Tecogen

Energy Efficiency Reimagined

NASDAQ: TGEN

3rd Quarter 2018 Earnings Review
November 13, 2018

Participants

Benjamin Locke	Chief Executive Officer
Robert Panora	President & Chief Operating Officer
Bonnie Brown	Chief Accounting Officer

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.

Earnings Call Agenda

Benjamin Locke

- Introduction
- Why Tecogen
- Third Quarter Review
- Recent Achievements

Robert Panora

- Technology Update

Bonnie Brown

- Financial Review

Benjamin Locke

- Opportunities and Outlook

Q&A

Advanced Modular Cogeneration Systems

Heat, Power, and/or Cooling that is

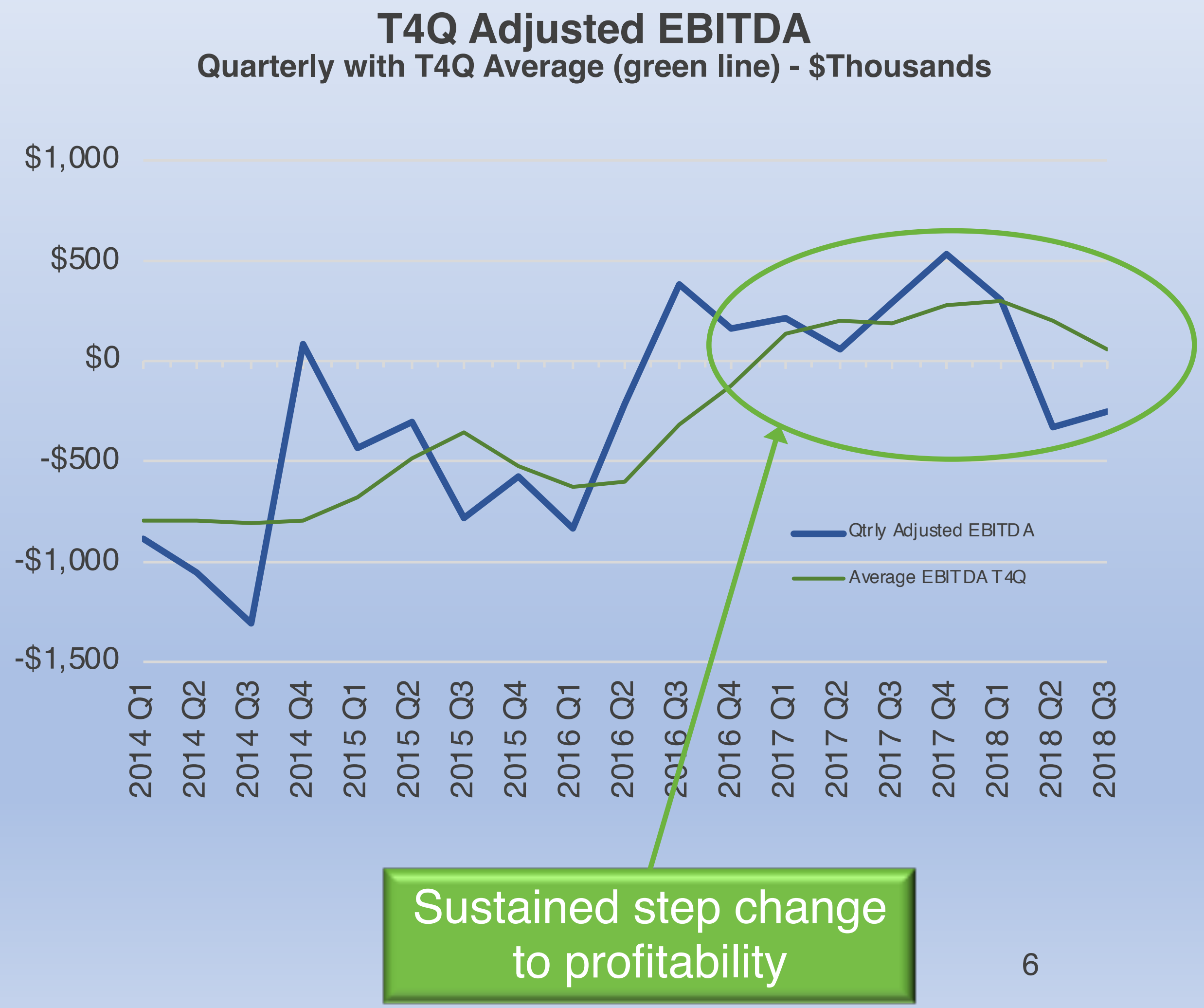
- **Cheaper**
  Industry leading efficiency
- **Cleaner**
  Lower emissions thanks to efficiency and emissions technology
- **More reliable**
  Real time monitoring enables prompt service

All of Tecogen's equipment is powered by internal combustion engines that use clean, abundant natural gas and is equipped with Tecogen's patented Ultera emissions system

Sustained Positive Financial Results

- 3Q '18 Revenues of $7.9 million
- T4Q revenue of $37 million
- Revenue growth on T4Q basis year over year of 23%
- T4Q gross profit of $13.7 million
- Sustained step change to profitability originally achieved in 3Q'16
- T4Q Adjusted EBITDA* of $248K for 3Q'18
- ADG Energy production revenue contributed $616K to Gross Profit

*Adjusted EBITDA is defined as net income (loss) attributable to Tecogen Inc., adjusted for interest, depreciation and amortization, unrealized gain or loss on securities, stock based compensation expense, and one-time merger related expenses.



3Q'18 Summary of Results

$ in thousands	3Q'18	3Q'17	YoY Increase (Decrease)		Comments
Revenue					
Products	$ 2,765,094	$ 2,425,616	$ 339,478	14.0%	Highlighted by chiller sales
Service	3,713,770	4,519,467	(805,697)	-17.8%	Decrease in turnkey installations
Energy Production	1,459,820	1,556,115	(96,295)	-6.2%	
Total Revenue	7,938,684	8,501,198	(562,514)	**-9.7%**	
Gross Profit					
Products	$ 1,069,747	$ 887,101	$ 182,646		Additional gross profit from increased product sales
Service	1,196,560	1,538,013	(341,453)		
Energy Production	616,791	832,917	(216,126)		Energy production was higher than expected in 3Q'17
Total Gross Profit	2,883,098	3,258,031	(374,933)	**-11.5%**	
Gross Margin: %					
Products	38.7%	36.6%	2.1%		Stronger margins seen in both cogen and chiller sales
Service	32.2%	34.0%	-1.8%		Installation business brings tighter profit than contract maintenance
Energy Production	42.3%	53.5%	-11.3%		Energy production margin is in line with long term expectations
Total Gross Margin	36.3%	38.3%	-2.0%		
Operating Expenses					
General & administrative	$ 2,582,600	$ 2,427,352	$ 155,248		Merger related expenses accounts for about half of this increase
Selling	581,716	503,415	78,301		Additional selling efforts
Research and development	281,094	241,725	39,369		R&D activities in connection with the forklift project
Total Operating Expenses	3,445,410	3,172,492	272,918	**8.6%**	Additional R&D and selling expenses account for some of this difference
Gain (loss) on marketable securities	19,681	-	19,681		
Adjusted EBITDA (see reconciliation)	$ (258,655)	$ 295,755	$(554,410)		See detailed reconciliation

Strong Q3 product revenue growth

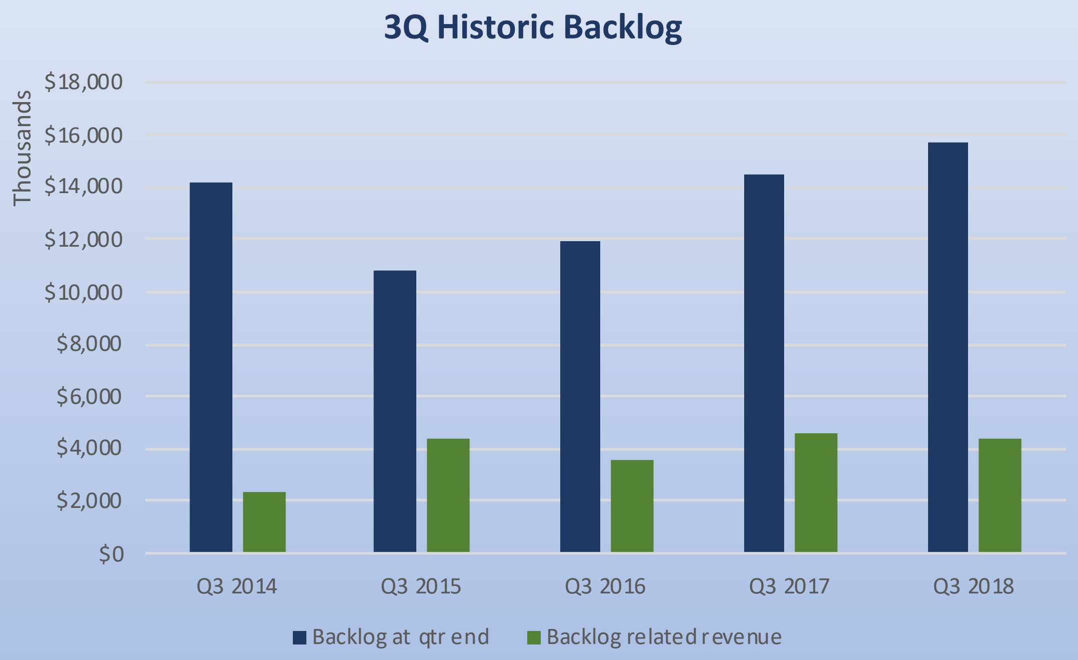
Consistently strong gross margin

Investing in our future

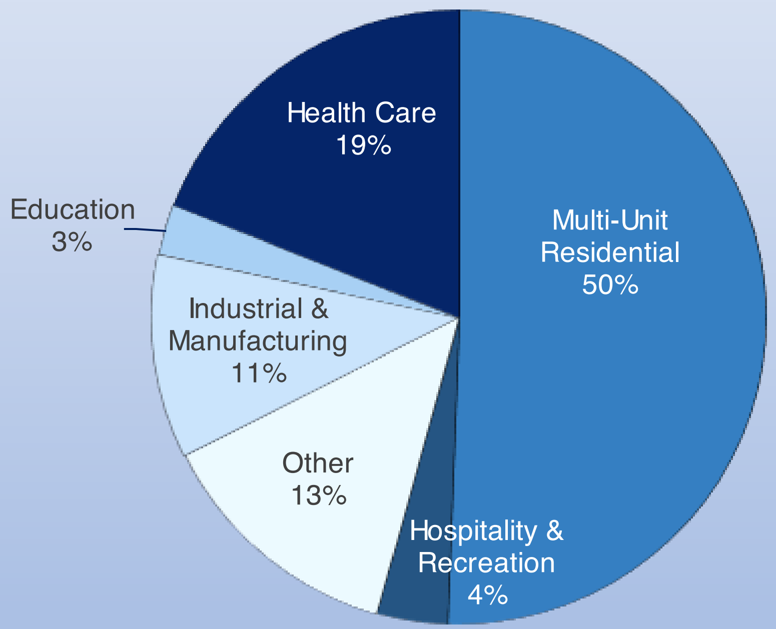
Other Notable Achievements

- Products
  - Maintaining compliance with UL 1741 SA requirements
  - Started customer outreach for reintroduction of TecoFrost ammonia based natural gas refrigeration system
  - Working with manufacturing partner to produce, sell first TecoFrost units in 1H-19
- Sales
  - Additional chiller sales to growing facilities, universities
  - Continued CHP sales to core markets – residential, hospitality, ESCOs
  - Several large projects slated for Q1-19 (2 MW).
- Emissions
  - Forklift truck program entering next phase
    - Heightened involvement of partner, Mitsubishi Caterpillar Forklift America Inc. (MCFA)
  - Successful permit testing of SoCal sited generators
    - Milestone achievement for natural gas emissions levels
  - Ongoing project with Research Lab partner on catalyst optimization

Product and Installation Backlog



Backlog Breakdown by Customer



Quarter-end backlog of $15.7 million at 9/30/18 versus $14.5 million on 9/30/17. Backlog as of November 9, 2018 at $20.2 million.

Emissions Technology Update

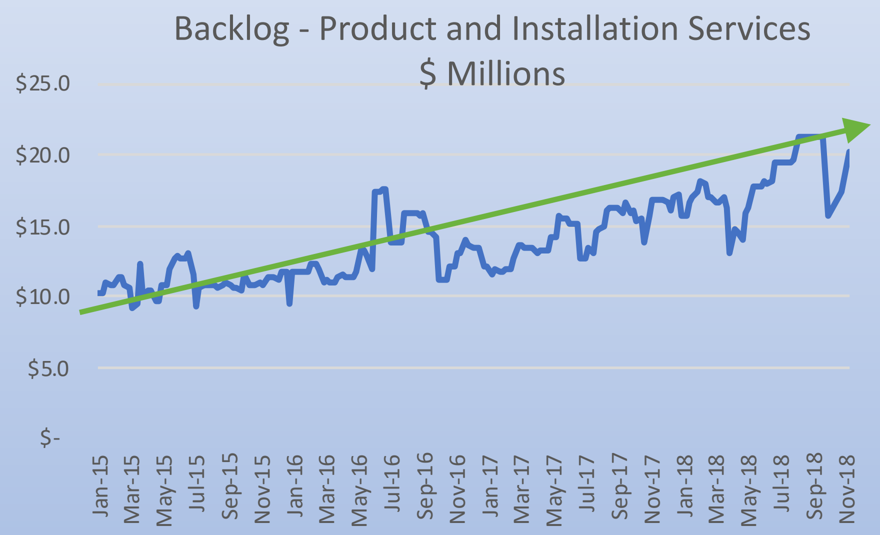
- World LPG (Propane) Forum Paper Presented
  - October 2nd in Houston
  - Manufacturing partner named: Mitsubishi Caterpillar Forklift America Inc. (MCFA)
- Second program phase underway
  - Positive internal review at MCFA
  - MCFA preparing custom engine control software
  - Next steps:
    - Retest at Tecogen
    - Ship prototype to MCFA for evaluation
- Miscellaneous emissions
  - SoCal generator retrofit program
    - Successful third-party permit testing
  - On road Ultera development work with outside research institute progressing

3Q '18 Financial Metrics: Revenues, Margins, Growth

- Four diverse revenue streams providing a mix of transactional and annuity like revenue streams
  - Product revenue grew 14%, with chillers gaining 89%, year over year
  - Product gross margin improved 6% year over year
  - Turnkey installation included in service operations facilitates both product and service revenue
  - Energy production revenue provided $1.5 million of stable cash flow with gross margin of 42.3%, exceeding expectations
- Overall gross margin of 36.3%, down by 2% year over year
- Overall gross margin on a T4Q basis of 37.1%
- Total revenue growth on a T4Q basis of 23%

	Quarter Ended September			
$ in thousands	**2018**	**2017**	**YoY Growth**	**% of Total Rev**
Revenue				
Cogeneration	$ 1,664	$ 1,842	-9.7%	21.0%
Chiller	1,101	583	88.7%	13.9%
Total Product Revenue	2,765	2,426	14.0%	34.8%
Service Contracts and Parts	2,066	2,110	-2.1%	26.0%
Installation Services	1,648	2,410	-31.6%	20.8%
Total Service Revenue	3,714	4,519	-17.8%	46.8%
Energy Production	1,460	1,556	-6.2%	18.4%
Total Revenue	**$ 7,939**	**$ 8,501**	**-6.6%**	**100.0%**
Cost of Sales				
Products	$ 1,695	$ 1,539	10.2%	
Services	2,517	2,981	-15.6%	
Energy Production	843	723	16.6%	
Total Cost of Sales	**$ 5,056**	**$ 5,243**	**-3.6%**	
Gross Profit	**$ 2,883**	**$ 3,258**	**-11.5%**	**36.3%**
Net loss attributable to Tecogen Inc.	**$ (603)**	**$ 27**		
Gross Margin				
Products	38.7%	36.6%		
Services	32.2%	34.0%		
Aggregate Products and Services	35.0%	34.9%		
Energy Production	42.3%	53.5%		
Overall	36.3%	38.3%		

Consistent Financial Progress



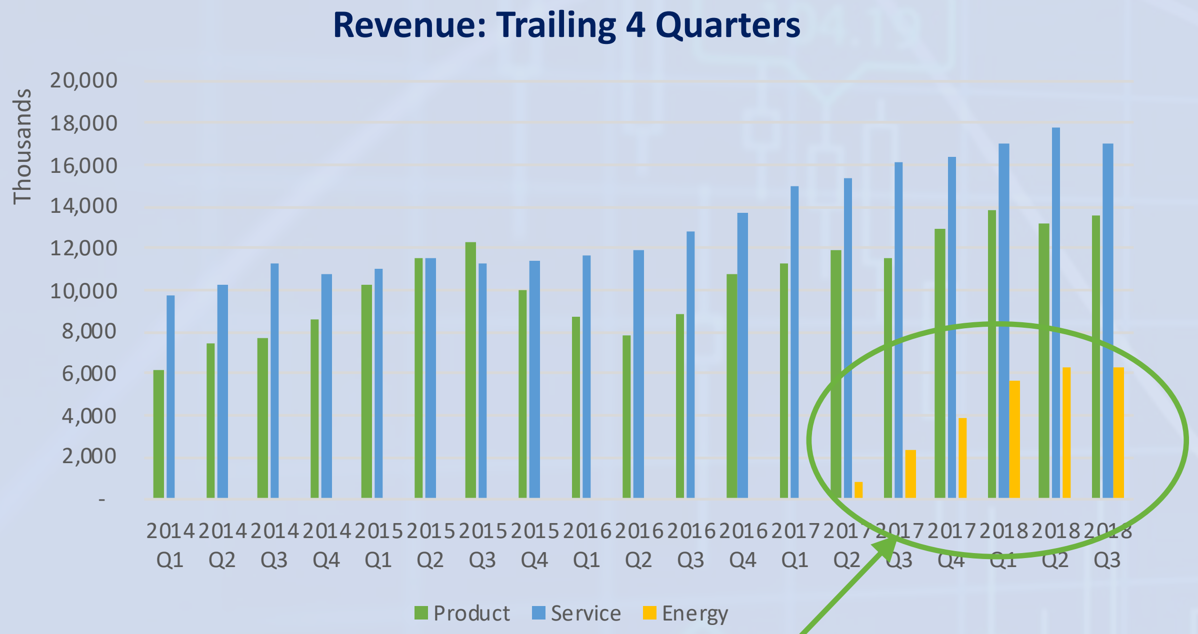
Steady growth in the backlog translates to revenue growth

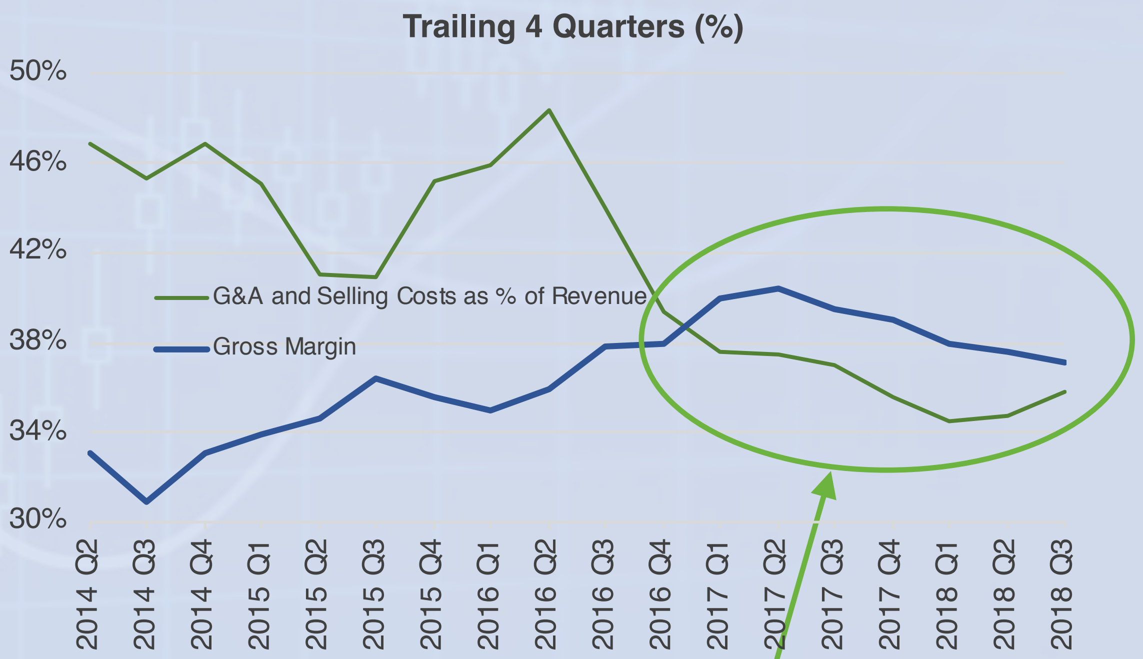
ADJUSTED EBITDA* 3Q '18 Compared to 3Q '17

Adjusted EBITDA	**3Q'18**		**3Q'17**	
Non-GAAP financial disclosure				
Net income (loss) attributable to Tecogen Inc.	$	(603,037)	$	27,211
Interest expense & other expense, net		9,531		30,393
Income tax expense		3,815		-
Depreciation & amortization, net		199,938		160,061
EBITDA		(389,753)		217,665
Stock based compensation		55,330		40,645
Merger related expenses		75,768		37,445
Adjusted EBITDA	$	(258,655)	$	295,755

**Adjusted EBITDA is defined as net income (loss) attributable to Tecogen Inc., adjusted for interest, depreciation and amortization, stock based compensation expense, unrealized gain or loss on equity securities and merger related expenses.*

Consistent Financial Progress





Energy production revenue acquired in May, 2017

Declining operating expenses as a percentage of revenue demonstrates scalability with revenue growth

2018-19 Outlook

- Continue highlighting Tecogen systems as the most cost-effective, economically superior cogeneration technology
- Establish Tecogen's gas engine cooling technology as the best alternative to costly electric cooling technology.
- Take advantage of additional utility revenue streams via "smart inverter" certification
- Develop testing and retrofit plan with Forklift partner
- Initiate next phase of vehicle emissions project

Tecogen®

Advanced Modular CHP Systems

Energy Efficiency Reimagined

Q&A

AMERICAN DG ENERGY

Ultera
EMISSION CONTROL

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