Tecogen
Clean Energy Solutions

OTCQX: TGEN

EARNINGS CALL MARCH 18, 2025

FY 2024

MANAGEMENT

- Abinand Rangesh – CEO & CFO
- Robert Panora – COO & President
- Roger Deschenes – CAO
- Jack Whiting – General Counsel & Secretary

SAFE HARBOR STATEMENT

This presentation and accompanying documents contain “forward-looking statements” which may describe strategies, goals, outlooks or other non-historical matters, or projected revenues, Income, returns or other financial measures, that may include words such as "believe," "expect," "anticipate," "intend," "plan," "estimate," "project," "target," "potential," "will," "should," "could," "likely," or "may" and similar expressions intended to identify forward-looking statements. These statements are only predictions and involve known and unknown risks, uncertainties, and other factors that may cause our actual results to differ materially from those expressed or implied by such forward-looking statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Forward-looking statements speak only as of the date on which they are made, and we undertake no obligation to update or revise any forward-looking statements.

In addition to those factors described in our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q under “Risk Factors”, among the factors that could cause actual results to differ materially from past and projected future results are the following: fluctuations in demand for our products and services, competing technological developments, issues relating to research and development, the availability of incentives, rebates, and tax benefits relating to our products and services, changes in the regulatory environment relating to our products and services, integration of acquired business operations, and the ability to obtain financing on favorable terms to fund existing operations and anticipated growth.

In addition to GAAP financial measures, this presentation includes certain non-GAAP financial measures, including adjusted EBITDA which excludes certain expenses as described in the presentation. We use Adjusted EBITDA as an internal measure of business operating performance and believe that the presentation of non-GAAP financial measures provides a meaningful perspective of the underlying operating performance of our current business and enables investors to better understand and evaluate our historical and prospective operating performance by eliminating items that vary from period to period without correlation to our core operating performance and highlights trends in our business that may not otherwise be apparent when relying solely on GAAP financial measures.

AGENDA

- AI & Data Centers
  - Why Tecogen's unique solution
  - Vertiv relationship
  - Potential impact of data center sales to Tecogen
- About the technology
- Financials Q4 and FY 2024
- Q&A

AI LIQUID COOLING MARKET OPPORTUNITY

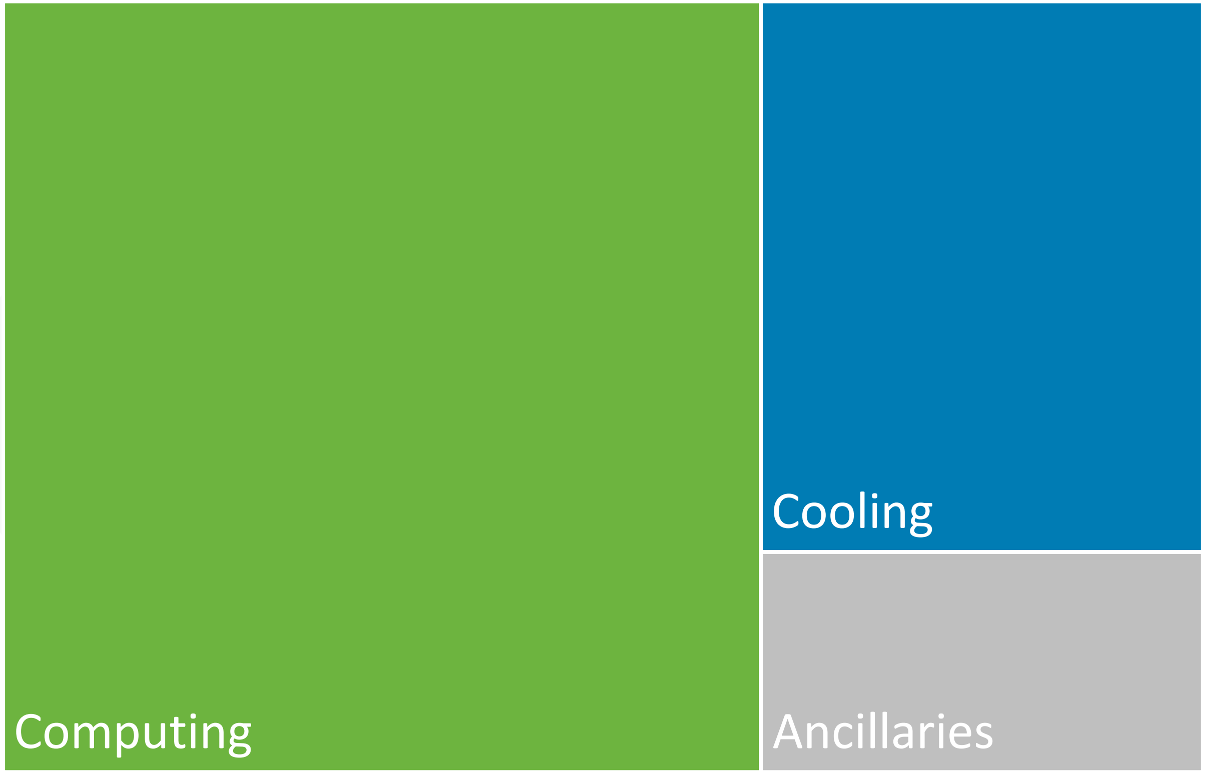
NVDIA & AMD are expected to ship >5 million AI chips a year

Liquid cooling of AI Chips allows a chip to operate at 2x computing power, but that heat needs to be removed

Over next 10 years >$20Bn of cooling equipment needs to be installed to support AI Liquid cooling

THE PROBLEM

Power Needs of AI Data Center



- Up to 30% of a data center's available electrical power may need to be allocated to cooling
- This power is then not available to for computing
- Computing is the revenue source for a data center

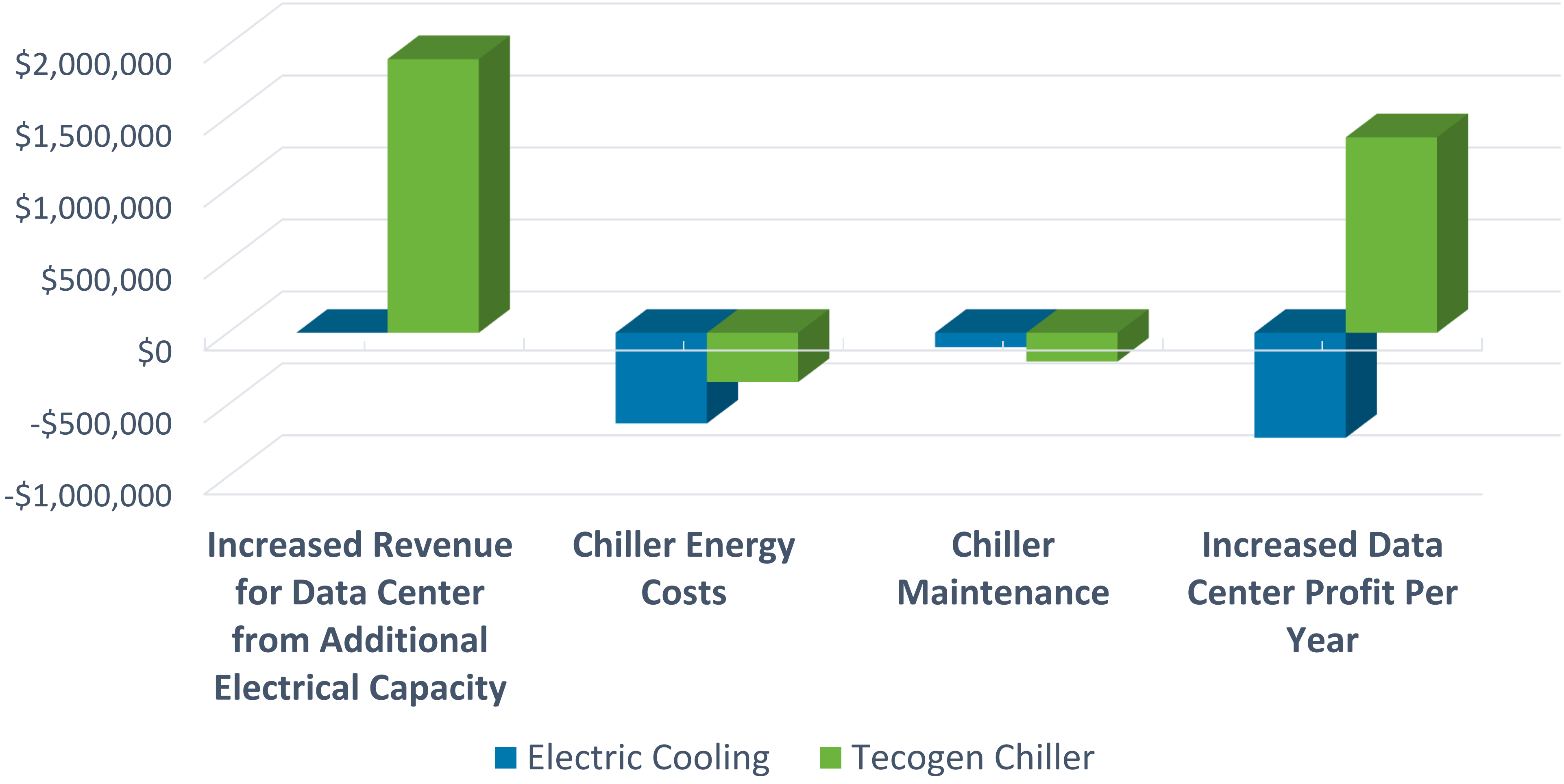
SOLUTION – TECOGEN'S ADVANCED NATURAL GAS CHILLER

- Increases available power
  - Tecogen's unique advanced natural gas chiller (Tecochill) increases a data center's available power
- Fast and Easy Installation
  - Faster and cheaper to install than on-site power generation
  - Ultra low NOx and CO emissions for simplified air-permits
- Proven technology in 24/7 critical applications including hospitals, ice rinks, cannabis

TECOCHILL COMPARED TO ALTERNATIVES

- Tecochill is 2x more efficient than nearest other gas cooling technology
- Tecochill can save 50% or more in energy costs compared to an electric chiller
- Tecogen chillers are made in USA and are less susceptible to tariffs

Tecogen Chillers = Increased Available Power = Increased Data Center Profits (2,000 Ton Chiller Plant)



THE MARKET

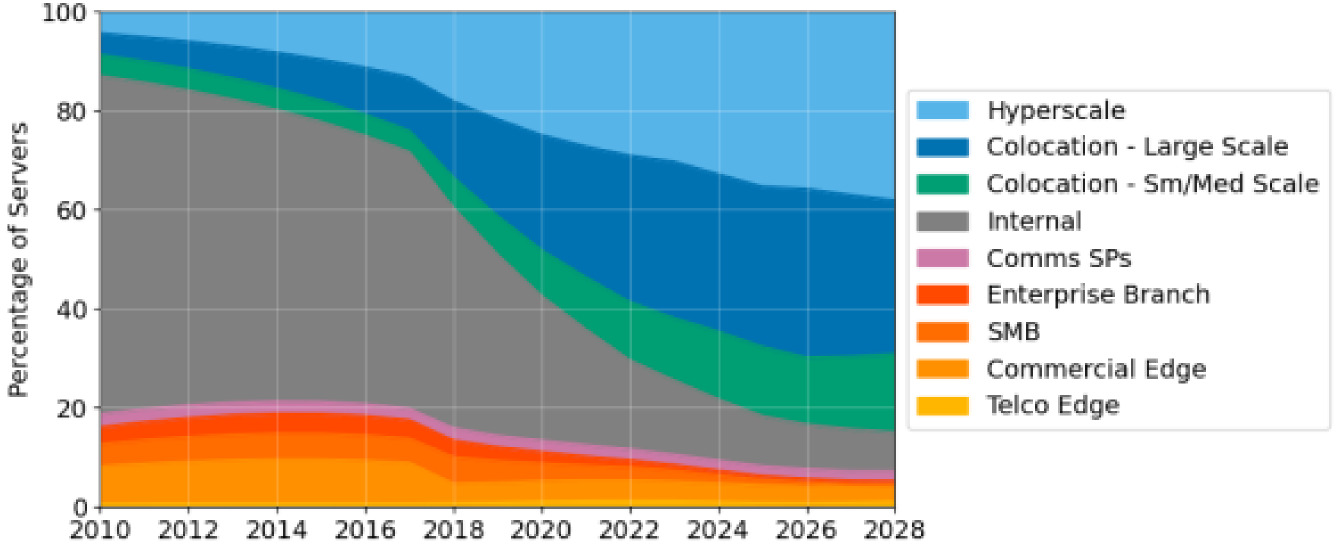
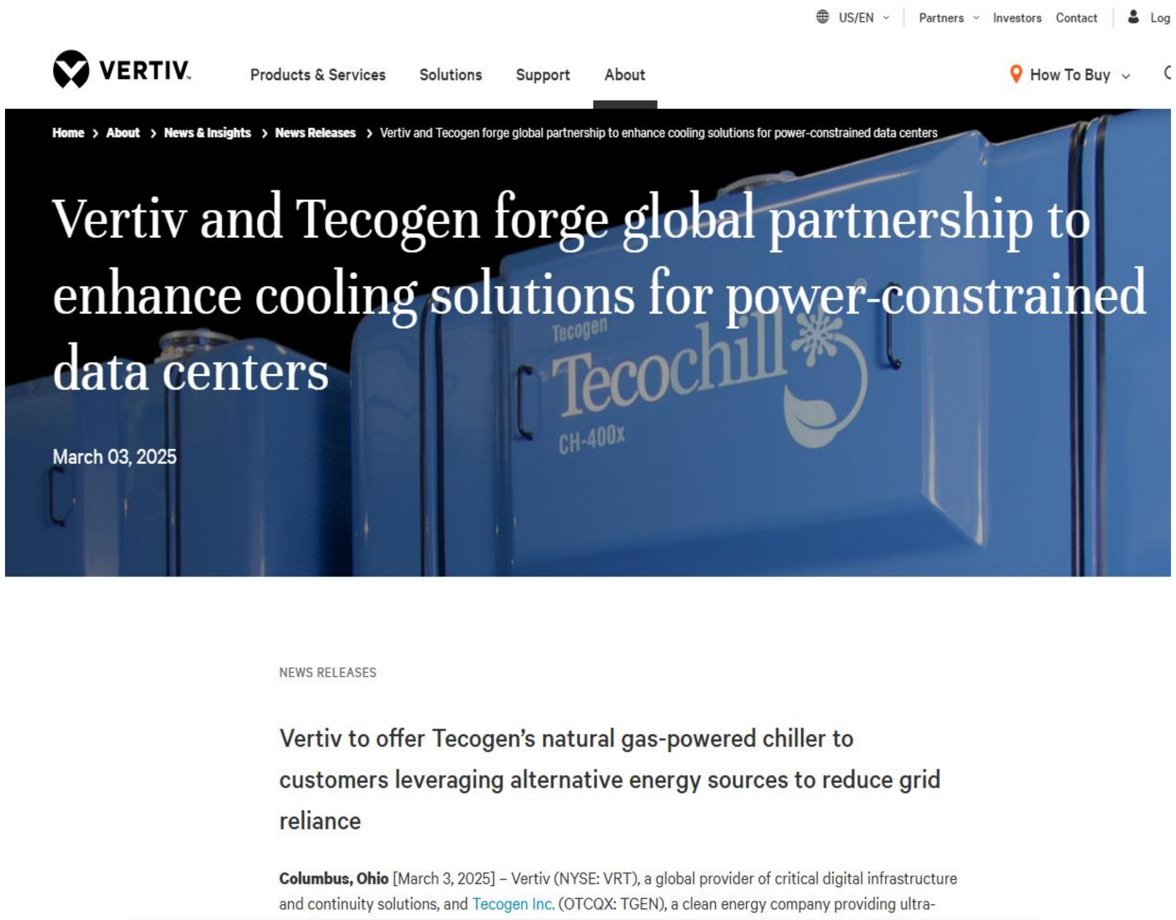


Figure 4.1. Distribution of servers by data center type.

2024 United States Data Center Energy Usage Report 37

- Market moving towards colocation and hyperscale data centers
- Favorable to larger projects
- Tecogen is targeting the colocation data centers

PROVEN TRACTION IN DATA CENTER MARKET



- Signed global partnership with Vertiv for data center cooling
  - Vertiv is No.1 in Thermal management for data centers
  - Marketing agreement signed March 2025
- Data center sites (power gen)
  - Enterprise data center in Manhattan (Installed 2023/4)
  - Cloudsmart Data Center in CT (Expected Install 2025)
  - Working on 3 to 5 multi-unit data center projects

POTENTIAL IMPACT

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- Sample AI data center site
  - Total Data Center Power = 50MW
  - 36 MW computing
  - 14 MW for cooling and ancillaries
  - Chiller plant size >11,000 refrigeration tons
- One chiller project of equivalent size could generate $13m to $16m in revenue for Tecogen
- Incremental sale from even 1 data center will lead to profitability
  - 2024 gross profit margin >43%
  - Adjusted EBITDA breakeven point approximately $30m

NEW FACTORY READY FOR GROWTH

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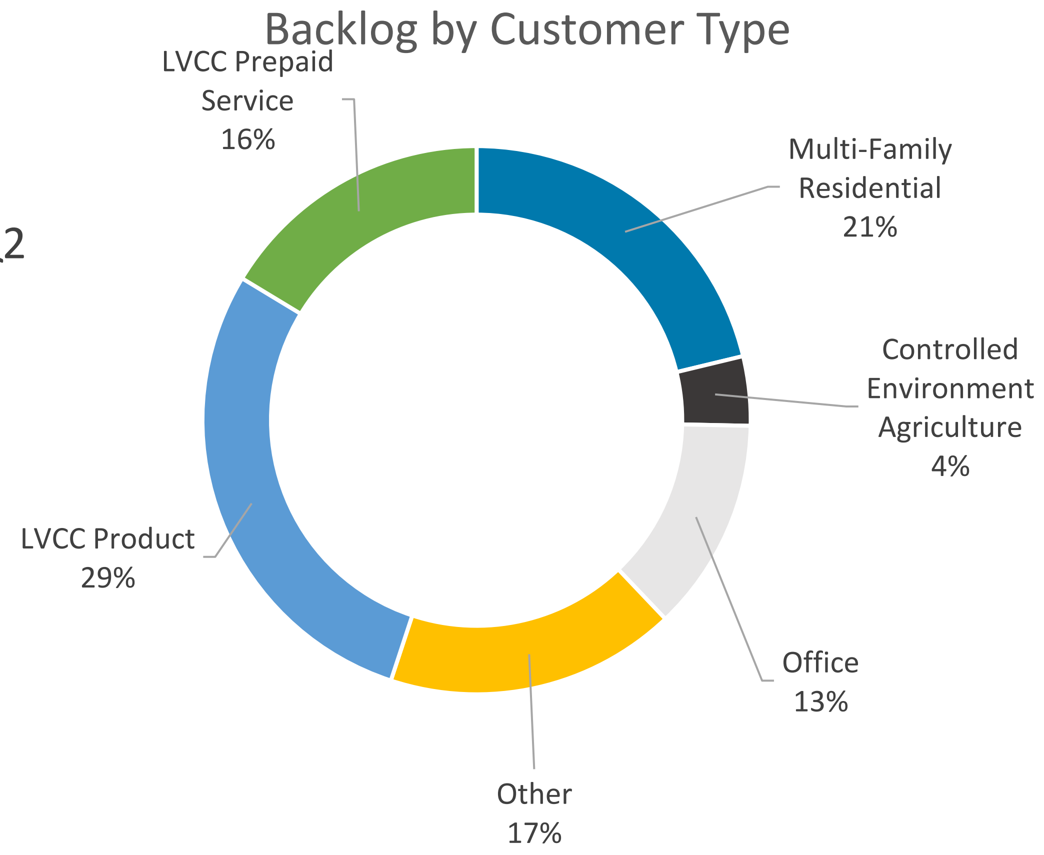
- Tecogen moved to a new factory in 2024
- 20 Ton overhead cranes for chiller production
- Talented local labor pool

BACKLOG AND CASH

- Backlog is presently $12.2m.
- Additional >$3m of projects expected to enter backlog during Q2
- Cash position $5.4m at quarter end and $4m presently
  - Due to customer deposits
  - NYSERDA rebates – (Some pass through from customers)
- Repayment timeline extended to 2026 for related party notes



REVENUE SEGMENTS

PRODUCT SALES

Sales of combined heat and power, and clean cooling systems to building owners. Key market segments include multifamily residential, health care and indoor cultivation.

CLEAN, GREEN POWER, COOLING AND HEAT

SERVICES

We service most purchased Tecogen equipment in operation through long term maintenance agreements through 11 service centers in North America and perform certain equipment installation work.

ENERGY SALES

We sell electrical energy and thermal energy produced by our equipment onsite at customer facilities.

4Q 2024 RESULTS

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Key Points

- Revenue = $6.1 million up 3%
- Net loss of $0.05/share Q4 2024
- Net loss $1.1m
- Opex $3.9m due to one-time charges
    - $109k credit loss provision for hospital customer in chapter 11
    - ADGE Goodwill impairment of $217k
- Gross Margin 45% up 5%

$ in thousands	4Q'24	4Q'23	QoQ Change	%
Revenue				
Products	$ 1,442	$ 1,765	$ (323)	
Services	4,083	3,591	492	
Energy Production	550	542	8	
Total Revenue	6,075	5,898	177	**3.0%**
Gross Profit				
Products	446	343	103	
Services	2,074	1,842	232	
Energy Production	215	164	50	
Total Gross Profit	2,734	2,349	385	**16.4%**
Gross Margin: %				
Products	31%	19%	12%	
Services	51%	51%	-1%	
Energy Production	39%	30%	9%	
Total Gross Margin	45%	40%	5%	
Operating Expenses				
General & administrative	2,928	3,462	(534)	
Selling	503	505	(2)	
Research and development	227	214	12	
Impairment and other expenses	213	(16)	229	
Total operating expenses	3,871	4,165	(294)	**-7.1%**
Operating loss	(1,137)	(1,815)	678	
Net loss	$ (1,186)	$ (1,846)	$ 660	

YE 2024 RESULTS

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Key Points

- Revenue = $22.6 million
  - Factory move reduced products revenue
- Net loss of $0.19/share YE 2024
- Net loss of $4.8m
- Services revenue increased 14% due to increased number of service contracts
- Gross Margin of 44% up 3%
- Op Ex down 1.4%
  - Install receivable credit loss provision of $744K in 2023
  - $109k credit loss provision for hospital customer in chapter 11 in 2024
  - ADGE Goodwill impairment of $217k

$ in thousands	YE 24	YE 23	YoY Change	%
Revenue				
Products	$ 4,444	$ 8,860	$ (4,416)	
Services	16,075	14,523	1,552	
Energy Production	2,101	1,756	345	
Total Revenue	22,620	25,139	(2,519)	**-10.0%**
Gross Profit				
Products	1,429	2,937	(1,508)	
Services	7,642	6,614	1,028	
Energy Production	799	651	148	
Total Gross Profit	9,870	10,202	(332)	**-3.3%**
Gross Margin: %				
Products	32%	33%	-1%	
Services	48%	46%	2%	
Energy Production	38%	37%	1%	
Total Gross Margin	44%	41%	3%	
Operating Expenses				
General & administrative	11,356	11,880	(524)	
Selling	1,881	1,931	(50)	
Research and development	962	840	122	
Impairment and other expenses	205	(36)	241	
Total operating expenses	14,404	14,615	(210)	**-1.4%**
Operating loss	(4,534)	(4,414)	(121)	
Net loss	$ (4,760)	$ (4,598)	$ (162)	

4Q 2024 ADJUSTED EBITDA RECONCILIATION

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- **EBITDA: Earnings Before Interest, Taxes, Depreciation & Amortization**
  - EBITDA and adjusted EBITDA loss was $1m and $692k respectively
  - Includes increase of $109k credit loss reserve

- **EBITDA Non-cash adjustments**
  - Stock based compensation
  - Unrealized and realized (gain) loss on investment securities
  - Non-recurring charges

	Quarter Ended, Dec 31	
Non-GAAP financial disclosure (in thousands)	**2024**	**2023**
Net income (loss) attributable to Tecogen Inc.	$ (1,186)	$ (1,846)
Interest expense, net	31	7
Income tax expense	0	0
Depreciation & amortization, net	134	108
EBITDA	**(1,021)**	**(1,731)**
Stock based compensation	41	76
Unrealized loss on marketable securities	-	(19)
Goodwill	217	-
Installation credit loss provision	-	744
Obsolete inventory provision	71	403
Adjusted EBITDA*	**$ (692)**	**$ (527)**

*Adjusted EBITDA is defined as net Income (loss) attributable to Tecogen Inc, adjusted for interest, depreciation and amortization, stock-based compensation expense, unrealized loss on investment securities, non-cash abandonment of intangible assets, goodwill impairment and other non-recurring charges or gains including abandonment of certain intangible assets and extinguishment of debt

YE 2024 ADJUSTED EBITDA RECONCILIATION

- **EBITDA: Earnings Before Interest, Taxes, Depreciation & Amortization**
  - EBITDA and adjusted EBITDA loss of $4.1m and $3.6m respectively
  - EBITDA loss increased due to lower products revenue due to factory move
- **EBITDA Non-cash adjustments**
  - Stock based compensation
  - Unrealized and realized (gain) loss on investment securities
  - Non-recurring charges

	FY Ended, Dec 31	
Non-GAAP financial disclosure (in thousands)	**2024**	**2023**
Net income (loss) attributable to Tecogen Inc.	$ (4,760)	$ (4,598)
Interest expense, net	90	16
Income tax expense	23	32
Depreciation & amortization, net	554	568
EBITDA	**(4,094)**	**(3,982)**
Stock based compensation	173	250
Unrealized loss (gain) on marketable securities	-	-
Goodwill	217	-
Installation credit loss provision	-	744
Obsolete inventory provision	71	403
Adjusted EBITDA*	**$ (3,633)**	**$ (2,584)**

*Adjusted EBITDA is defined as net Income (loss) attributable to Tecogen Inc, adjusted for interest, depreciation and amortization, stock-based compensation expense, unrealized loss on investment securities, non-cash abandonment of intangible assets, goodwill impairment and other non-recurring charges or gains including abandonment of certain intangible assets and extinguishment of debt

4Q 24 PERFORMANCE BY SEGMENT

- Products revenue decreased 18% QoQ
  - Gross margin up QoQ
- Services revenue increased 14% QoQ
  - Services gross margin flat at 51% QoQ
  - Increased from prior quarters earlier this year
- Energy Production revenue increased 2% QoQ
  - Margin increased 9% QoQ
- Gross Margin 45%
  - Increased 5% QoQ

4Q Revenues ($ thousands)	2024	2023	YoY Growth
Revenues			
Cogeneration	$ 490	$ 892	-45%
Chiller	952	612	56%
Engineered accessories	0	262	-100%
Total Product Revenues	1,442	1,765	-18%
Service Contracts	4,083	3,591	14%
Installation Services	-	-	
Total Service Revenues	4,083	3,591	14%
Energy Production	550	542	2%
Total Revenues	6,075	5,898	3%
Cost of Sales			
Products	996	1,422	-30%
Services	2,010	1,749	15%
Energy Production	335	377	-11%
Total Cost of Sales	3,341	3,549	-6%
Gross Profit	$ 2,734	$ 2,349	16%
Gross Margin			
Products	31%	19%	
Services	51%	51%	
Energy Production	39%	30%	
Overall	45%	40%	

QTD Gross Margin	2024	2023	Target
Overall	45%	40%	>40%

YE 24 PERFORMANCE BY SEGMENT

- Products revenue decreased 50% YoY
  - Due to factory move
  - 2024 gross profit impacted by move related inefficiencies.
- Services revenue increased 11% YoY
  - Services margin increased from 46% to 48%
- Energy Production Revenue increased 20% YoY
- Gross Margin increased to 44% due to improving service margins

YE 2024 Revenues ($ thousands)	2024	2023	YoY Growth
Revenues			
Cogeneration	2,678	2,762	-3%
Chiller	1,647	5,304	-69%
Engineered accessories	119	794	-85%
Total Product Revenues	4,444	8,860	-50%
Service Contracts	16,075	14,523	11%
Installation Services	0	0	0%
Total Service Revenues	16,075	14,523	11%
Energy Production	2,101	1,756	20%
Total Revenues	22,620	25,140	-10%
Cost of Sales			
Products	3,015	5,923	-49%
Services	8,433	7,909	7%
Energy Production	1,302	1,106	18%
Total Cost of Sales	12,750	14,938	-15%
Gross Profit	9,870	10,202	-3%
Gross Margin			
Products	32%	33%	
Services	48%	46%	
Energy Production	38%	37%	
Overall	44%	41%	

Gross Margin	2024	2023	Target
Overall	44%	41%	>40%

SUMMARY AND Q&A

- Significant headway into data center market
  - Signed Vertiv collaboration
  - Signed small data center
  - Expect more later in year
- Have $4m in cash to fund working capital
- Service margins are improving

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