Lime Energy Co.

(NASDAQ:LIME)

Presentation for
Roth Conference 2014

March 9-12, 2014

FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements. These statements relate to future events or to future financial performance and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as "may," "could," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "predict," "potential," or "continue" or the negative of these terms or other comparable terminology. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond our control and that could materially affect actual results, levels of activity, performance, or achievements.

Other factors that could materially affect actual results, levels of activity, performance or achievements can be found in Lime Energy's public filings with the SEC, including under the sections entitled "Risk Factors." If any of these risks or uncertainties materializes, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what we projected. Any forward-looking statements that you see or hear during this presentation reflect our current views with respect to future events and are subject to these and other risks, uncertainties, and assumptions relating to our operations, results of operations, growth strategy, and liquidity. We assume no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events, or otherwise.

AGENDA

I. **The Opportunity**: Energy Efficiency and Utilities

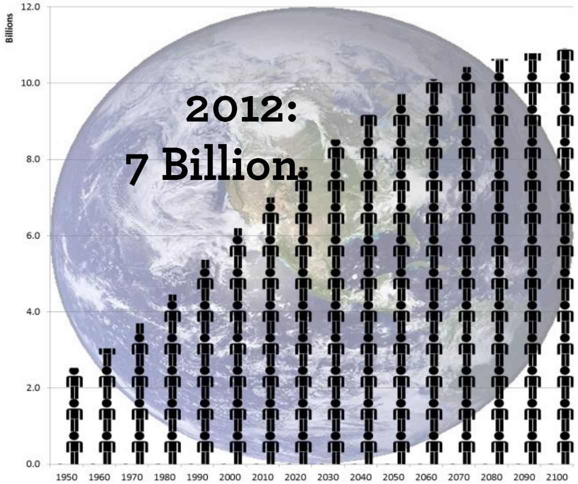
II. **The Company**: Lime Energy - Out in Front

III. **The Model**: How Lime Energy has Differentiated Ourselves

IV. **The Value**: Fortune 100 Companies and Lime's Model

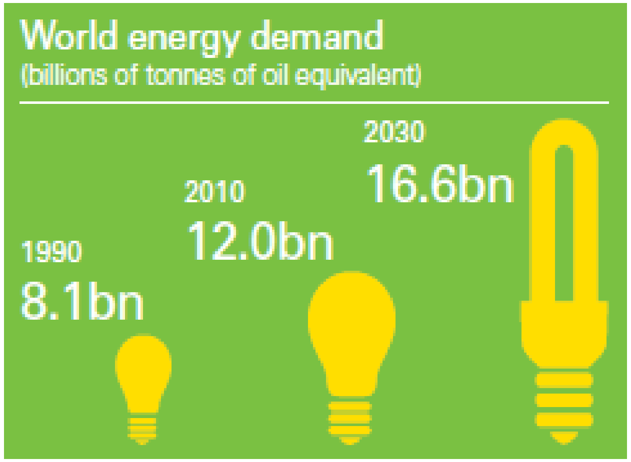
V. **Financial Performance**

World's Population

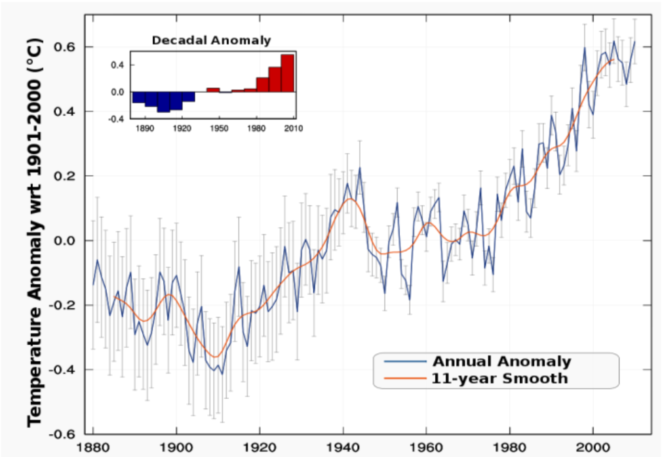


(Sources: United Nations)

Energy Intensity



(Sources: BP Energy Report)



(Sources: ACEEE)

CO2 Emissions

AGING Infrastructure

LIME'S STRATEGIC BETS

Placed in 2009

- Energy Efficiency
- Utility as Client
- Small Businesses
- Multi-measure and more
- Direct Install Model
- Southern States
- Midwest States

MEETING ENERGY DEMANDS

Cost Effectiveness of Various Resources

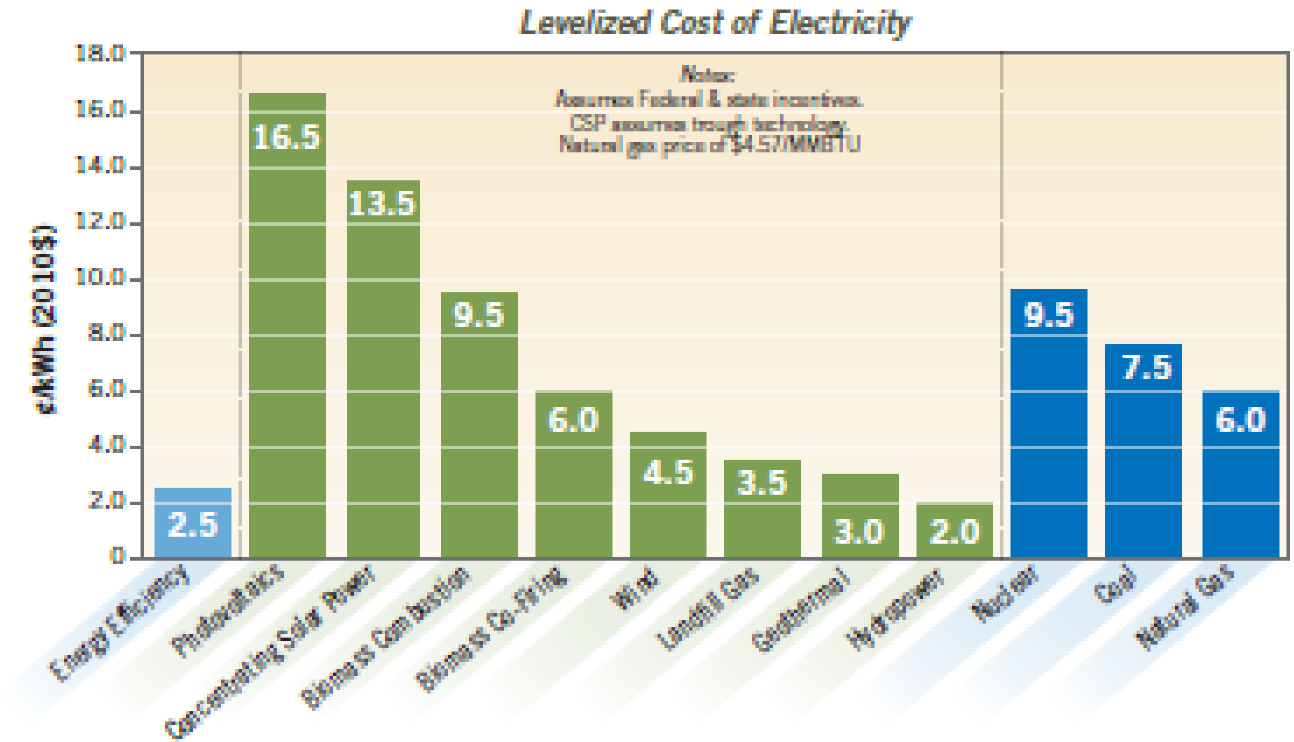
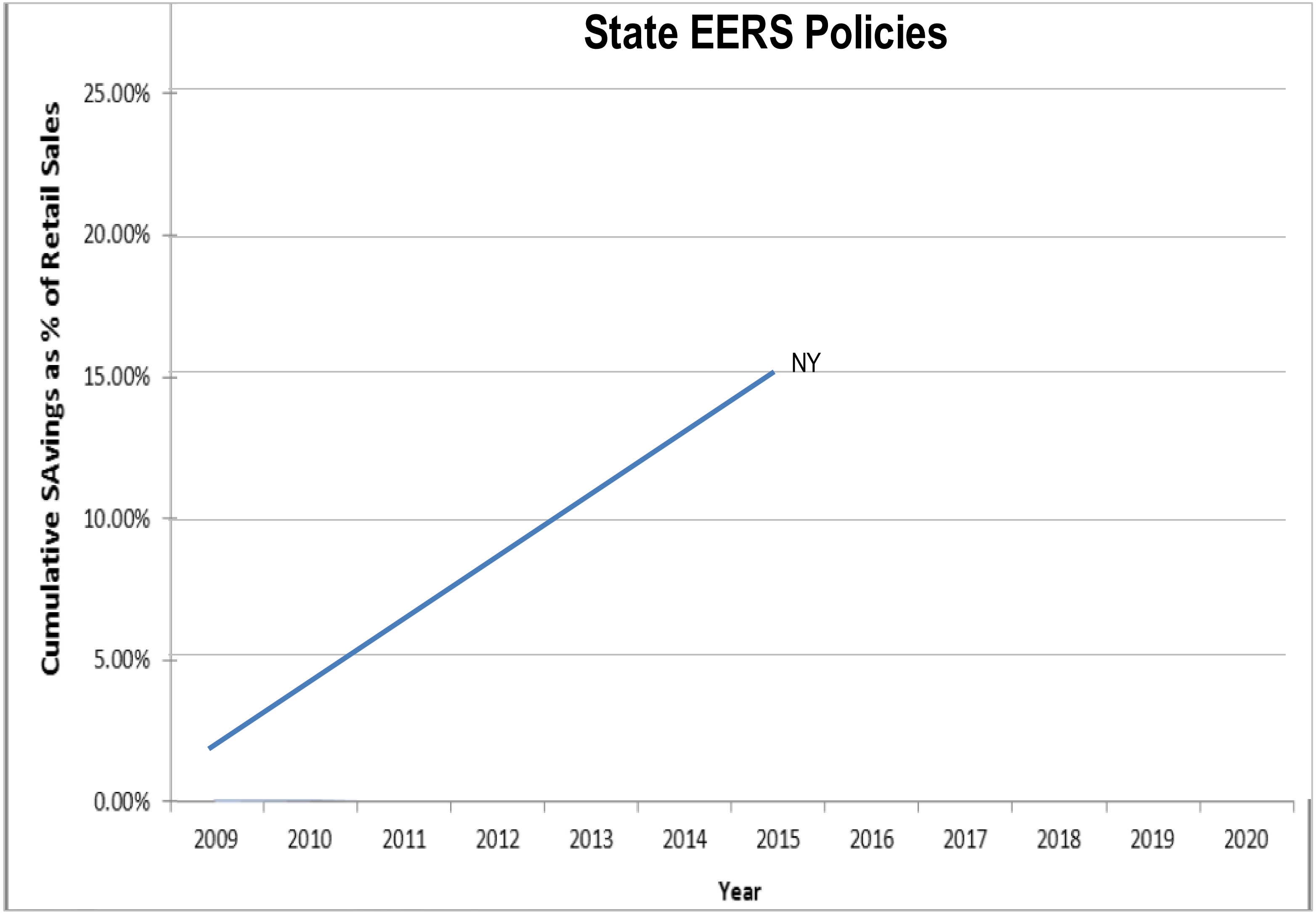


Figure 4: *Cost of EE as Compared to Other Resources*

Source: Navigant Consulting, Inc. 2010

MARKET DRIVERS

State Energy Efficiency Resource Standards



Source: American Council for an Energy Efficient Economy

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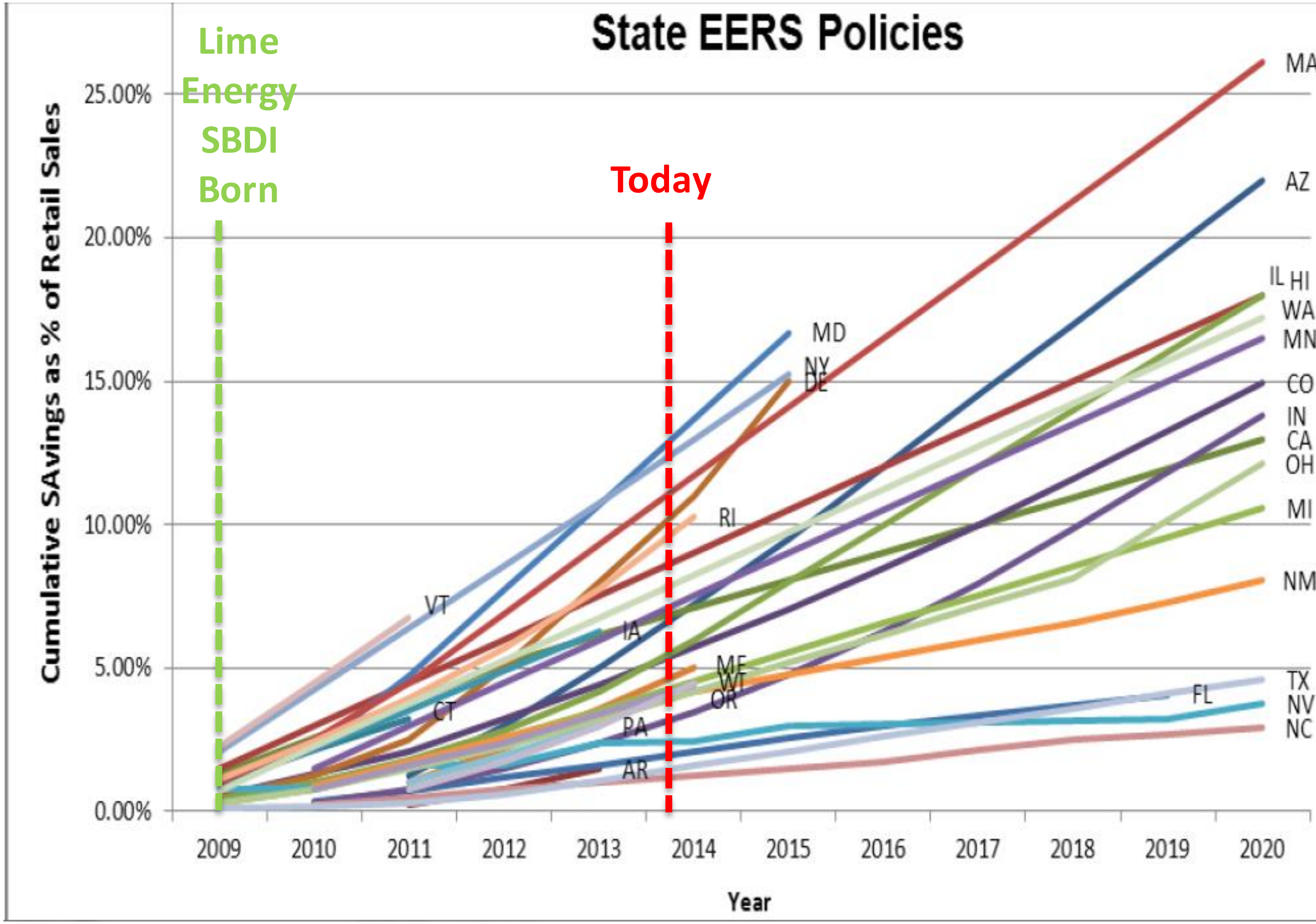
LESS IS MORE

MARKET DRIVERS

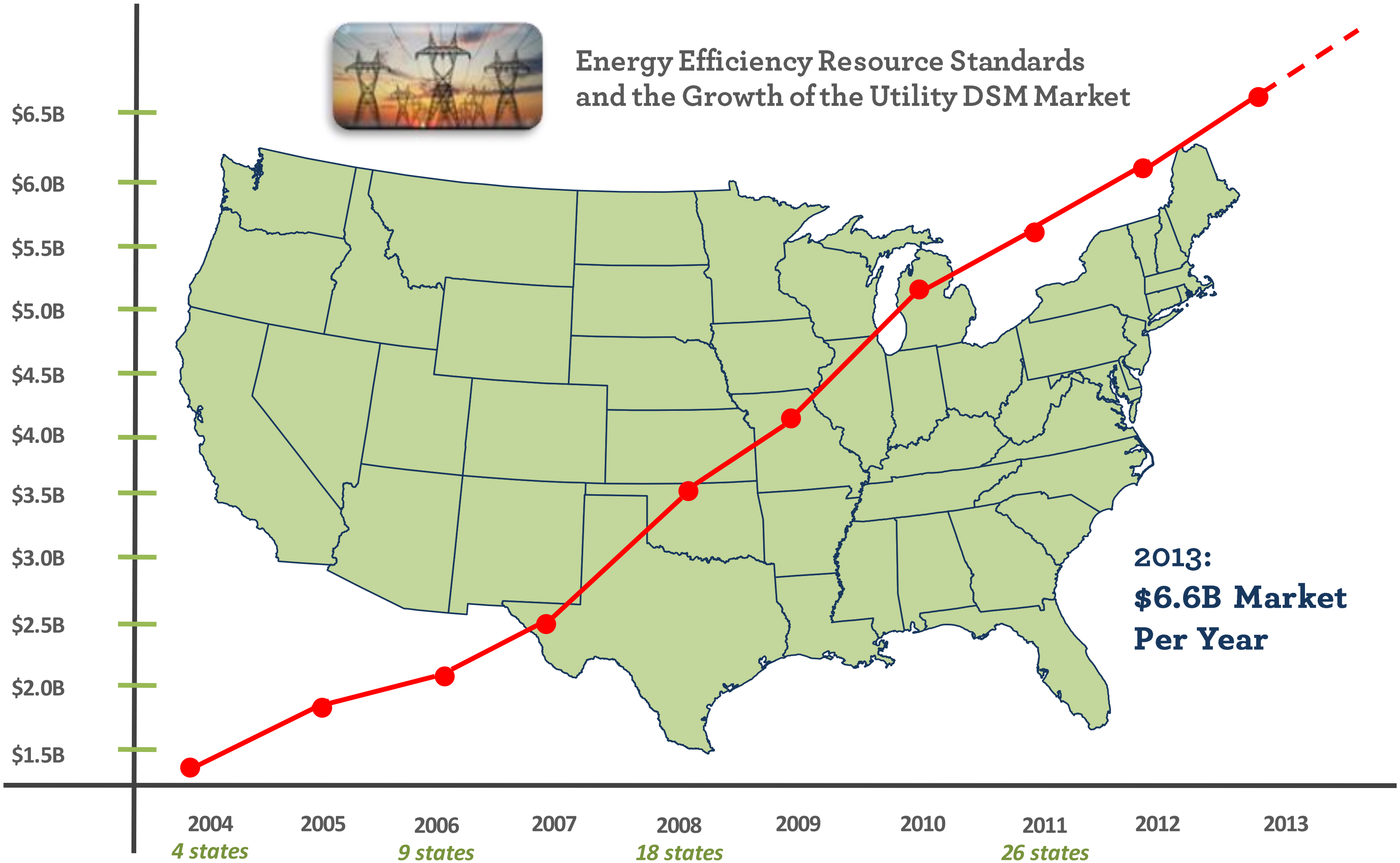
State Energy Efficiency Resource Standards



Source: American Council for an Energy Efficient Economy

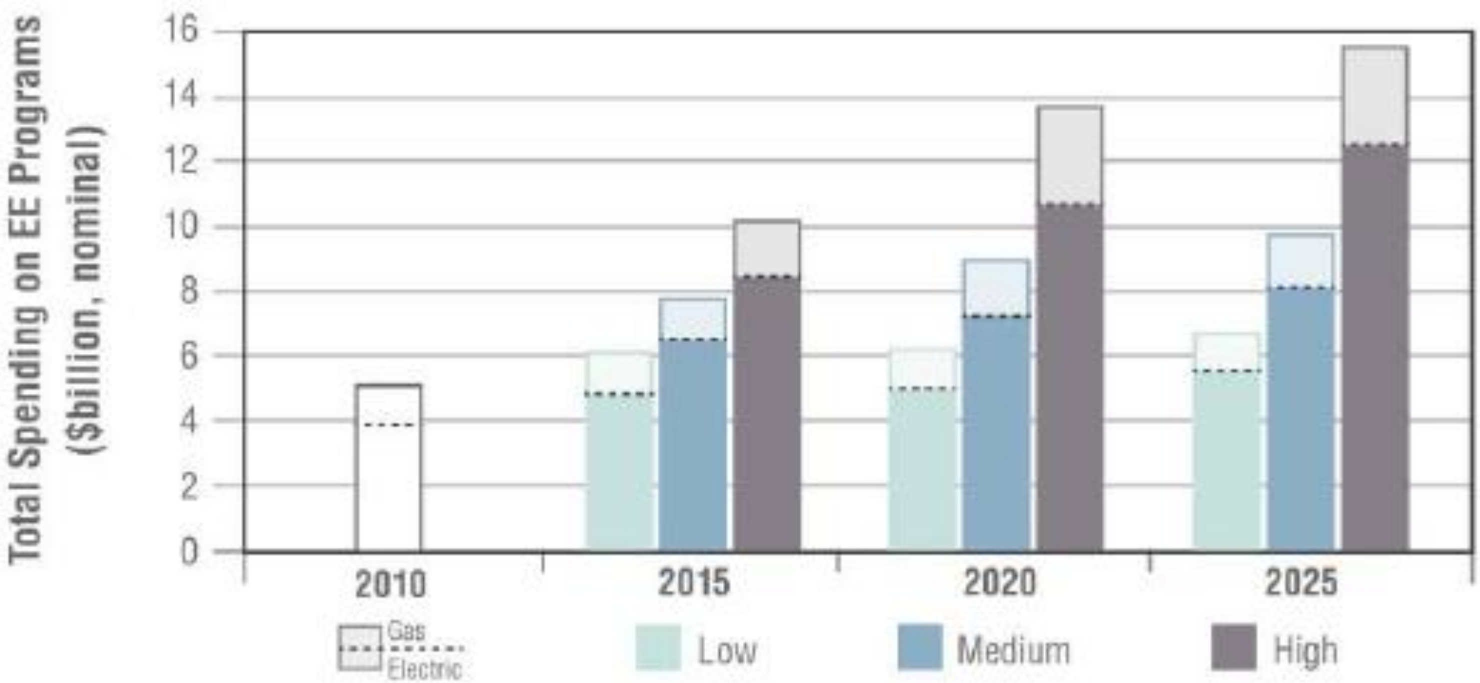
MARKET DRIVERS

State Energy Efficiency Resource Standards



UTILITY RATEPAYER FUNDED ENERGY EFFICIENCY MARKET

Projected Energy Efficiency Program Spending



- The Future of Utility Customer-Funded Energy Efficiency Programs in the US

  LBNL, 1/2013

THE PROBLEM

Sustaining Cost-Effective Energy Efficiency Gains

- Dramatically increased utility savings goals - harder and harder to meet
- Decades of counting on the “usual suspects”
- Many industry players have built business models based on the path of least resistance
- Utility Programs must go DEEPER & BROADER

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DEEPER AND BROADER:

EE looks to SMB, the great untapped segment

"…the challenge for these program administrators will be to design and implement programs that can **achieve both deeper savings…and have a broader reach** in terms of market penetration over a sustained period of time…Achieving higher market penetration rates will require programs to **target and reach traditionally under-served markets in far greater numbers than current practice."**

- The Future of Utility Customer-Funded Energy Efficiency Programs in the US

  LBNL, 1/2013

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DEEPER AND BROADER:

EE looks to SMB, the great untapped segment

"As energy efficiency portfolio managers and program planners increasingly look for new sources of potential energy savings, **the small business sector may hold significant resource acquisition opportunities** for the future. There is a **<u>large and relatively untapped potential for energy savings available in the small business sector."</u>**

- Frontiers of Energy Efficiency; Next Generation Programs Reach for High Energy Savings

  ACEEE, 1/2013

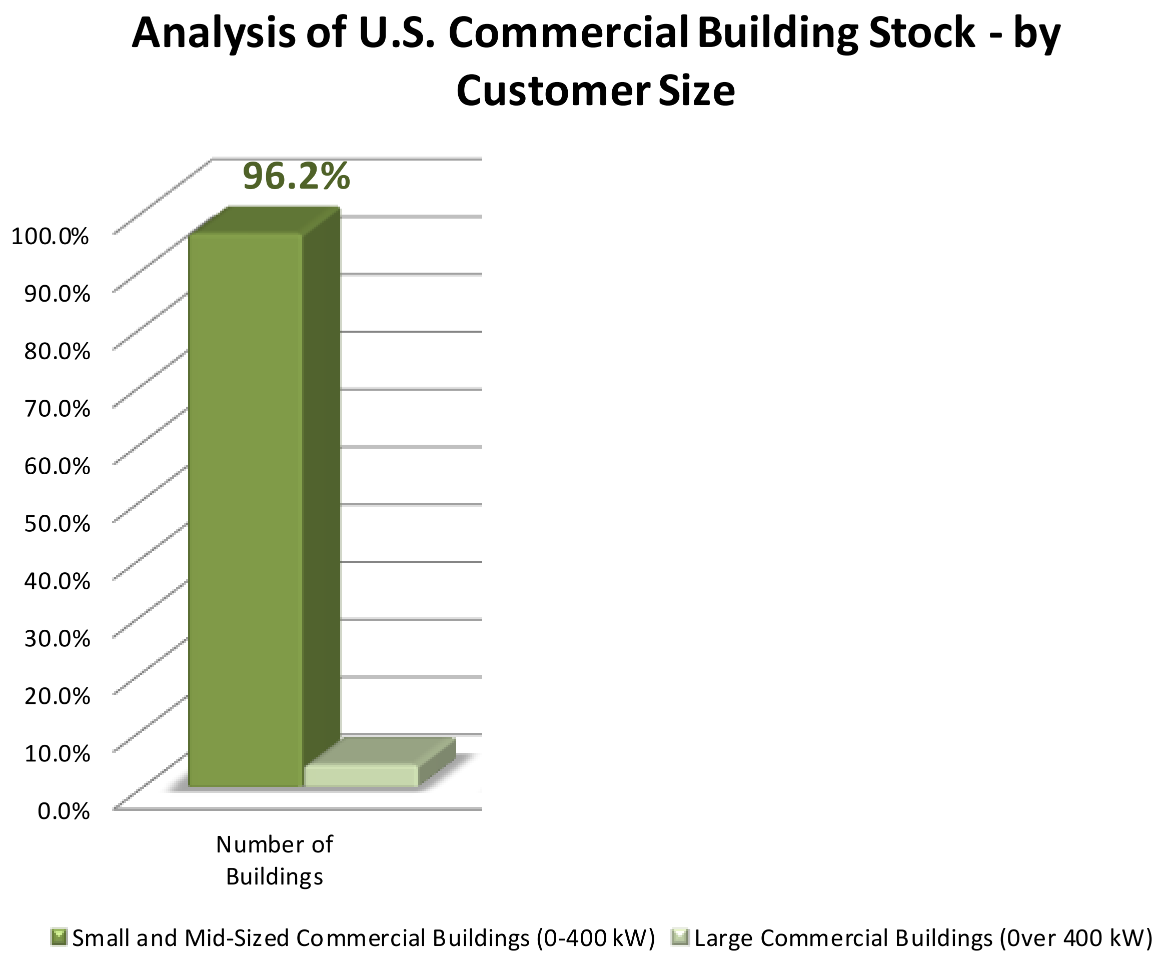
THE SMALL COMMERCIAL BUILDING MARKET

Energy Efficiency Improvement Opportunity

43%

96%

4.6 MM



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THE PROBLEM

Why Small Building Energy Efficiency?

- Sheer magnitude of building stock
- Customers who have not participated in DSM
- Utilities do not know these customers
- Political pressure on utilities to do something for small businesses
  - economic recovery
  - rate increases
  - press on large customers' low rates
- "Deeper and Broader" – ACEEE, LBNL, etc

HISTORY

Lime Overview

15,000+	**Small Business EE Retrofits Completed**
> 300,000 MWh	**Energy Efficiency Resources Delivered**
> 100 MW	**Peak Demand Reduced**

	2006 – 2007	2008 – 2009	2010 – 2011	2012 – 2013
25+ Years of Experience				
Strategy	*NASDAQ & Acquisitions*	*AEM Acquisition National Reach*	*Small Business Focus Invest in Active States (EERS)*	*Market Leadership Product Devel. & Technology*
Capability	*Regional C&I Sales Lighting Upgrades*	*Engineering Multiple ECMs*	*Innovative Utility Programs Proven Delivery of EE*	*Performance Contract Integrated Technology Platform*

Bringing Clean Energy to Small Businesses

Leading national provider of energy efficiency for small business customers.

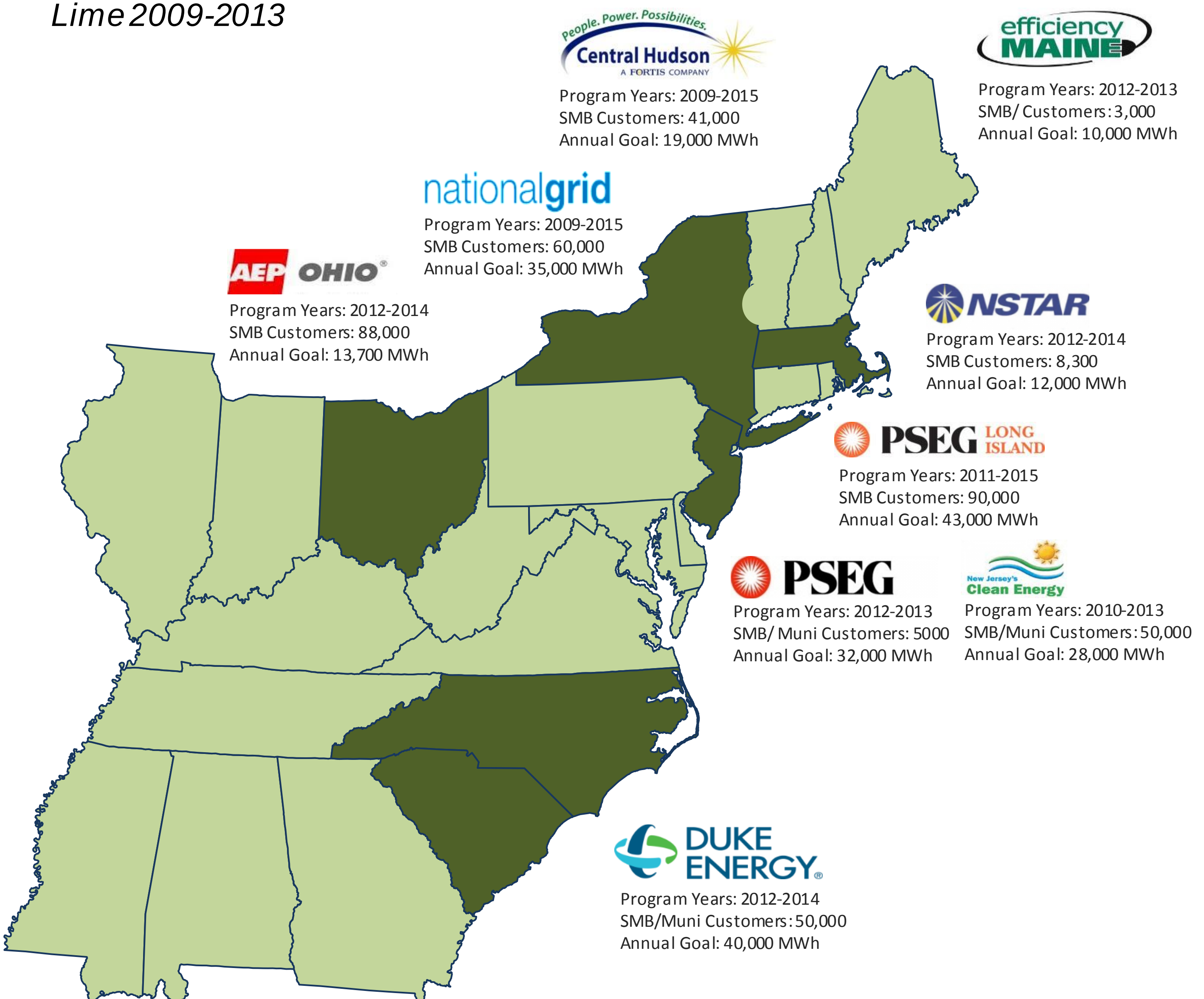
We design and implement direct install programs for utilities which consistently exceed program savings goals.

We are solely focused on helping utilities deliver energy efficiency to their small business customers.

Our integrated services model delivers predictable energy reduction goals and high customer satisfaction.

GETTING OUT IN FRONT OF THE MARKET

Lime 2009-2013



3MM
Customer Touches

15,000+ Project
Implementations

$140,000,000+
Investment in SMB

$100,000,000+
Incentives for SMB

300,000+ **MWhs**
Energy Savings

100+ **MW**
Peak Demand Red'n

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DIRECT INSTALL VERSUS TRADITIONAL TRADE ALLY PROGRAMS

Tailoring Program Design to Market Needs

- What differentiates Direct Install?
  - Compelling incentive
  - Exclusive territory

- Why is it required for SBDI
  - Small business payback criteria
  - Fixed cost of sale for projects
    - We have three sizes – tiny, very small and small

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Average Project

Project Cost:	$ 7,000.00
Utility Paid Incentive:	$ 4,900.00
Customer Contribution:	$ 2,100.00
Monthly Savings	$ 175.00 - 250.00
Simple Payback	8 - 12 months

Average Program

Lime Revenue:	$ 10,000,000
Utility Paid Incentive:	$ 7,000,000
Customer Contribution:	$ 3,000,000

Energy Efficiency Resources:	40,000,000 kWh/yr (for 10 years)
Permanent Demand reduction	12 MW

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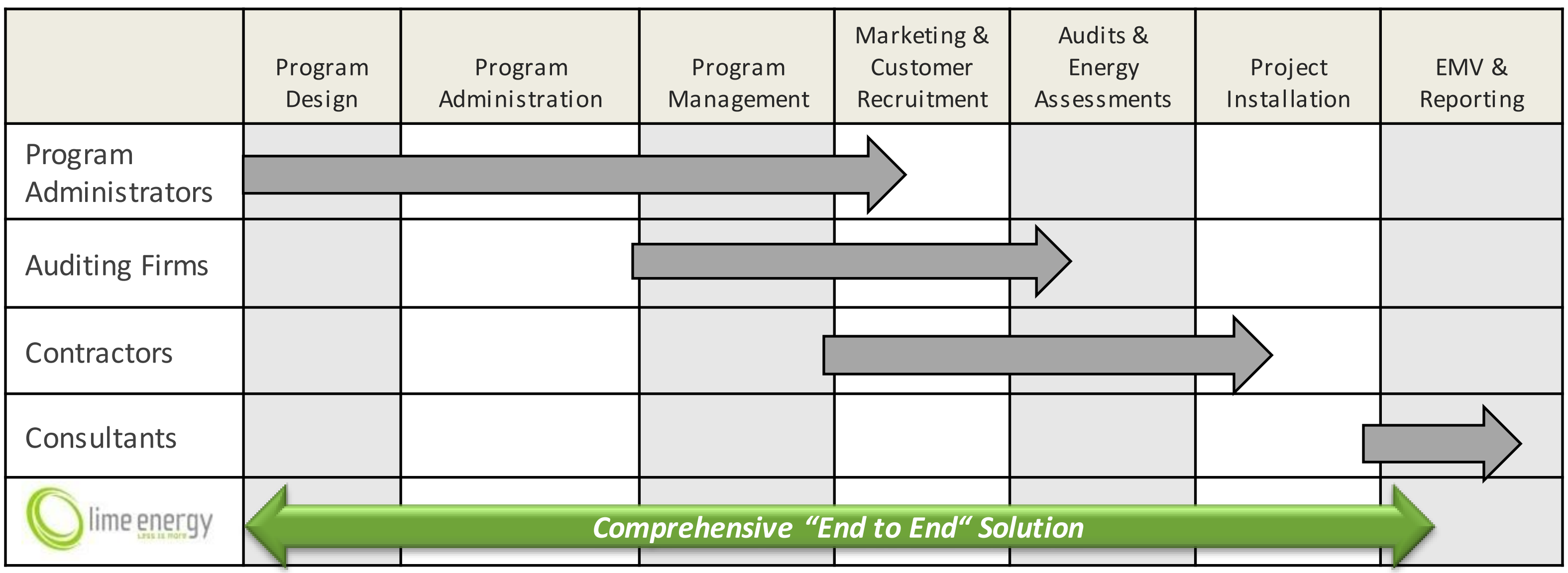
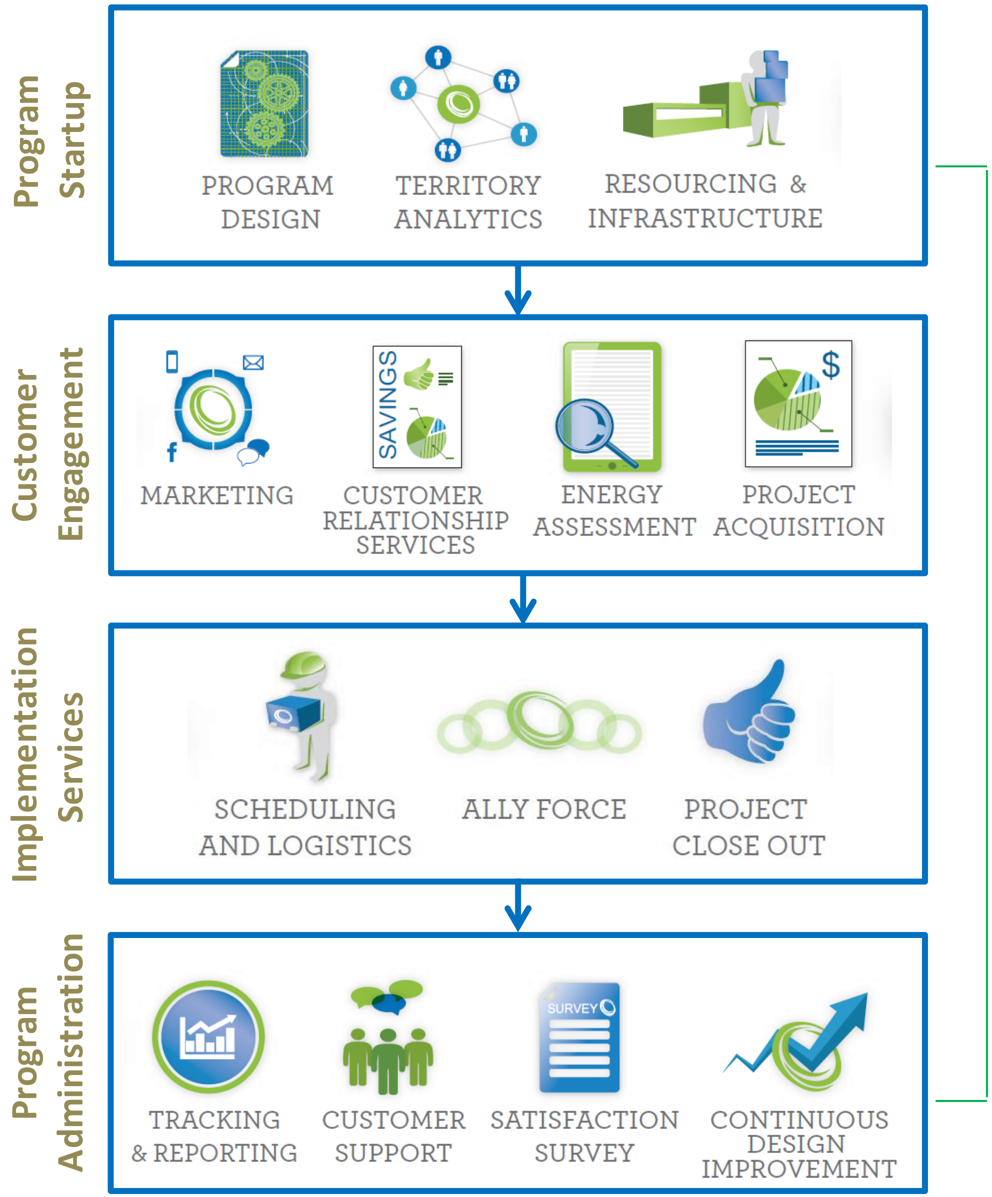
THE “LIME MODEL”

Integrated Services Program Delivery

- Integrated Services
  - In-house expertise:
    - Program Design; Program Administration; Marketing; Sales; Engineering; Construction



INTEGRATED SERVICES PROGRAM DELIVERY – TECHNOLOGY PLATFORM

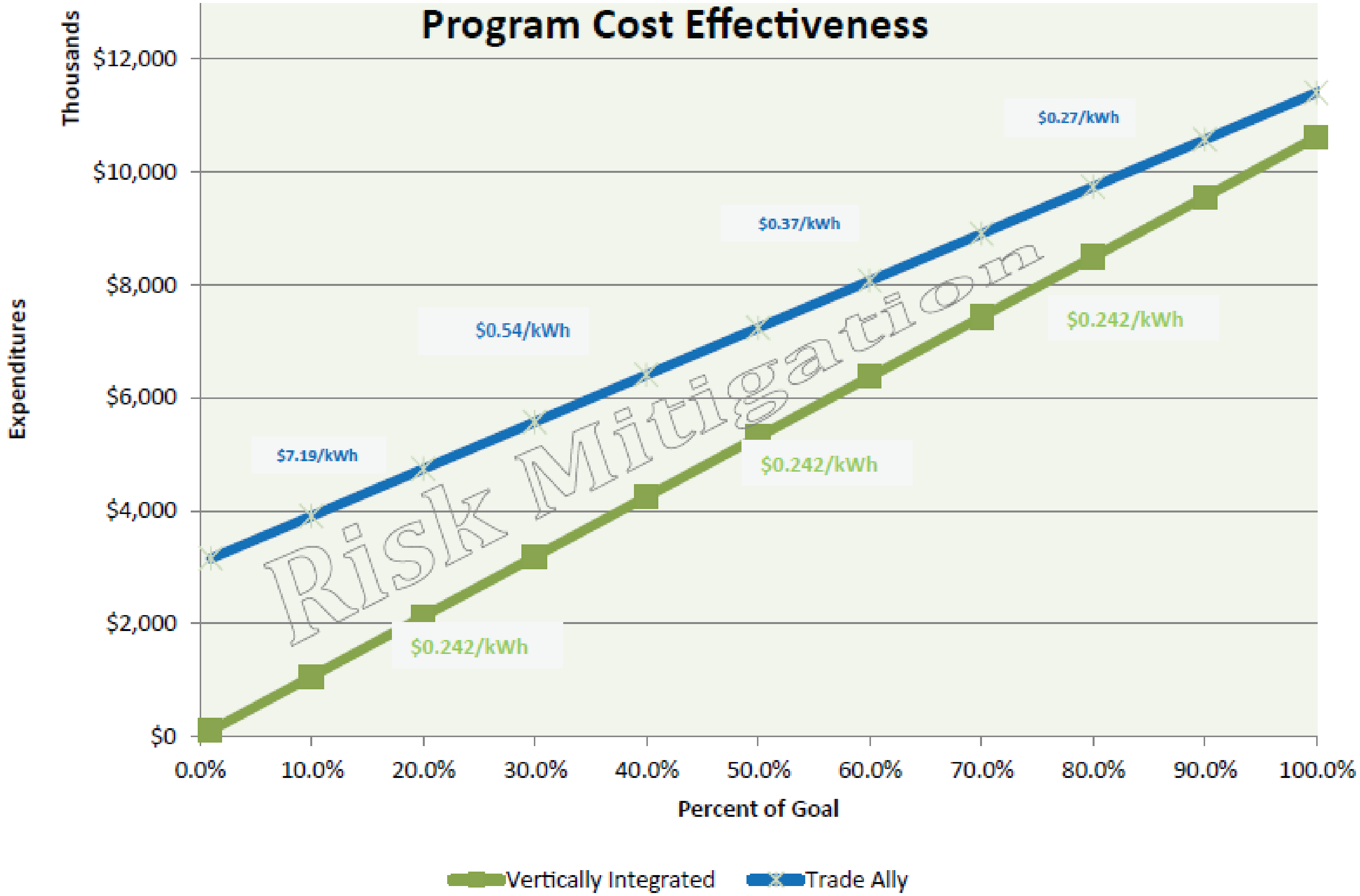


DirectInstall™
Technology Platform

- Integrated QA/QC
- Cloud-based, connecting all Lime Programs
- Built in ECMs
- Direct Install Workflow
- SMB CRM
- Real Time Reporting

THE “LIME MODEL”

Pay-for-Performance Contract



The key design elements of our pay-for- performance model include:

- No Upfront Program Administration Fees
- No Software Licensing Fees
- Turn-key Unit Price
- Industry Recognized Measures
- Energy Efficiency Measures Exceed TRC Test
- Net to Gross Ratio Consideration

THE "LIME MODEL"

Industry Recognition: Alliance to Save Energy – Super Nova Star of Energy Efficiency Award

Lime Energy received the 2013 Super Nova Star award from the Alliance to Save Energy.

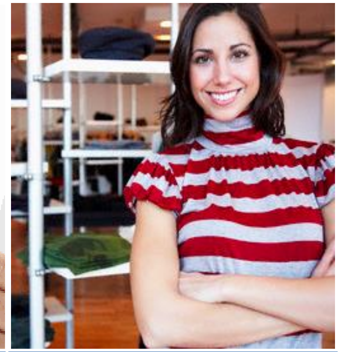
Presented by Rep. Paul Tonko (D-NY), this award recognized Lime's success in "Deeper & Broader" energy efficiency program participation.

Lime was distinguished by their unique Small Business Direct Install model which works with nine utilities in six states to help small businesses become more energy efficient.

PERSONA DEVELOPMENT

Small Business Profiles






Small Business Owner	"Kate" 47, Married , 2 kids	"Maggie" 30, Single	"Nick" 38, Married, 1 kid	"Mitch" 29, Single	"Marshall" 32, Married
Business	Family Practice	Retail -Clothing	Fine Dining / Cafe	Accountant, CPA	Auto Care Shop
Years in Business	15	3.5	6	5	8
Attitude on Saving Energy	"I want to reduce operating costs"	"total tree hugger. I have a blue Prius"	"too tired to think about energy"	"would love to save some money if can"	"I sure use a lot of it"
Cash Position	Strong	Really Tight	Getting Better	Fair	Steady
Retrofit Driver	Patient comfort / Productivity	Extra $ for Advertising/ Product Enhancement	Ambiance/ $ for vacation	New admin/ Productivity	Upgrade Equipment/ Advertising
Target Measures	Lighting, HVAC	Lighting, controls	Lighting, Refrig	Lighting	Lighting (int/ext)
Avg Kwh Saved	16,500	13,500	20,000	14,000	12,500
Avg Project Size	6,200	4,300	$4,500	3,000	$4,400
Avg Payback	12 months	8 months	10 months	9 months	14 months

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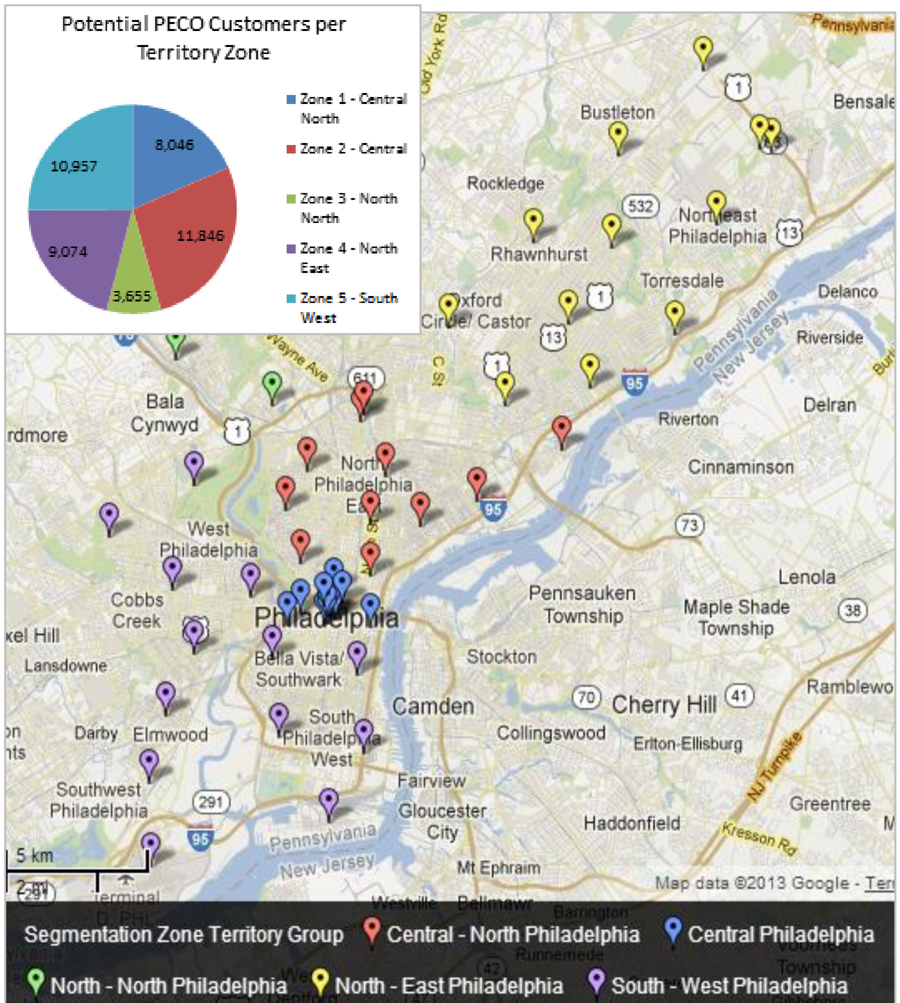
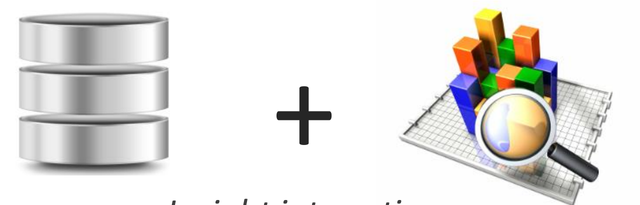
PREDICTIVE ANALYTICS

Deeper Segmentation





Insight into action

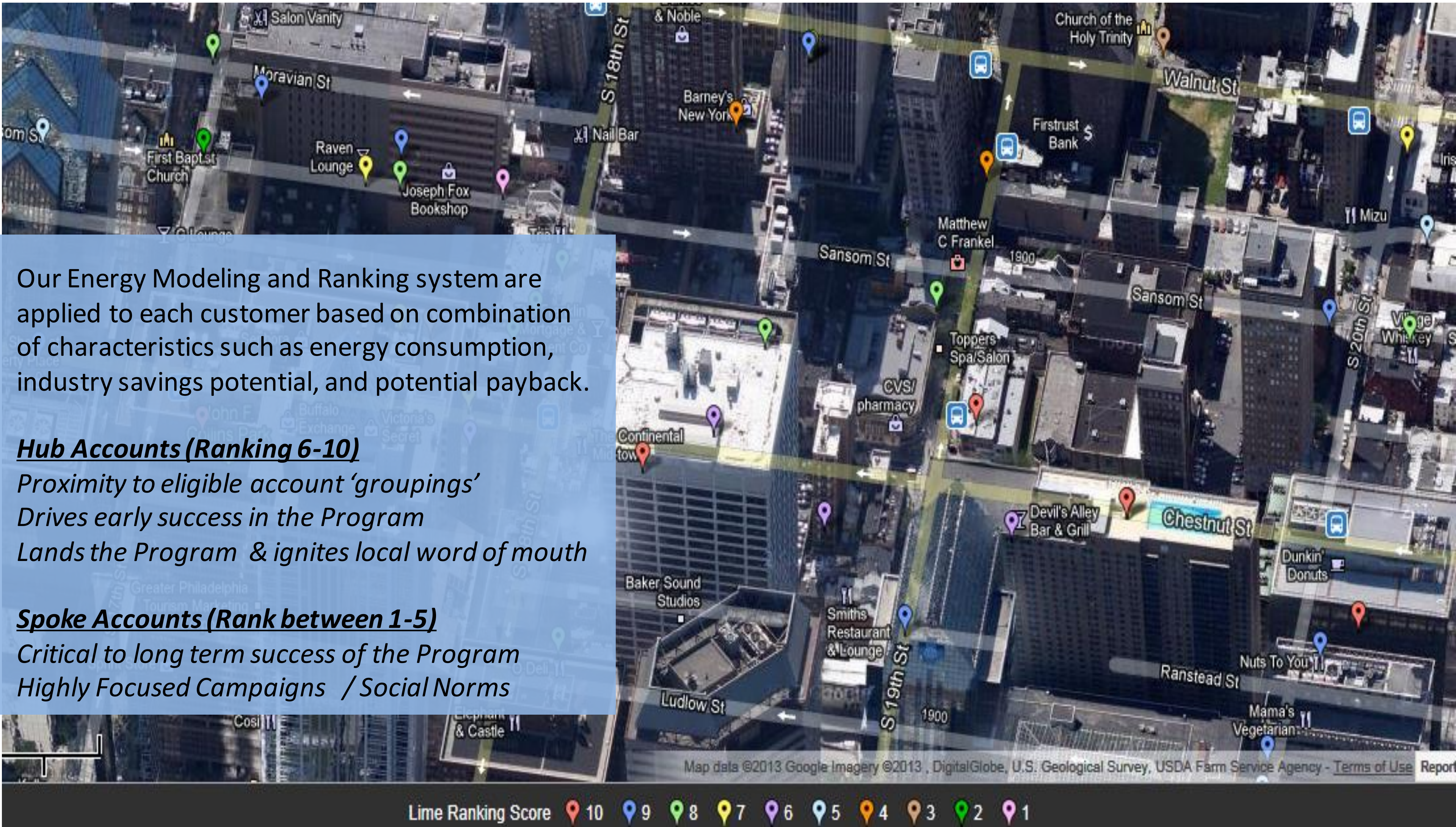
Organization of our sale force and marketing initiatives are key to delivering a seamless customer engagement from the initial contact to audit to implementation.

Delivering efficiency in the most efficient way possible. For example, the chart on the left shows a breakdown of Philadelphia County into 5 distinct zones.

This enables us to localize a lot of our outbound marketing initiatives and deploy our sales, audit, and construction teams accordingly.

PREDICTIVE ANALYTICS

Customer Modeling



Our Energy Modeling and Ranking system are applied to each customer based on combination of characteristics such as energy consumption, industry savings potential, and potential payback.

<u>Hub Accounts (Ranking 6-10)</u>

Proximity to eligible account 'groupings'
Drives early success in the Program
Lands the Program & ignites local word of mouth

<u>Spoke Accounts (Rank between 1-5)</u>

Critical to long term success of the Program
Highly Focused Campaigns / Social Norms

GEO MAPPING

Field Level Alignment

Our data mapping software allows our Energy Advisors and Outreach Coordinators to drill down all the way to the street level with the push of a button…**while canvassing!**

Live GPS location allows them to see all utility account contact information as well as high value business industry classifications.

THE VALUE OF LIME ENERGY'S SBDI MODEL

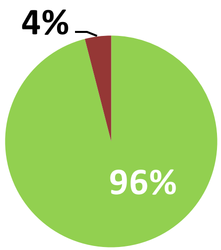
Tailoring Program Design to Market Needs

- Only way to penetrate Small Business segment with EE
- Enables Utility clients to comply with EE savings goals
- Enhanced Customer Satisfaction Ratings for Utility clients
- Gather critical information on small business customers
- Provide Utilities with a conduit for improved business relationship with small business customers, as well as delivery of incremental products and services
- **Create a marketplace for EE which is unattainable but critical to Fortune 100 companies**

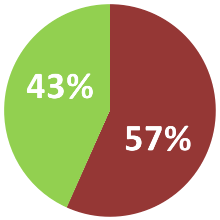
LIME – FACILITATING A MARKETPLACE

Small Commercial Building Energy Efficiency

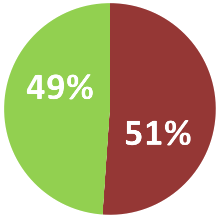
Large Commercial Buildings | **Small Commercial Buildings** | Large Commercial Buildings



Number of Buildings



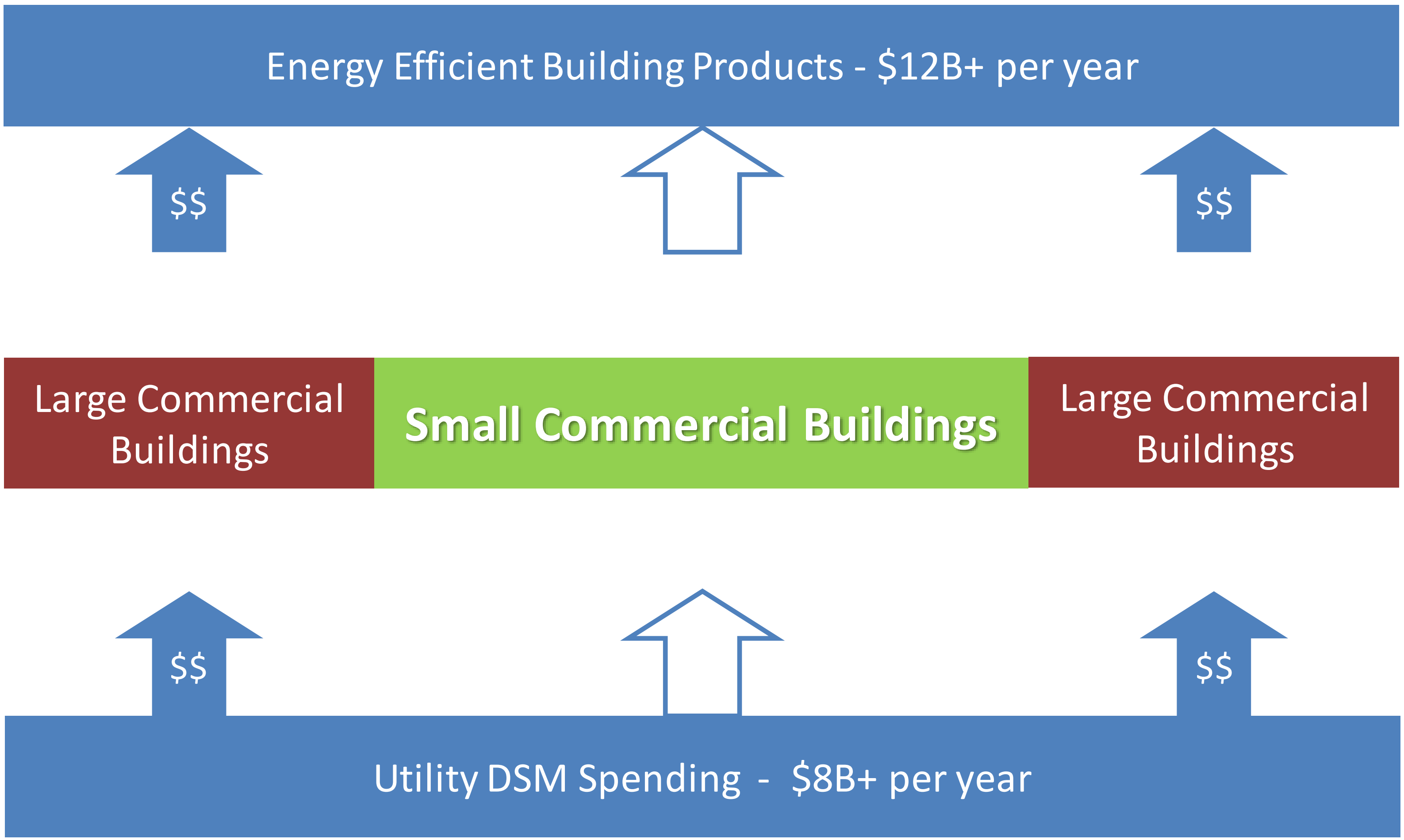
Electricity Usage



Electricity Expenditures

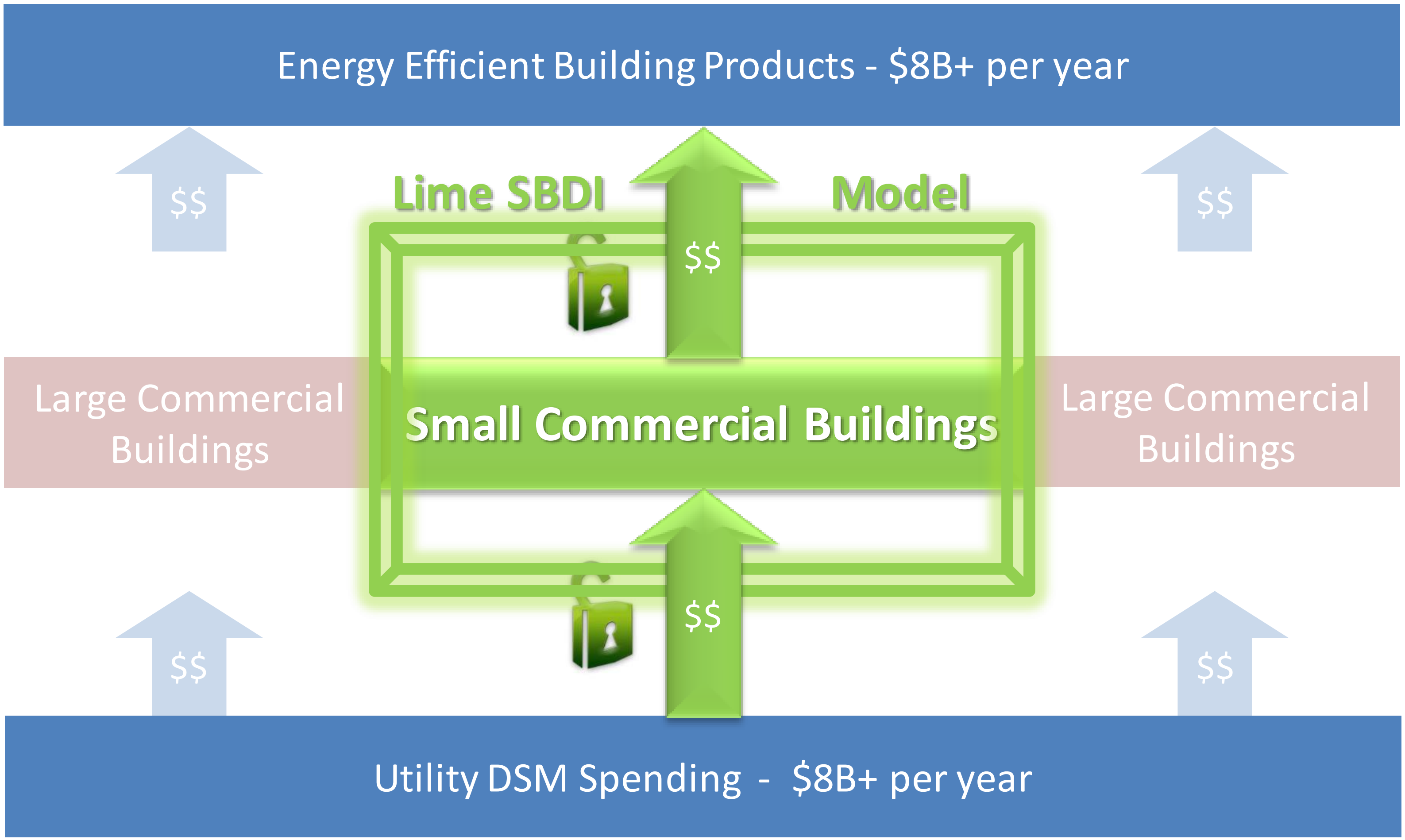
LIME – FACILITATING A MARKETPLACE

Small Commercial Building Energy Efficiency



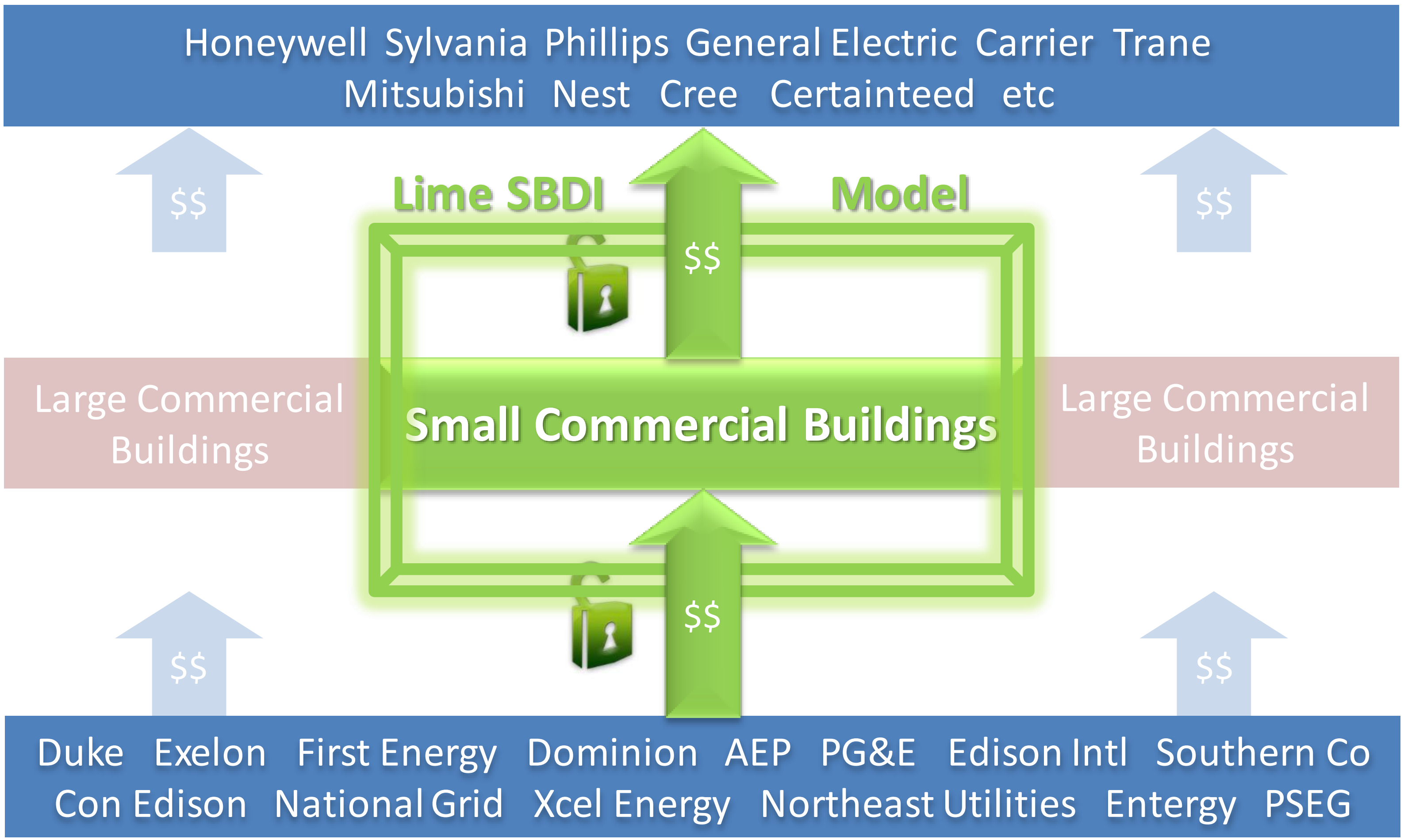
LIME – FACILITATING A MARKETPLACE

Small Commercial Building Energy Efficiency



LIME – FACILITATING A MARKETPLACE

Small Commercial Building Energy Efficiency



Leadership | Team

Lime Energy Senior Management Team

Adam Procell | Siemens, AECOM

Jeff Mistarz | First Chicago Corp (JP Morgan/Chase)

Alex Castro | National Grid, Hess

Tom Pirone | Honeywell, KEMA, Aclara

Alex Telford | 4Tell Solutions

Chad Solomonson | Duke Energy, Microsoft

Thought Leaders & Industry Veterans

Energy Efficiency Solutions at the Core

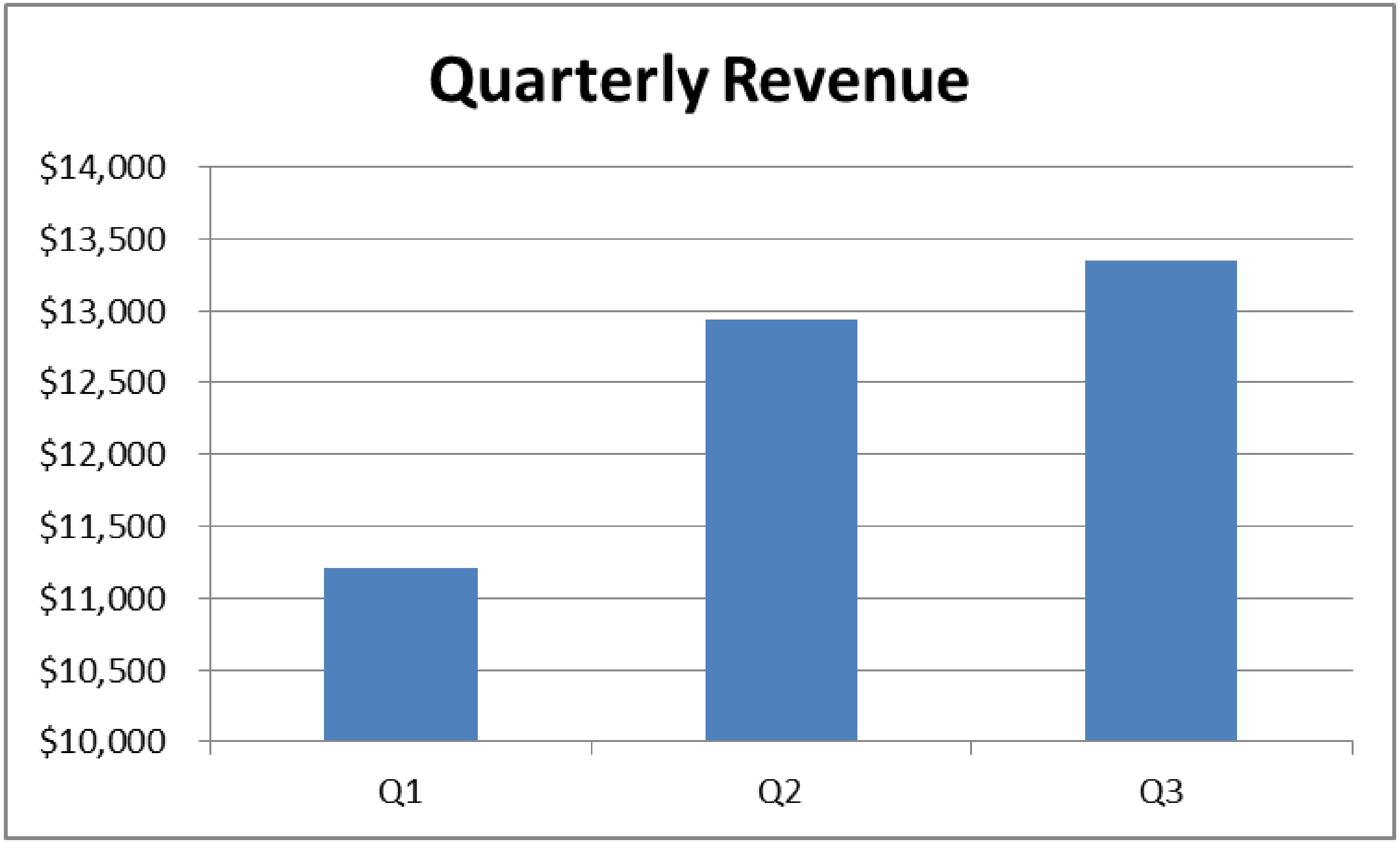
Successfully Managed Through Major Shifts in the Energy Market

Entrepreneurial Mindset with a Demonstrated Track Record

Emergence of ESCOs	Utilities are in…	Restructuring…	Regulation and EERS	
1990	1995	2000	2005	2010

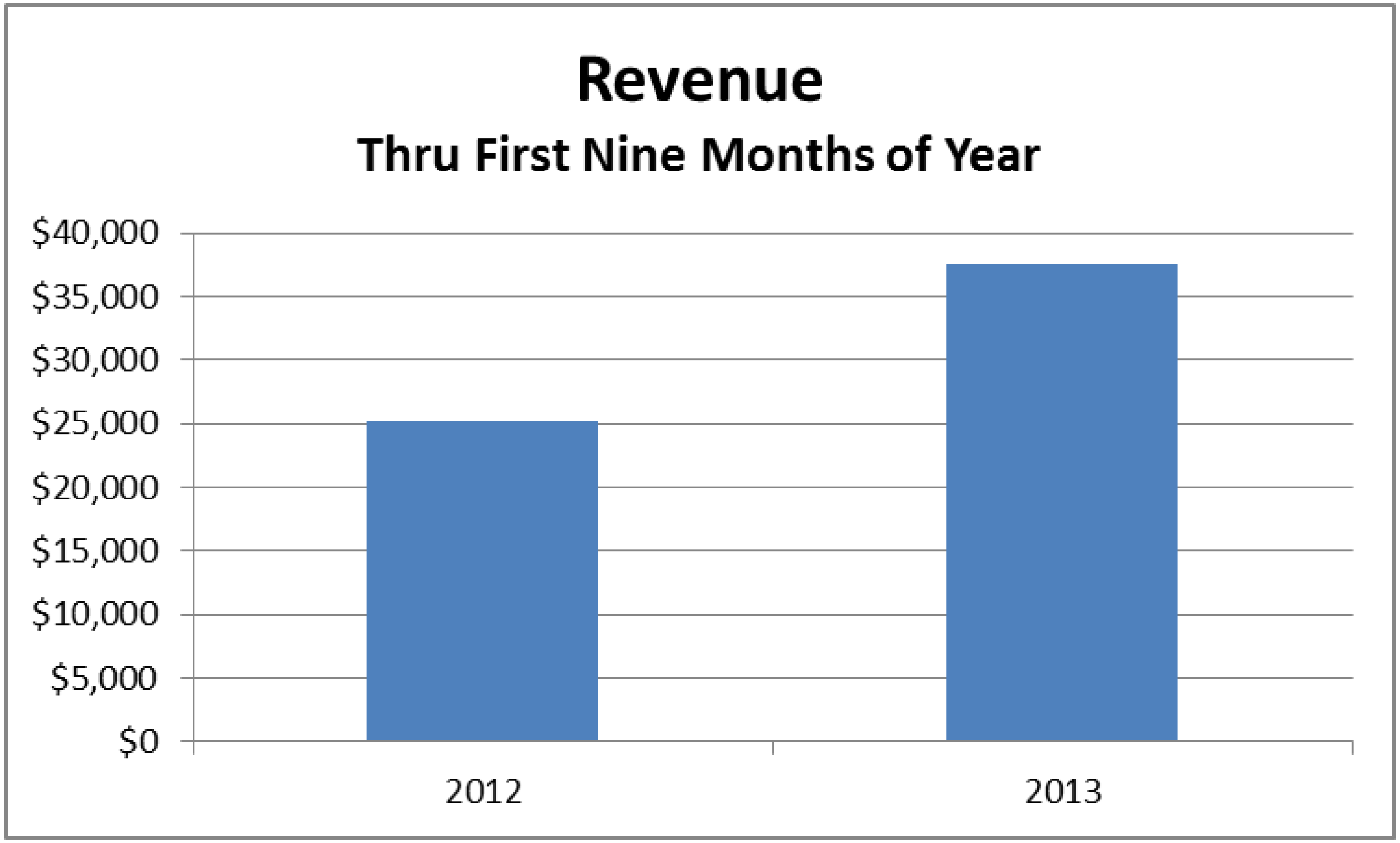
FINANCIALS

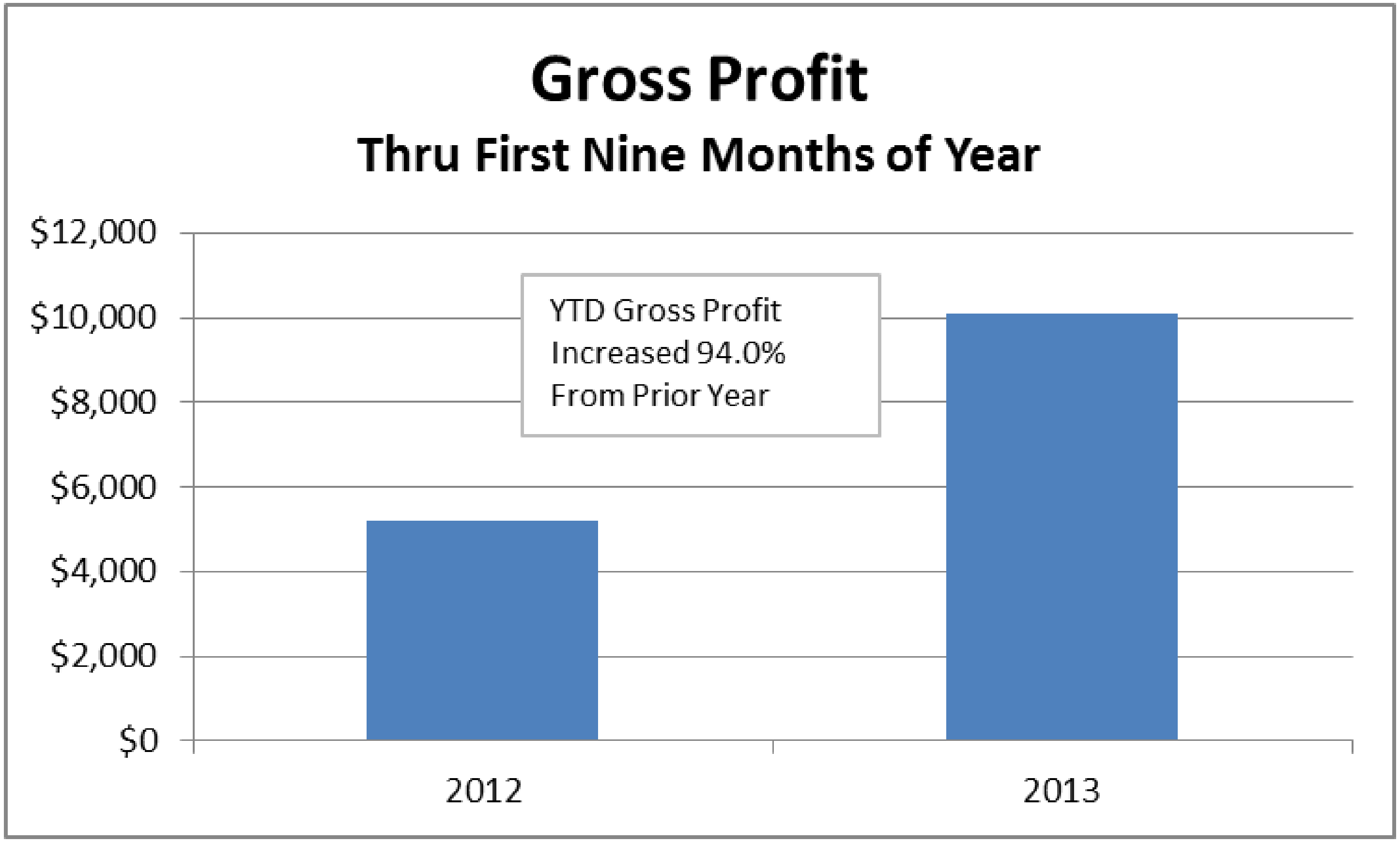
Lime Energy



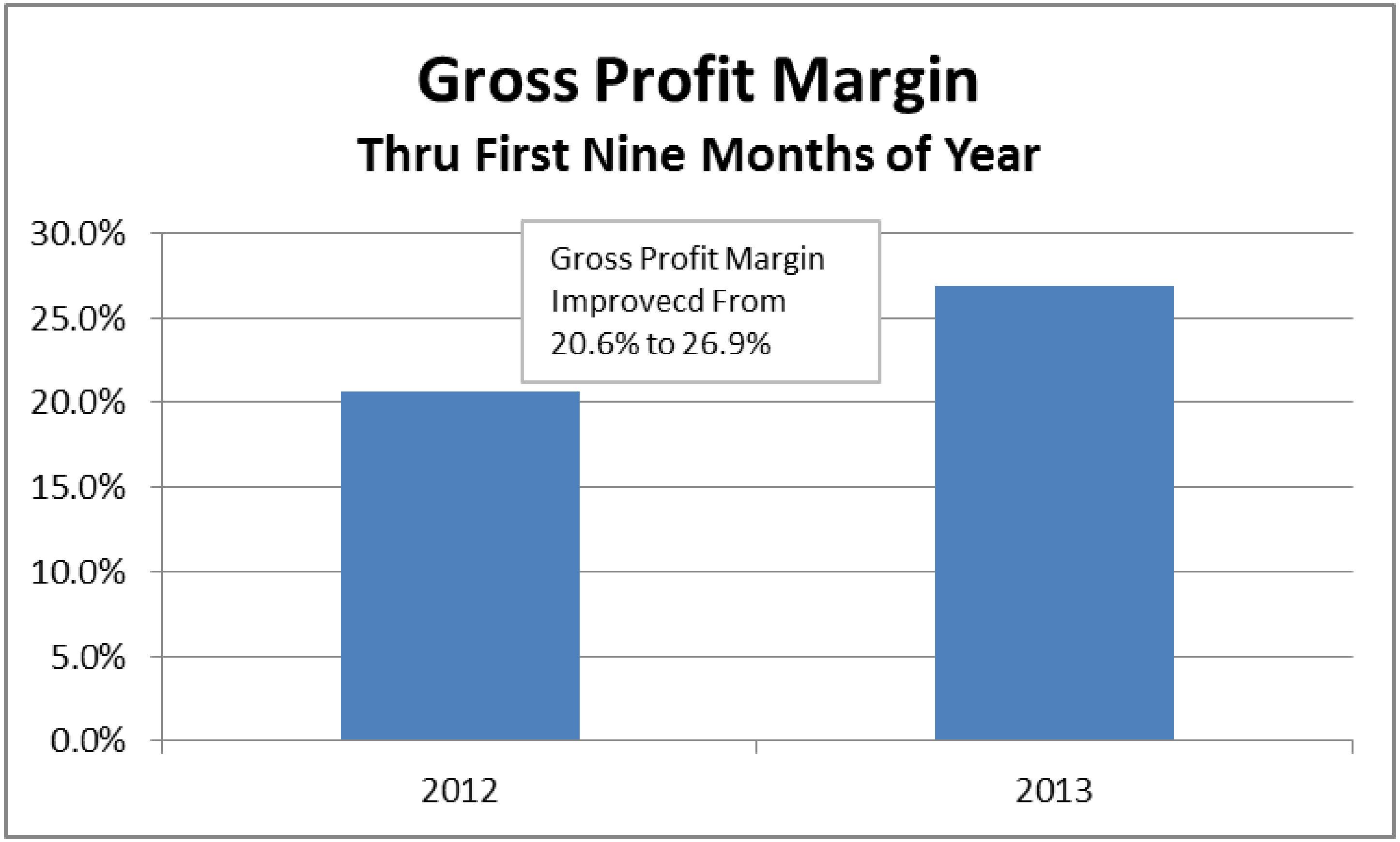
FINANCIALS

Lime Energy

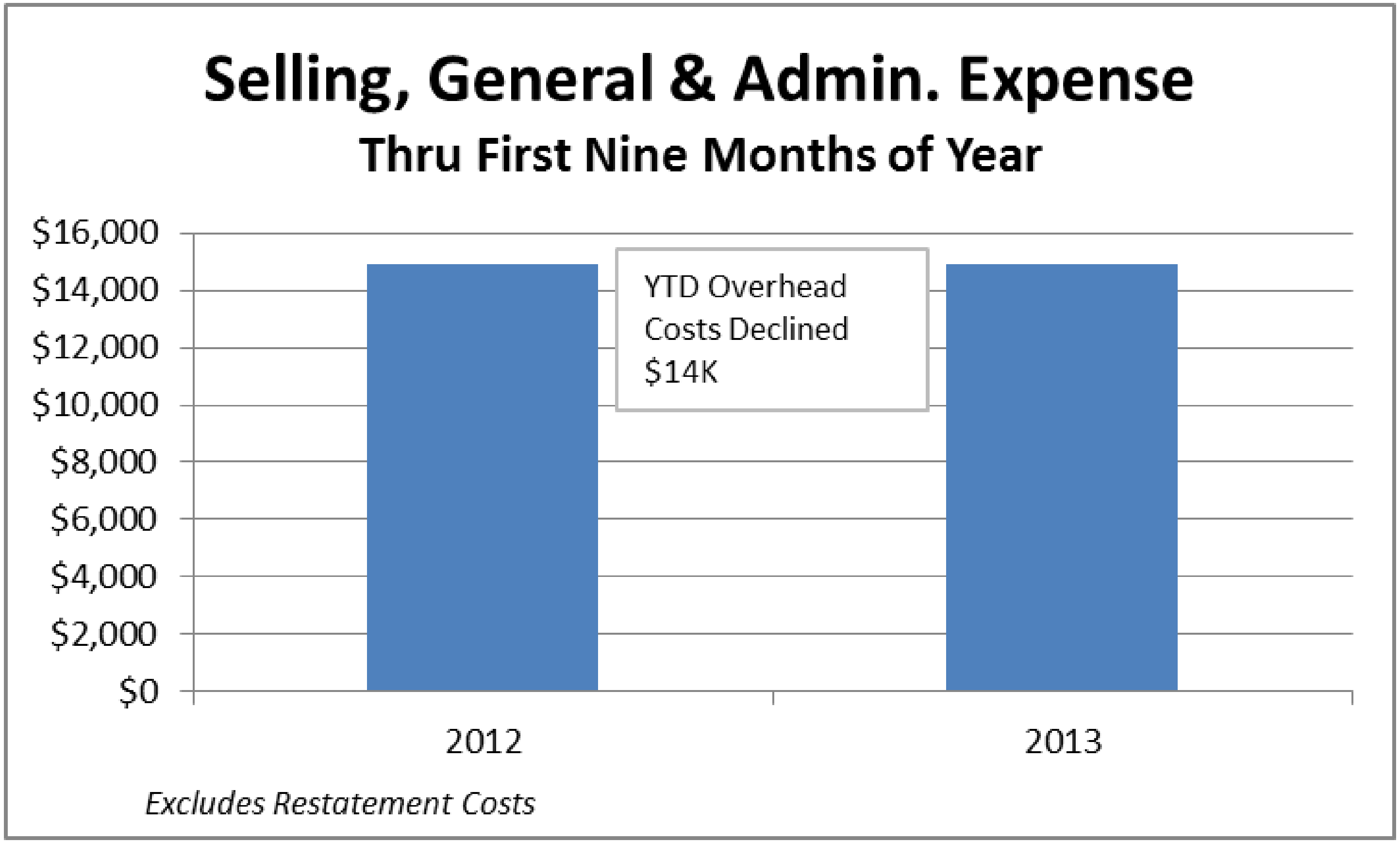



Gross Profit
Thru First Nine Months of Year
$12,000
$10,000
$8,000
$6,000
$4,000
$2,000
$0
YTD Gross Profit
Increased 94.0%
From Prior Year
2012
2013

Lime Energy

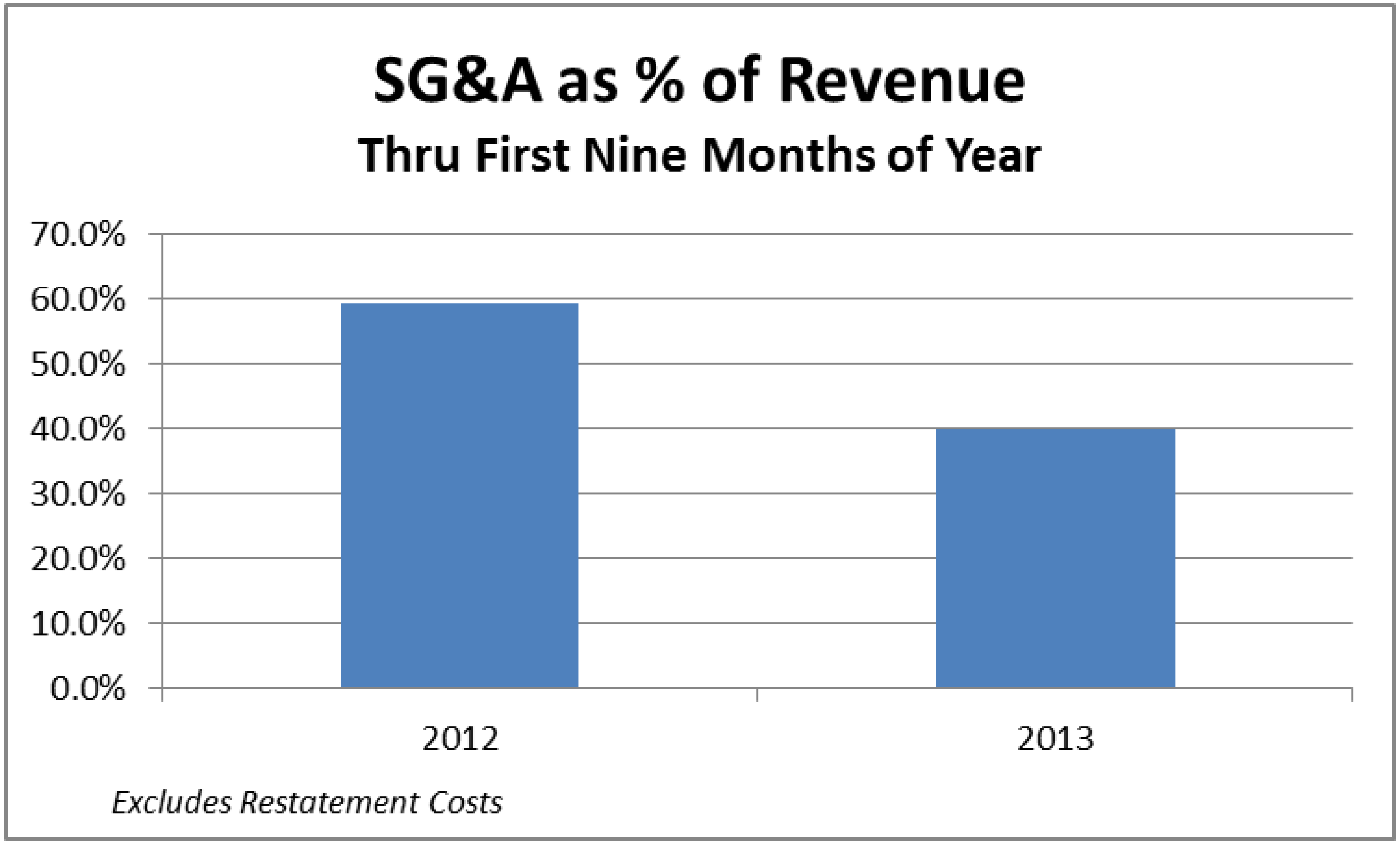

Gross Profit Margin
Thru First Nine Months of Year
Gross Profit Margin Improvecd From 20.6% to 26.9%
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
2012
2013

Lime Energy


Selling, General & Admin. Expense
Thru First Nine Months of Year
$16,000
$14,000
$12,000
$10,000
$8,000
$6,000
$4,000
$2,000
$0
YTD Overhead
Costs Declined
$14K
2012
2013
Excludes Restatement Costs

FINANCIALS

Lime Energy



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Less is more

FINANCIALS

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