payment or expenses eligible for reimbursement, or the provision of any in-kind benefit, in one calendar year shall not affect the indemnification payment or provision of in-kind benefits or expenses eligible for reimbursement in any other calendar year (except for any life-time or other aggregate limitation applicable to medical expenses), and in no event shall any indemnification payment or expenses be reimbursed after the last day of the calendar year following the calendar year in which Executive incurred such indemnification payment or expenses, and in no event shall any right to indemnification payment or reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit. Any tax gross-up payment or benefit under this Agreement will be treated as providing for payment at a specified time or on a fixed schedule of payments to the extent that the payment is made by the end of Executive's taxable year next following Executive's taxable year in which Executive remits the related taxes.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties as of the date first written above.

IEA Energy Services, LLC

By: /s/ J.P. Roehm

Name: J.P. Roehm

Title: Chief Executive Officer

Date Signed: August 6, 2020

By: /s/ Peter Moerbeek

Name: Peter Moerbeek

Date Signed: August 6, 2020

**CERTIFICATION PURSUANT TO
Section 302 of the Sarbanes-Oxley Act of 2002**

I, John Paul Roehm, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Infrastructure and Energy Alternatives, Inc.;
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.

Dated: August 10, 2020

By: /s/ John Paul Roehm

Name: John Paul Roehm

Title: Chief Executive Officer

**CERTIFICATION PURSUANT TO
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Peter Moerbeek, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Infrastructure and Energy Alternatives, Inc.;
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.

INFRASTRUCTURE AND ENERGY ALTERNATIVES, INC.

Dated: August 10, 2020

By: /s/ Peter J. Moerbeek

Name: Peter J. Moerbeek

Title: Chief Financial Officer

