



OTCQX: TGEN

SIDOTI CONFERENCE
JANUARY 17TH 2024

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

- 🌱 Overview of the Business
 - 🌱 Products
 - 🌱 Markets
 - 🌱 Competitive Advantage
- 🌱 Strategic Plan for Growth
 - 🌱 Growing Recurring Revenue
 - 🌱 Growing Margin with Operational Improvements, Self Learning Control & Utility Value Stack
 - 🌱 Growing Product Revenue with Cooling as A Service



BACKGROUND OF TECOGEN

- Our objective is provide energy savings while having a cleaner environmental footprint
- Technology pioneer in cogeneration, chillers, heat pumps, & emissions controls
- Originally part of Thermo Electron's power division (now Thermo Fisher)
- Spun out as a standalone company and went public in 2014
- 3200+ shipped units and now has established service presence nationwide and in Canada



3,200+
Units Shipped



POWER GENERATION + RESILIENCY

Modular microgrids for energy savings, greenhouse gas (GHG) reductions and resiliency to grid outages



LONG TERM MAINTENANCE & ENERGY ASSET MANAGEMENT

Helping customers achieve predictable energy savings with comprehensive maintenance services



CLEAN COOLING

Hybrid and Engine Driven Chillers with lower operating cost and lower greenhouse gas footprint compared to competing solutions



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

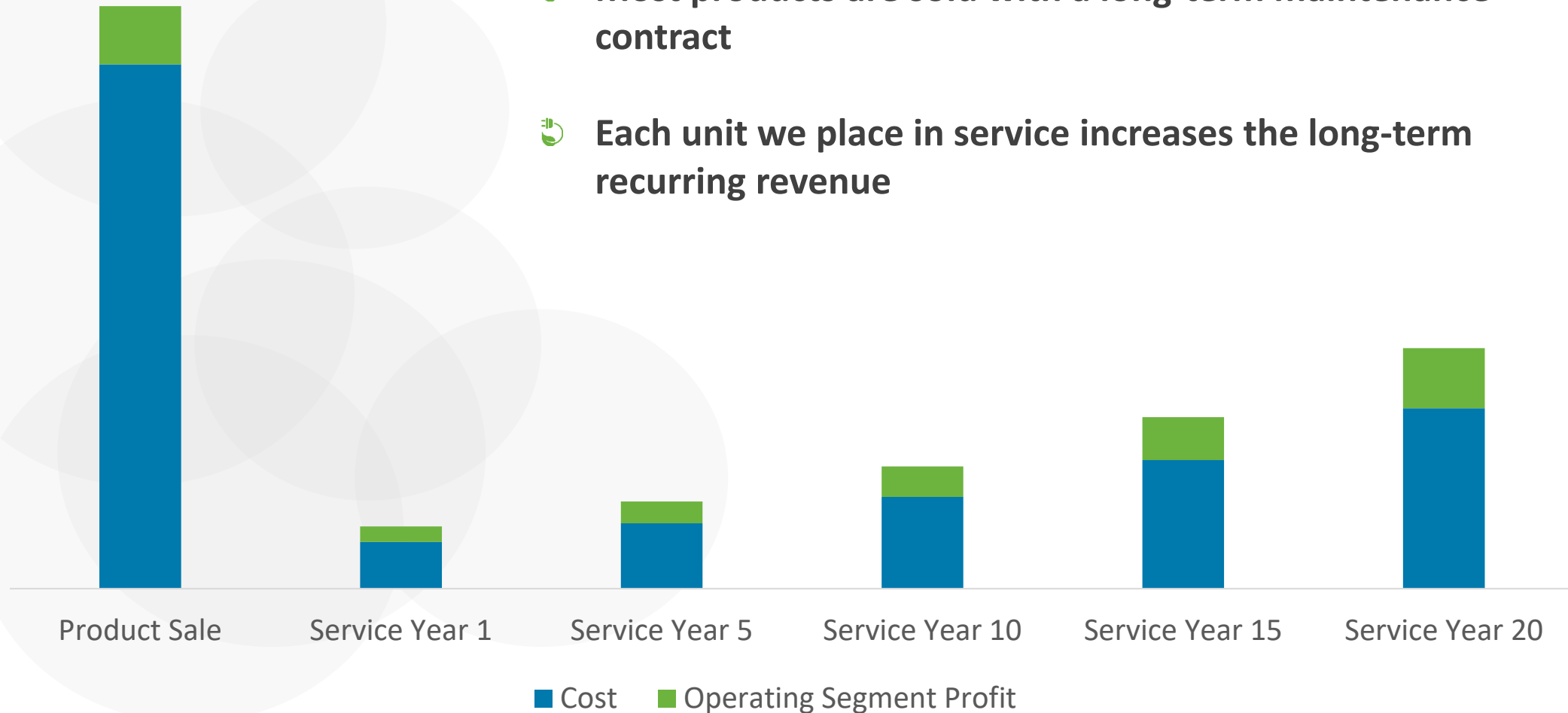
We service most purchased Tecogen equipment in operation through long term maintenance agreements through 11 service centers in North America and perform certain equipment installation work.

ENERGY SALES

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

BUSINESS MODEL

- Most products are sold with a long-term maintenance contract
- Each unit we place in service increases the long-term recurring revenue

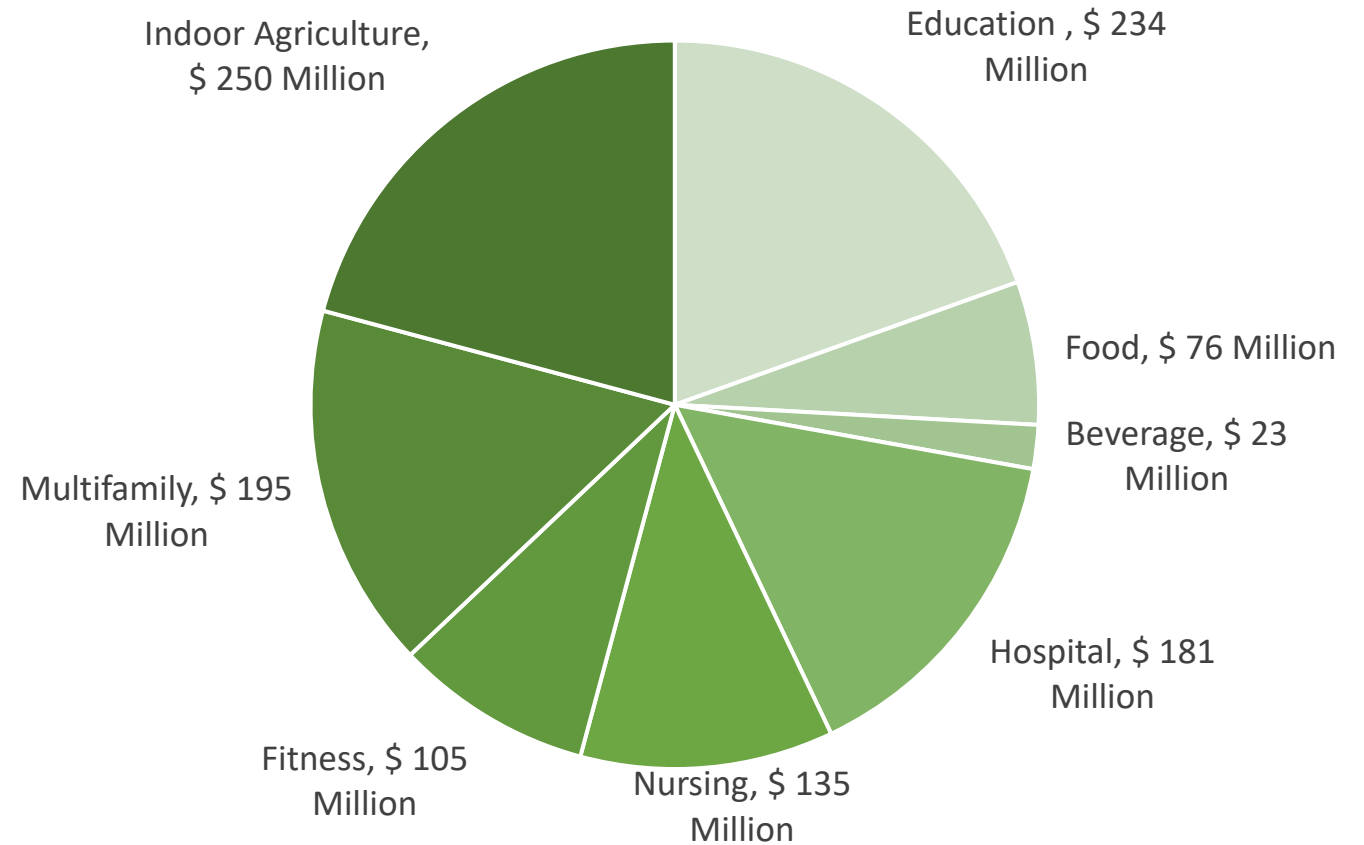


MARKET SIZE

Addressable market >\$1Bn

Utility rates are increasing in our core markets





Addressable Market Size All Products in New England, NY, NJ, FL, CA



Competitive Landscape Cogeneration

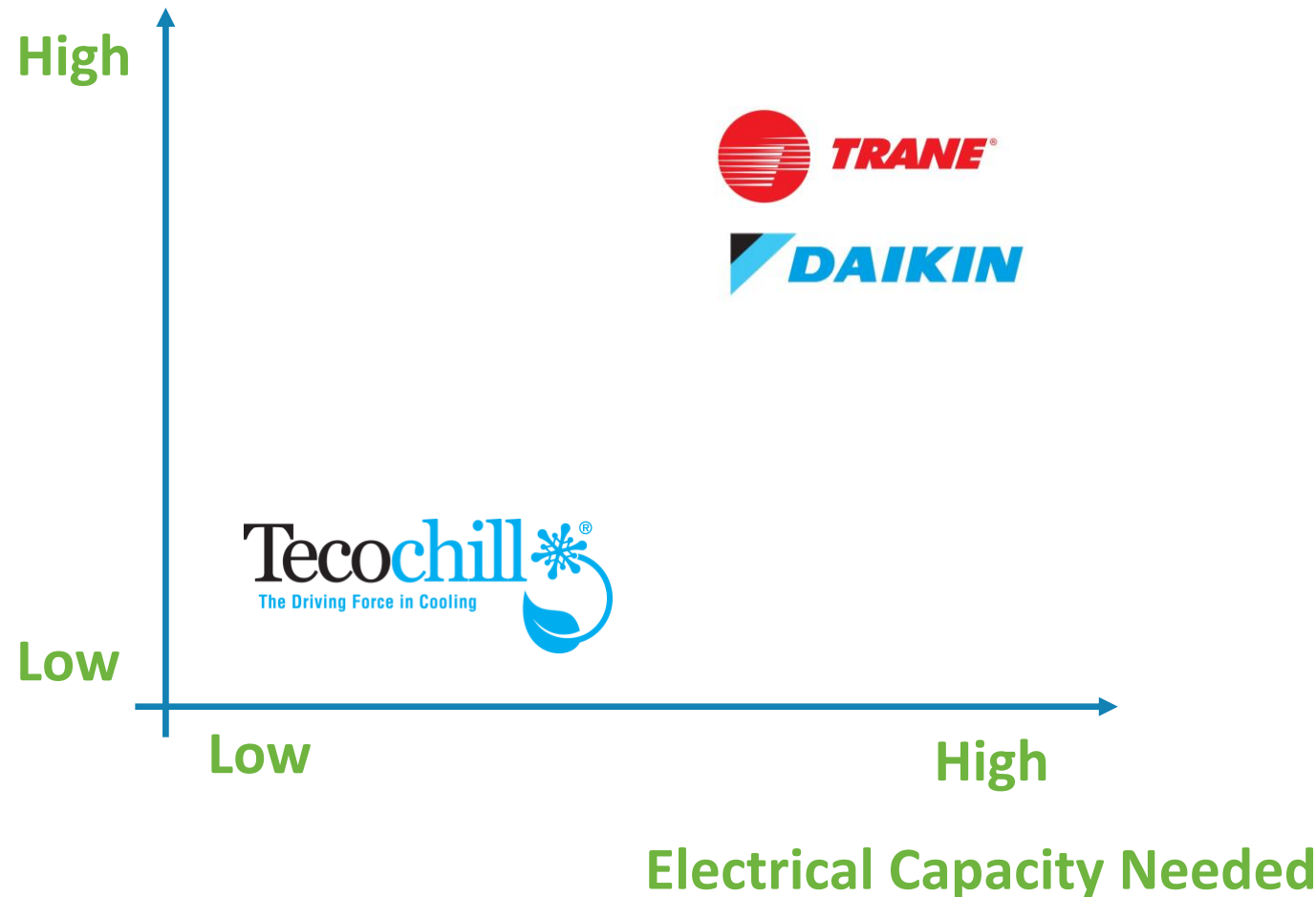
Easy to Install, Quiet and fits in tight spaces






-  Tecogen has an advantage in buildings that need a quiet, easy to fit cogeneration system
-  Higher efficiency large industrial cogeneration systems won't fit in most high-rise buildings and are too noisy
-  75 KW to 1MW size range
-  Focus on buildings in urban environments

Competitive Landscape Chillers

Cost of Operation



-  Tecogen has advantages in buildings that have electrical capacity constraints or have better uses for the electrical capacity
-  Best ROI in buildings that cool and dehumidify at the same time
-  Focus on indoor agriculture, healthcare, industrial where both conditions above are met

Tecogen Strategic Plan

January
2024

- Phase 1 – Increase recurring service revenue and establish sales channels relationships
- Increased recurring service revenue by 30% by assuming service agreements for 202 cogeneration units from competitor (Aegis/Dalkia)
- Established multiple new sales channel relationships with project developers in core markets such as Indoor Agriculture - Sales pipeline has increased >15% YoY

July 2024

- Phase 2 – Operational Improvements, Self Learning Intelligent Cogeneration Control & Demand Response
- Self-Learning Intelligent Control of cogeneration and chillers to optimize operations and increase service revenue
- Utility demand response payments during peak load
- Control of hybrid chiller and heat pumps

October
2024

- Phase 3 – New Business Model to Grow Product Revenue
- Cooling and Heating as a Service – Provides a way for building owners to upgrade a chiller or boiler plant without upfront capital investment.
- Combines project financing and ongoing maintenance into a single predictable monthly payment, so customers pay for the upgrade from the savings.

SELF LEARNING INTELLIGENT CONTROL OF COGENERATION AND CHILLERS



- Based on our remote monitoring platform **CHPInsight®**
- Increased equipment run hours and savings
 - Learns from building load profile to optimize operations
- Utility Demand Response Payments
 - Centralized control of multiple units
 - Can aggregate excess capacity from multiple cogeneration systems when utility is capacity constrained and be paid by the utility
- Arbitrage of natural gas vs electric
 - Can control hybrid chiller plants to choose power source mix
 - Can optimize for greenhouse gas reduction and economics

Cooling as a Service



- Targeted at buildings that need to upgrade their chiller or boiler plant
- In retrofit applications, buildings may have competing uses for capital, especially in a high interest rate environment.
- Buildings are likely to defer upgrades or choose systems that have a lower first cost but lower efficiency and higher ongoing costs
- Chillers can be upgraded to Tecochill or High Efficiency electric solutions depending on application
- Customers pay for the cooling and heating as a service that includes all maintenance and the capital recovery as a flat monthly fee

Cooling as a Service - Economics



Pay for your chiller upgrade from your energy savings!



Do you need to replace your chiller? Why buy an expensive electric chiller when you can upgrade your chiller for FREE with our 'Pay for your chiller from energy savings' program.

Tecogen manufactures natural gas engine driven chillers. In most places in the United States, natural gas is a quarter the price of electricity. In addition, we recover the free waste heat from the engine so that it can be used in your building, further increasing savings. In most cases, your cooling energy bills will be cut in half or more.

Now, you can pay for the chiller over time and monthly rate you pay will be no more than you were paying before with your electric chiller. As part of the monthly payment, we also include our comprehensive factory service, so you won't have to worry about downtime or maintenance.

If you sign up in 2024, there is a 40% investment tax credit that can be applied towards reducing your monthly fee. Why pay for an expensive upgrade out of pocket when there is a better way. Contact us now for more details.



60% REDUCTION IN ENERGY USE	100% REDUCTION IN PEAK DEMAND	2X RESILIENCY WITH DUAL POWER SOURCES	65% REDUCTION IN GHG EMISSIONS
---------------------------------------	---	---	--

	Tecogen Owned Energy Assets	Third Party Owned Energy Assets Managed by Tecogen	Total
Revenue	\$1,785,854	\$3,530,625	\$5,316,479
EBITDA Profit	\$788,864	\$1,436,506	\$2,225,370
EBITDA Margin	44%	41%	42%

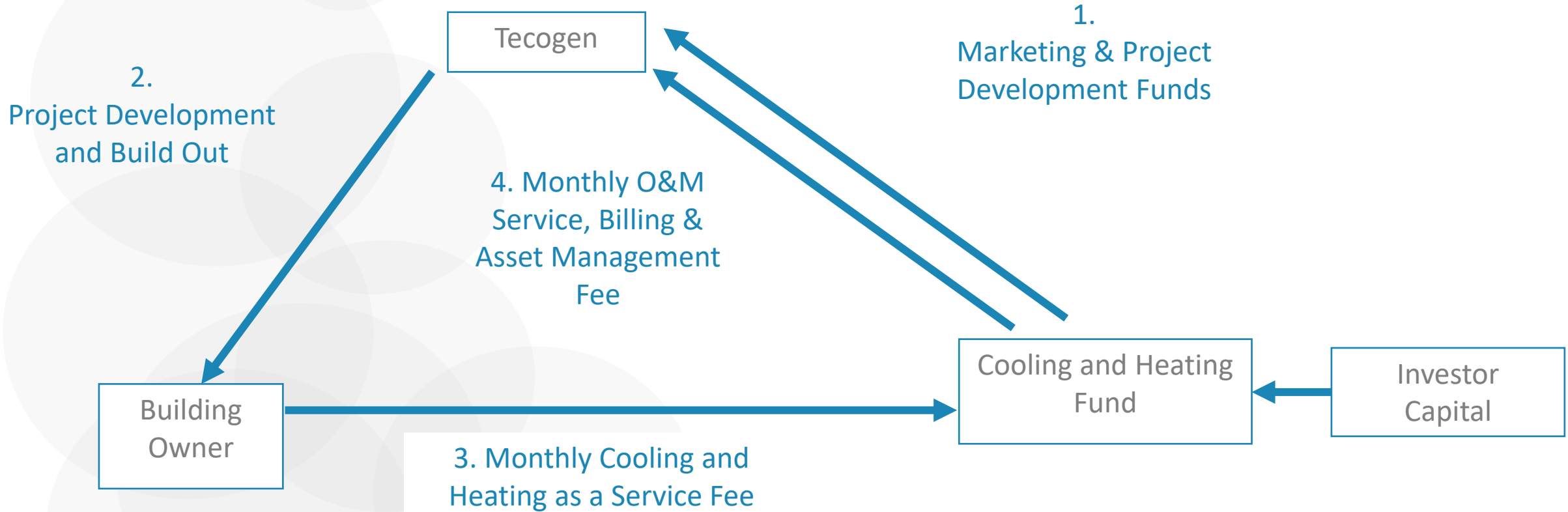
P&L (FY 2022) for Tecogen's owned and managed energy portfolio

The energy portfolio includes electrical generation, and chiller and boiler projects. The table below shows the P&L for the cooling and heating projects only.






	Cooling and Heating Projects
Revenue	\$1,082,029
EBITDA Profit	\$630,718
EBITDA Margin	58%



Relationship Structure



SUMMARY AND Q&A

-  Tecogen is at a turning point
-  Increased recurring Revenue from service acquisitions
-  Exciting product pipeline including hybrid chiller, Self-learning intelligent control and optimization of cogeneration and chiller plants
-  Long term value with control of large number of cogeneration assets in peak priced utility regions
-  Reduced barriers to product growth with cooling as a service

Company Information

Tecogen, Inc
45 First Ave
Waltham, MA 02451
www.Tecogen.com

Contact information

Abinand Rangesh, CEO
781.466.6487
Abinand.rangesh@Tecogen.com