



OTCQX: TGEN

EARNINGS CALL MAY 9, 2024

Q1 2024

MANAGEMENT

- 🌱 Abinand Rangesh – CEO
- 🌱 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



Key Takeaways Q1 2024

- Factory Move
- Service Agreement Acquisitions
- Marketing

1Q 2024 Results

Summary

Q&A



FACTORY MOVE

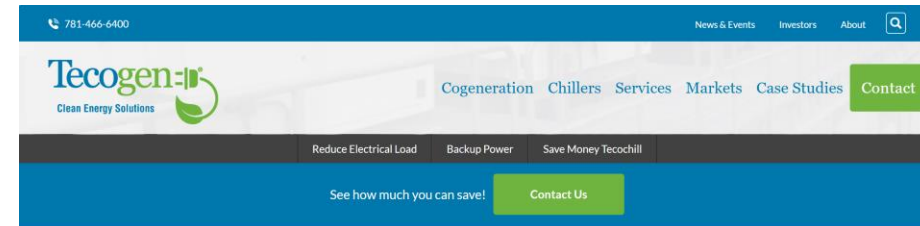
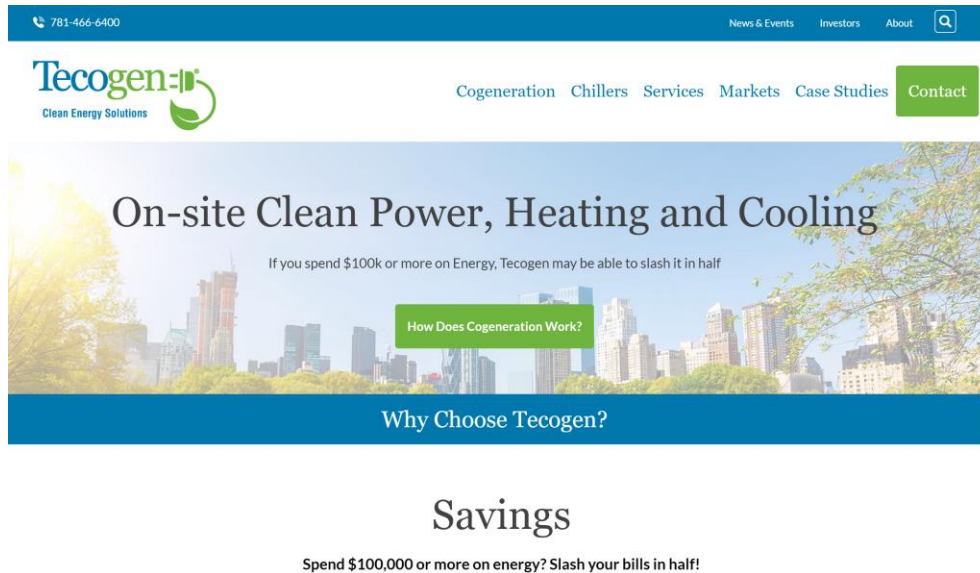


- 🌱 Offices
 - 🌱 Moved into 76 Treble Cove Road
- 🌱 Manufacturing
 - 🌱 All material is moved in
 - 🌱 Factory floor fit out in progress
 - 🌱 Test cells to be completed in Q2
 - 🌱 Significant cost savings using our own labor
- 🌱 Disruption
 - 🌱 Limited production in Q2
 - 🌱 Back to full production Q3

SERVICE AGREEMENT ACQUISITIONS

- 🔌 83 agreements acquired in 2024
 - 🔌 16 agreements in Feb with 36 coming online later this year
 - 🔌 31 agreements on May 1
- 🔌 Revenue Impact
 - 🔌 Expect \$700k additional impact in 2024
 - 🔌 Expect >\$1m additional impact in 2025
- 🔌 Expect further 50 units under agreement in next 3 months

MARKETING



A Generator That Saves \$250k a Year

On October, 2012, by 2pm everyone who could leave had already left New York City. The remaining residents hunkered down, hoping Superstorm Sandy would veer off into the Atlantic. By early evening the full force of the storm hit. A gigantic wall of water crashed into an electrical substation and 250,000 people were suddenly plunged into a blackout.

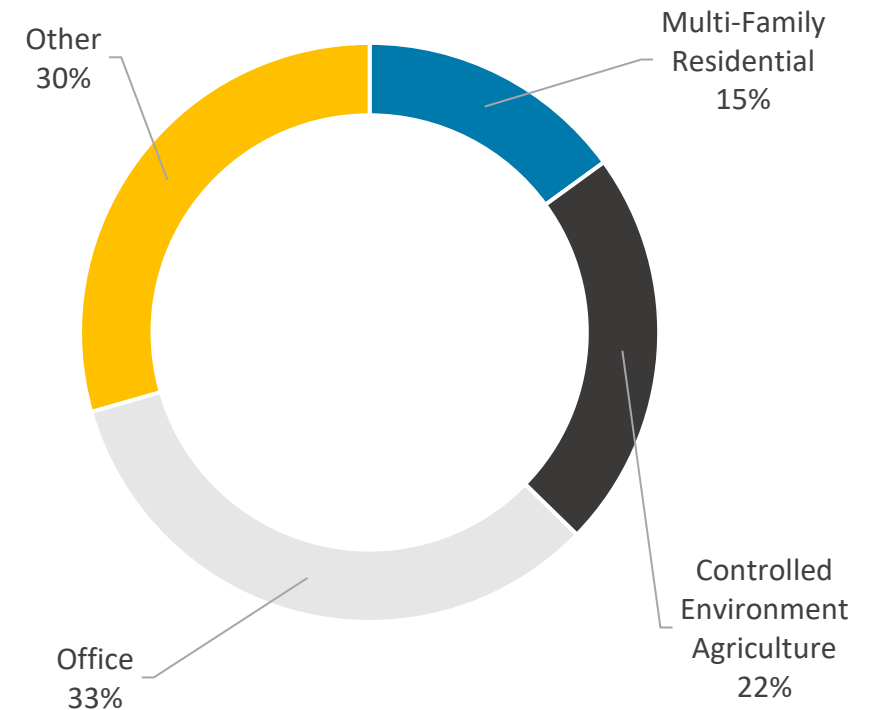


- Google and LinkedIn Ads
- Streamlined website with case studies and applications
 - Tecogen.com/applications/generator
 - Tecogen.com/markets/brewery-glycol-chiller
- Online Marketing is now generating qualified leads at the similar cost per lead as trade shows**

BACKLOG AND CASH

- Backlog is presently \$4.8m
- Additional \$7m of projects expected to close in 1 to 3 months**
- Cash position \$1.5m at quarter end and \$1.3m presently
- Cashflow positive in Q1
- \$500k drawn under credit line and have \$1m available

Backlog by Customer Type



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.

1Q 2024 RESULTS



Key Points

- Revenue = \$6.18 million up 15%
- Net loss of \$0.04/share
- Net loss \$1.1m
- Opex \$3.62m (2.5% increase)
 - Includes double rent
 - Includes one off testing costs for air-cooled chiller
- Gross Margin up 2%
- Cash and equivalents balance of \$1.5 million

<i>\$ in thousands</i>	1Q'24	1Q'23	QoQ Change	%
Revenue				
Products	\$ 1,491	\$ 1,710	\$ (219)	
Services	4,014	3,136	878	
Energy Production	680	534	147	
Total Revenue	6,186	5,380	806	15.0%
Gross Profit				
Products	1,050	498	552	
Services	2,092	1,399	694	
Energy Production	469	196	273	
Total Gross Profit	2,576	2,092	484	23.1%
Gross Margin: %				
Products	30%	29%	1%	
Services	48%	45%	3%	
Energy Production	31%	37%	-6%	
Total Gross Margin	42%	39%	3%	
Operating Expenses				
General & administrative	2,849	2,792	56	
Selling	530	520	10	
Research and development	255	229	26	
Gain on disposition of assets	(7)	-	(7)	
Total operating expenses	3,626	3,542	84	2.4%
Operating loss	(1,050)	(1,450)	400	
Net loss	\$ (1,105)	\$ (1,490)	\$ 385	

1Q 2024 ADJUSTED EBITDA RECONCILIATION

EBITDA: Earnings Before Interest, Taxes, Depreciation & Amortization

- EBITDA and adjusted EBITDA loss was \$924k and \$898k respectively





EBITDA Non-cash adjustments

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

Non-GAAP financial disclosure (in thousands)	Quarter Ended, March 31	
	2024	2023
Net loss attributable to Tecogen Inc.	\$ (1,105)	\$ (1,490)
Interest expense, net	19	-
Income tax expense	22	23
Depreciation & amortization, net	140	106
EBITDA	(924)	(1,361)
Stock based compensation	45	77
Unrealized gain on marketable securities	(19)	-
Adjusted EBITDA*	\$ (898)	\$ (1,284)

*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

1Q 24 PERFORMANCE BY SEGMENT

-  Product revenue decreased 13% QoQ
 - Gross margin flat
 - Product mix meant lower gross margin
-  Service revenue increased 28% QoQ
 - Still working through product improvements to increase margin
 - Price increases for some products
-  Energy Production revenue increased 28% QoQ
-  Gross Margin 42%

1Q Revenues (\$ thousands)	2024	2023	QoQ Change %
Revenues			
Cogeneration	\$ 774	\$ 544	42%
Chiller	657	1,069	-39%
Engineered accessories	60	97	-38%
Total Product Revenues	1,491	1,710	-13%
Services Revenues	4,014	3,136	28%
Energy Production	680	534	27%
Total Revenues	6,186	5,380	15%
Cost of Sales			
Products	1,050	1,212	-13%
Services	2,092	1,738	20%
Energy Production	469	338	39%
Total Cost of Sales	3,610	3,288	10%
Gross Profit	\$ 2,576	\$ 2,092	23%

Gross Margin

Products	30%	29%
Services	48%	45%
Energy Production	31%	37%
Overall	42%	39%

QTD Gross Margin	2024	2023	Target
Overall	42%	39%	>40%

SUMMARY AND Q&A

- 🔌 Factory Move
 - 🔌 Finish fit out and get production back by Q3
- 🔌 Service – Foundation of the business
 - 🔌 Keep expanding the service fleet
 - 🔌 Expect 20% growth YoY
- 🔌 Marketing
 - 🔌 Get the current projects in development closed
 - 🔌 Double the number and size of leads YoY

Company Information

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