



1Q 2016 Earnings



NASDAQ: TGEN

Participants

John Hatsopoulos

- Co-Chief Executive Officer, Director

Benjamin Locke

- Co-Chief Executive Officer

Robert Panora

- President & Chief Operating Officer

David Garrison

- Chief Financial Officer

Ariel Babcock

- Director, Investor Relations





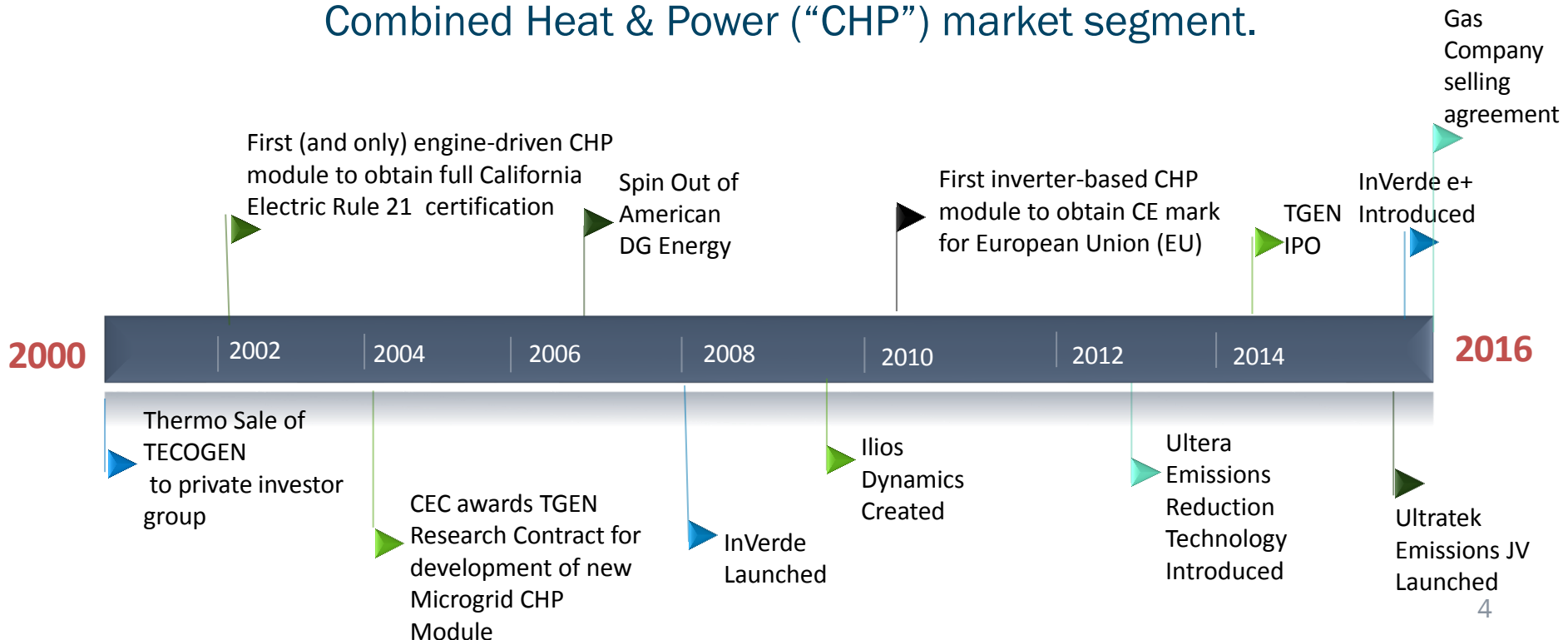
Safe Harbor Statement

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Leading Manufacturer of Clean Energy Solutions

Leading provider of cost efficient, clean and reliable products for power production, heating and cooling which, through patented technology, nearly eliminate criteria pollutants and significantly reduce a customer's carbon footprint. With over 2,300 units shipped, Tecogen technology is revolutionizing distributed generation for customers in the small-to-mid size Combined Heat & Power ("CHP") market segment.



Product Improvements

- InVerde e+ introduction
- GE Equipment Insight integration
- Will be integrated in Long Island school District ESCO project

ULTRATEK Results

- Phase 1 tests highly effective in reducing vehicle emissions
- 90% reduction of Carbon Monoxide
- 80% reduction in non-methane hydrocarbons (NMOG)

Ilios

- Ilios merger complete
- Gas company exclusive equipment selling agreement



1Q 2016 Results:

REVENUE

- \$5.1M in 1Q16 revenues vs. \$6.1M in 1Q15 and \$4.3M in 4Q15
- Products - \$2.3M in 1Q16 product revenue vs. \$3.5M in 1Q15 and \$1.3M in 4Q15
- Service - 9.5% total Service revenue growth vs 1Q15
 - 16.9% growth in Services revenues Y/Y and 9.3% growth Q/Q demonstrates continued growth in long term revenue stream.
 - Partially offset by Installation revenue decline

GROSS PROFIT & MARGIN

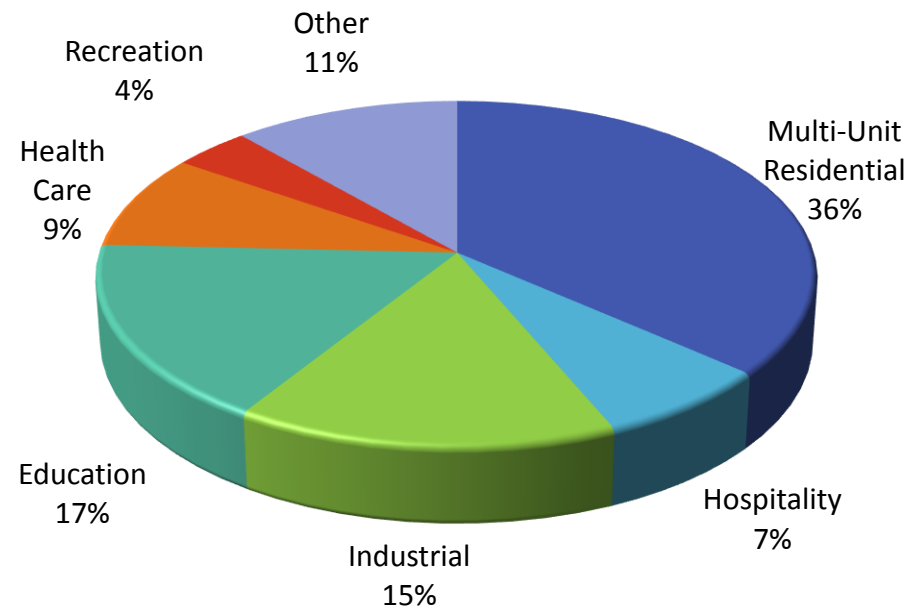
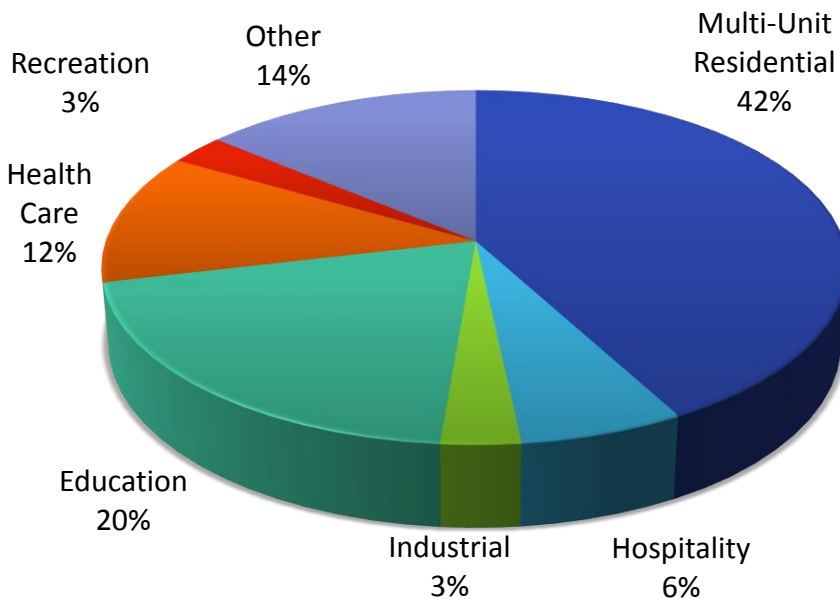
- \$1.7M in 1Q16 gross profit vs. \$2.2M in 1Q15 and \$1.6M in 4Q15
- 33.9% gross margin in 1Q16 vs. 36.5% in 1Q15 and 37.4% in 4Q15
- Service margin impacted by loss on legacy turnkey project
- Product margin improved to 31.5% vs 27.8% in 1Q15 driven by cost control initiatives and product sales mix

BACKLOG

- \$13.1M in current backlog as of May 6, 2016
- \$11.5M 1Q16 end backlog vs \$10.9M prior year backlog
- Backlog growth from increasing penetration of turnkey installation services and cogeneration sales.

Backlog

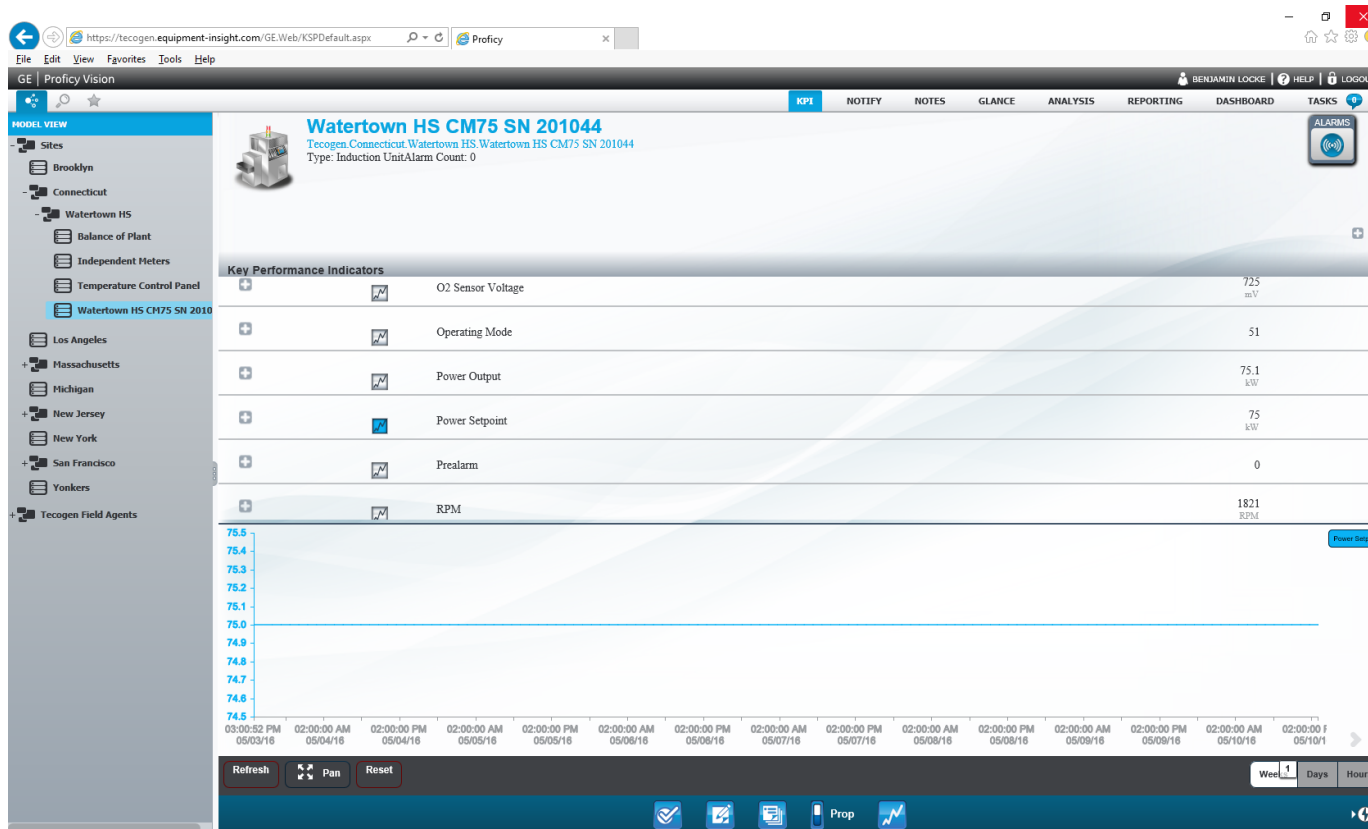
Installed Base*



Current Product and Installation Backlog of \$13.1M
 Up 14% from \$11.5M backlog at 1Q16 end and vs. \$10.9M prior year backlog
 Ahead of >\$10M quarterly backlog goal

* Approximate recently installed base by end market as of YE 2015.

GE Equipment Insight



Asset Details

Sites
Tecogen
Type: Company
Alarm Count: 0

Related Items

- Brooklyn
Tecogen.Brooklyn
Type: BN
- Connecticut
Tecogen.Connecticut
Type: CT
- Los Angeles
Tecogen.Los Angeles
Type: LA
- Massachusetts
Tecogen.Massachusetts
Type: MA
- Michigan
Tecogen.Michigan
Type: MI
- New Jersey
Tecogen.New Jersey
Type: NJ
- New York
Tecogen.New York
Type: NY
- San Francisco

InVerde e⁺ Features Offer Competitive Advantage

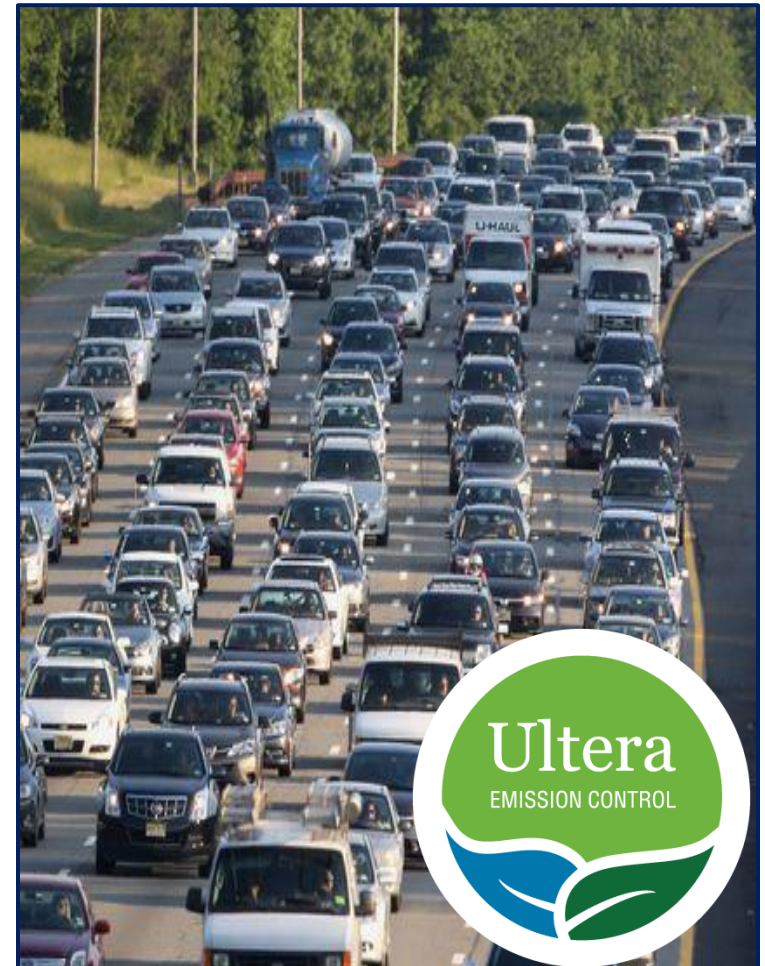
- Proprietary Inverter and generator
- State of the art controls integrating GE cloud-based real-time data analytics monitoring capability
- DC input compatible feature for battery or renewable integration
- 25% increase in electrical output
- Rapid 10 second blackstart capability for emergency power
- Low pressure gas requirement eliminating need for additional costly equipment



Re-establishes Tecogen as the leader in advanced modular inverter-based cogeneration innovation.

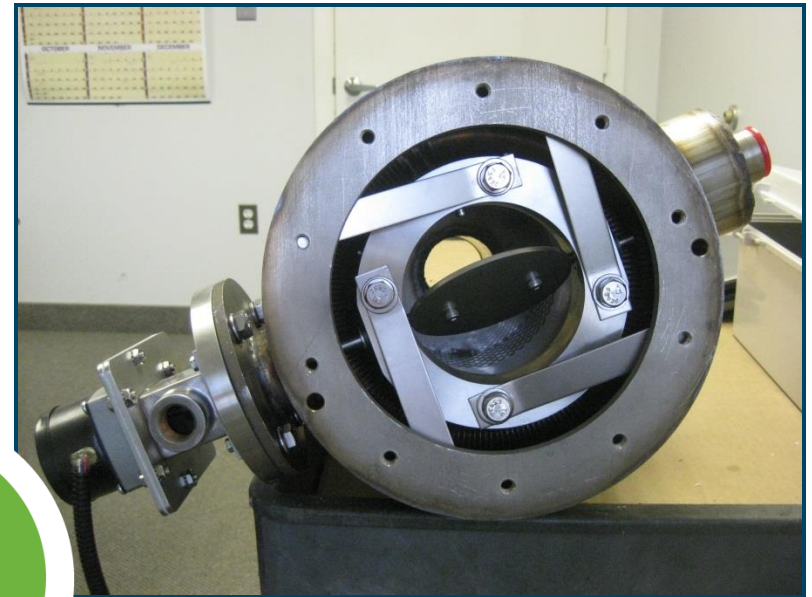
ULTRATEK: Emissions Progress

- Additional emissions-related patent awarded with several other filings still pending
- Constructed preliminary test module
- Phase 1 testing at AVL California Technology center completed in April
- Focus of Phase 1 was on base line testing and validation of Ultra system on a standard vehicle platform
- Initial results are positive
- Expect to share complete findings from Phase 1 in the near future



ULTRATEK: Results

- ✓ Ultra chemistry confirmed as effective on gasoline automotive engines
- ✓ Phase 1 focus on federally prescribed standard drive cycle tests
- ✓ 2016 light duty vehicle was compliant with current federal regulations on the standard test cycle
- ✓ Ultra proved especially effective during aggressive driving conditions
- ✓ Regulatory testing under real-world driving conditions would benefit Ultra technology



Standard Drive Cycle Results:

- Carbon Monoxide reduced by up to 90%
- Non-methane hydrocarbons (NMOG) reduced by up to 80%

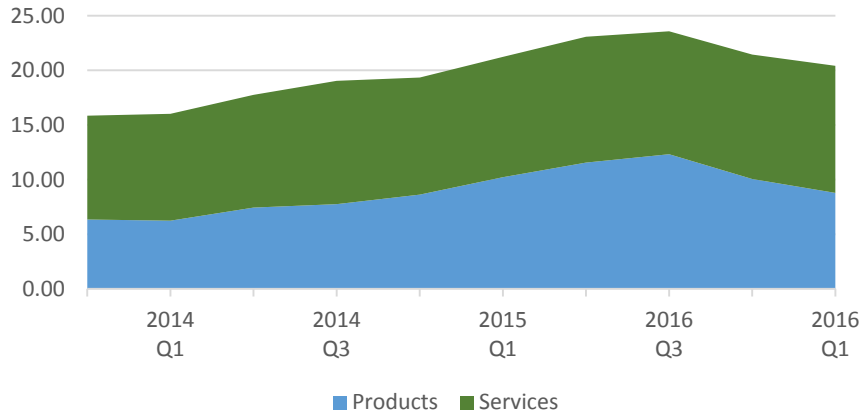
Tecogen Revenue Model & Outlook

- Three revenue streams
 - Product sales
 - Long-term service contracts **provide stable ongoing revenue**
 - Turnkey Installation through Tecogen service operations
- Targeting stable book-to-bill ratio of 1-1.5x
- Deliver ongoing expense improvement from lean manufacturing initiatives
- Targeting Gross Margins 35-40%
- Quarterly Backlog >\$10M
- Full Year Op Ex ~\$10M

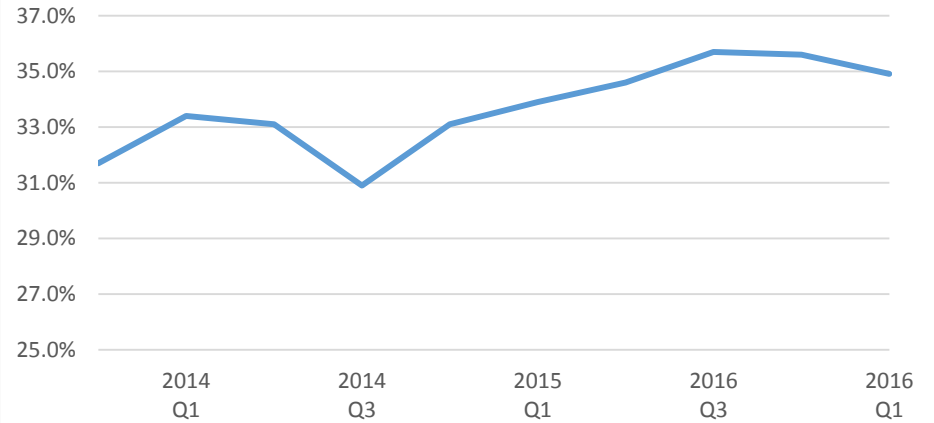
	<u>For the Quarter Ended</u>		<u>Y/Y</u>	<u>% of</u>
	<u>March 31,</u>	<u>March 31,</u>	<u>Growth</u>	<u>Total</u>
	<u>2016</u>	<u>2015</u>		<u>Revenue</u>
REVENUE				
Cogeneration	1,417,972	2,571,928		27.9%
Chiller & Heat Pump	<u>848,176</u>	<u>965,947</u>		16.7%
Total Product Revenue	2,266,148	3,537,875	-36%	44.6%
Service & Parts	2,188,322	1,872,366		43.1%
Installation Services	<u>621,045</u>	<u>693,193</u>		12.2%
Total Service Revenue	2,809,367	2,565,559	10%	55.4%
Total Revenue	<u>\$ 5,075,515</u>	<u>\$ 6,103,434</u>	-17%	
Gross Profit	\$ 1,719,344	\$ 2,224,975	-23%	
GROSS MARGIN				
Product Gross Margin	31.5%	27.8%	13%	
Service Gross Margin	35.8%	48.4%	-26%	
Gross Margin	33.9%	36.5%	-7%	

Consistent Financial Progress

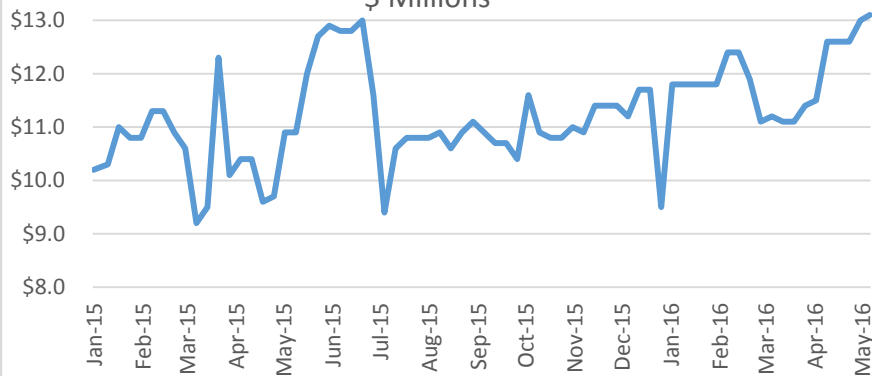
Revenues
Trailing 4 Quarters - in Millions



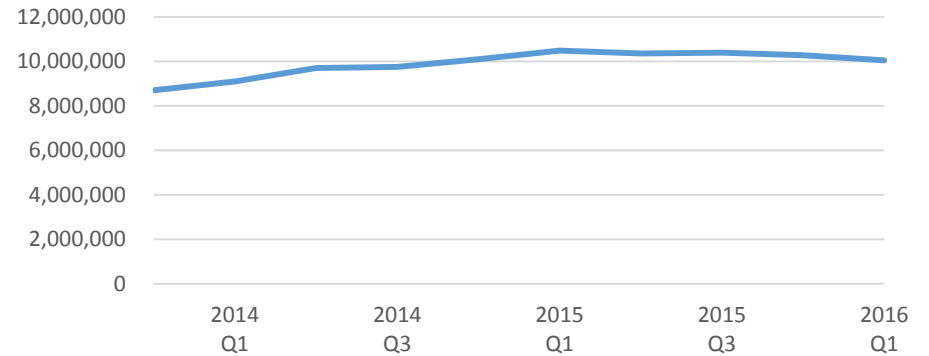
Gross Margin
Trailing 4 Quarters (%)



Backlog - Product and Installation Services
\$ Millions



Operating Expense Trend
Trailing 4Q



OPERATIONS

- InVerde e+ sales traction and competitive advantage
- First gas company selling agreement for Ilios and Tecochill
- Backlog remains comfortably above >\$10M backlog target
- Operational excellence initiatives continue to deliver on expense control and ~\$10M in 2016 OpEx target
- Continued exploration of other partnership opportunities

SERVICE

- GE Equipment Insight real-time cloud-based equipment monitoring and data analytics for operational excellence
- Service revenue improvement from growing installed base

ULTRATEK

- Phase 1 testing completed and full data analysis underway
- Ultera validated for gasoline automotive applications
- Phase 2 testing and development expected to begin Summer 2016



Q & A

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Contact Information



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