Tecogen®

Energy Efficiency Reimagined

NASDAQ: TGEN

Second Quarter 2019 Earnings Review
August 13, 2019

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

- Tecogen Overview
- Q2 ‘19 Financial Overview
- Strategic Achievements

Bonnie Brown

- Financial Review

Robert Panora

- Ultera Emissions Update

Benjamin Locke

- Closing comments

Q&A

Advanced Modular Cogeneration Systems

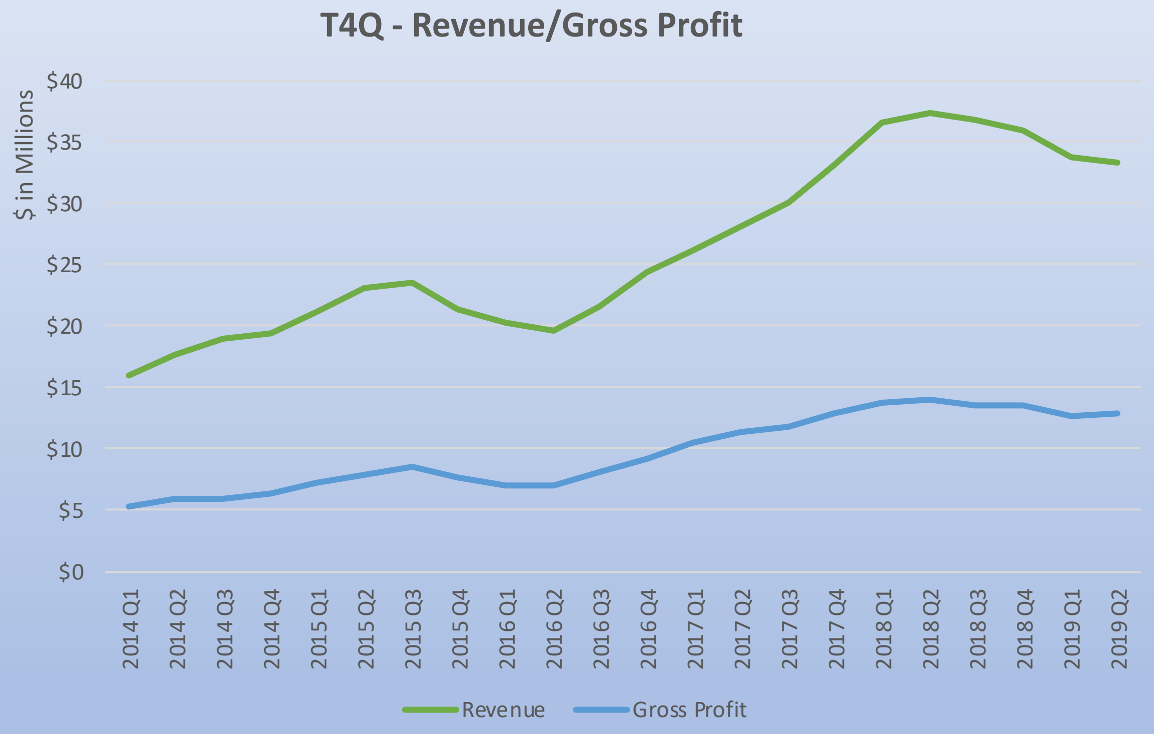
Heat, Power, and/or Cooling that is:

- **Cheaper**
  Industry leading efficiency and reduced exposure to expensive electricity
- **Cleaner**
  Proprietary near-zero emissions technology, GHG reductions
- **More reliable**
  Real-time monitoring, blackout protection, and improved grid resiliency

All of Tecogen's equipment is powered by efficient natural gas equipped with Tecogen's patented Ultera Emission Control

Q2 2019 Financial Results

- 2Q'19 revenues of $7.9 million compared to $8.5 million in 2Q'18
- 2Q'19 Net loss of $357K compared to $754K for 2Q '18
- 2Q'19 Overall gross margin of 44% compared to 37% in 2Q'18
- Despite decline in revenues, gross profit increased to $3.4 million compared to $3.2 million in 2Q'18
- Adjusted EBITDA*of negative $205K for 2Q'19 compared to negative $330K for 2Q'18
- Working capital of $15.5 million compared to $13 million at year end 2018



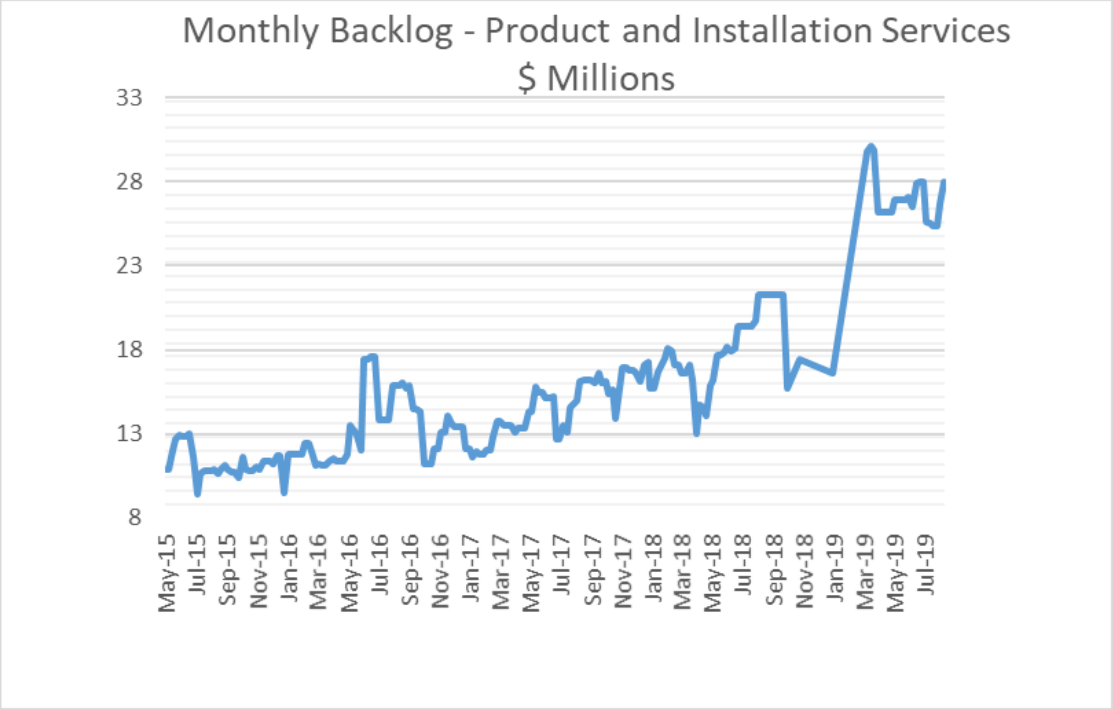
* Adjusted EBITDA is defined as net income (loss) attributable to Tecogen Inc, adjusted for interest, depreciation and amortization, stock-based compensation expense, goodwill impairment and one-time merger related expenses.

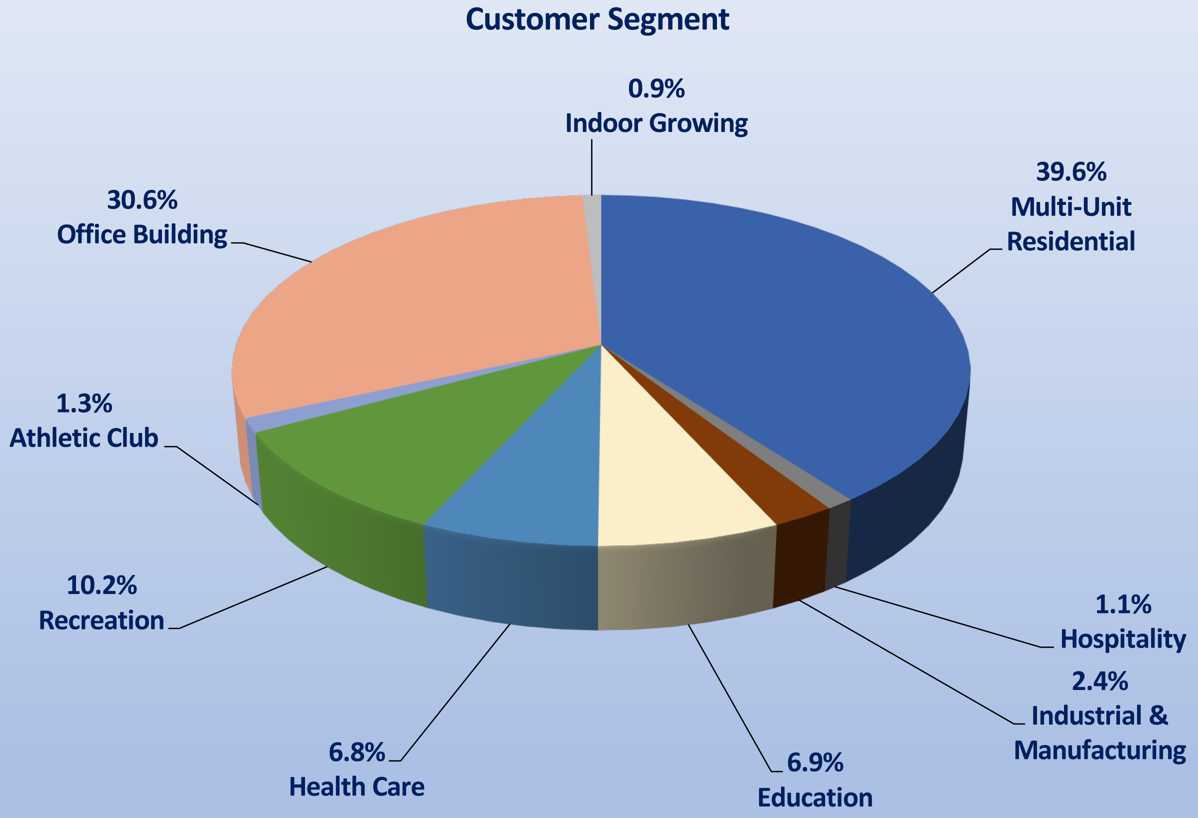
Q2 2019 Gross Profit of $3.4MM

$ in thousands	2Q'19	2Q'18	YoY Change	% Chg
Revenue				
Products	$ 2,445	$ 2,484	$ (38)	
Service	4,844	4,461	382	
Energy Production	578	1,508	(930)	
Total Revenue	7,867	8,453	(586)	-7%
Gross Profit				
Products	899	992	(93)	
Service	2,313	1,499	814	
Energy Production	214	669	(455)	
Total Gross Profit	3,426	3,160	266	8%
Gross Margin: %				
Products	37%	40%	-3%	
Service	48%	34%	14%	
Energy Production	37%	44%	-7%	
Total Gross Margin	44%	37%	6%	6%
Operating Expenses				
General & administrative	2,683	2,751	(68)	
Selling	705	635	70	11%
Research and development	373	410	(37)	
Total operating expenses	3,760	3,796	-36	-1%
Net income (loss)	$ (357)	$ (754)	$ 397	52.7%
Adjusted EBITDA (see reconciliation)	$ (205)	$ (330)	$ 125	37.9%

- Increased gross margins allowed for increased gross profit with lower revenue
- Good improvement in service margins year over year
- Investing in sales and R&D

Product and Installation Backlog





Current Backlog of $ 28.0 million
Product backlog: $12.0 mm, Install backlog $16 mm

Strategic Achievements

Adjusted product mix to emphasize chiller sales	Established ADG sites as solid investment assets	Forklift Emissions program with Cat/Mitsubishi	Financial Stability
↓	↓	↓	↓
Less competition, Well defined channels to market	Enabled selective sale to strengthen balance sheet	Potential for fleet forklift conversion to Ultera emissions	Zero net debt with cash available for business growth

Tecogen positioned for growth in core business while building value of Ultera emissions technology

Q2 2019 Financial Metrics: Revenues, Margins and Profitability

- Revenue of $7.9 million
- Maintained 8% higher gross profit despite lower revenue
- Gross margin improved to 44% compared to 37% for Q2'18
- G&A expense decreases while increasing investment in sales activities
- Strong backlog of $25 million at quarter end and $28 million currently

	Quarter Ended June 30,			
$ in thousands	**2019**	**2018**	**YoY Growth**	**% of Total Rev**
Revenue				
Cogeneration	$ 1,414	$ 1,289	10%	18%
Chiller	1,032	1,195	-14%	13%
Total Product Revenue	2,445	2,484	-2%	31%
Service Contracts and Parts	2,553	2,169	18%	32%
Installation Services	2,291	2,293	0%	29%
Total Service Revenue	4,844	4,461	9%	62%
Energy Production	578	1,508	-62%	7%
Total Revenue	**$ 7,867**	**$ 8,453**	**-7%**	**100%**
Cost of Sales				
Products	$ 1,547	$ 1,492	4%	
Services	2,530	2,962	-15%	
Energy Production	365	840	-57%	
Total Cost of Sales	**$ 4,441**	**$ 5,294**	**-16%**	
Gross Profit	**$ 3,426**	**$ 3,160**	**8%**	**44%**
Net loss attributable to Tecogen Inc.	$ (357)	$ (754)		
Gross Margin				
Products	37%	40%		
Services	48%	34%		
Aggregate Products and Services	44%	36%		
Energy Production	37%	44%		
Overall	44%	37%		

Adjusted EBITDA* Reconciliation

Tecogen

Q2 2019 and 2018 Comparative Net loss to Adjusted EBITDA* Reconciliation

- EBITDA: Interest, taxes, depreciation & amortization
- Non-cash adjustments
  - Stock based compensation
  - Unrealized loss on investment securities
  - Goodwill impairment
- Non-recurring expenses
  - Merger related expenses finalized in 2018

Maintaining positive adjusted EBITDA* on a YTD basis

*Adjusted EBITDA is defined as net income (loss) attributable to Tecogen Inc, adjusted for interest, depreciation and amortization, stock-based compensation expense, goodwill impairment and merger related expenses.

	Year To Date, June 30,	
Non-GAAP financial disclosure	2019	2018
Net Income (loss) attributable to Tecogen Inc.	$ (3,637,206)	$ (733,592)
Interest expense, net	44,433	19,057
Depreciation & amortization, net	267,232	386,250
Income tax expense	7,786	38,864
EBITDA	(3,317,755)	(289,421)
Stock based compensation	77,933	78,478
Unrealized loss on investment securities	19,680	78,723
Merger related expenses	-	106,410
Goodwill impairment	3,693,198	-
Adjusted EBITDA*	$ 473,056	$ (25,810)

	Quarter Ended, June 30,	
Non-GAAP financial disclosure	2019	2018
Net Income (loss) attributable to Tecogen Inc.	$ (357,129)	$ (754,350)
Interest expense, net	16,939	4,972
Depreciation & amortization, net	98,988	187,069
Income tax expense	15,955	38,864
EBITDA	(225,247)	(523,445)
Stock based compensation	39,898	38,062
Unrealized (gain) loss on investment securities	(19,681)	59,042
Merger related expenses	-	96,800
Goodwill impairment	-	-
Adjusted EBITDA*	$ (205,030)	$ (329,541)

Emissions Technology Update – MCFA Forklift

- **Review from Last Call**:
  - Test results through two engine tuning iterations
    - NOx emissions reduced to 20% of factory system,
    - CO emissions 12% of factory system
  - Levels consistent with program goal of near-zero certification
    - Further improvement possible with refinement of engine tuning
  - Our recommendation in May to MCFA
    - Complete refinements interactively during engine “Near Zero” certification
- **Current Plan (recommendation of MCFA’s corporate parent)**
  - Dispatch engineers from engine supplier (Mitsubishi affiliate) to Tecogen
  - Work interactively to refine tuning on prototype
- **Visit scheduled for last week of September**
  - Collaboration expected to be highly beneficial to the project

Emissions Technology Update (2)

Ultera Automotive Catalyst Development

- On road Ultera development work with outside research institute progressing
- Focus is alternative catalyst formulation
- Testing completion expected in September

Ultera Project approved by SoCal Water District

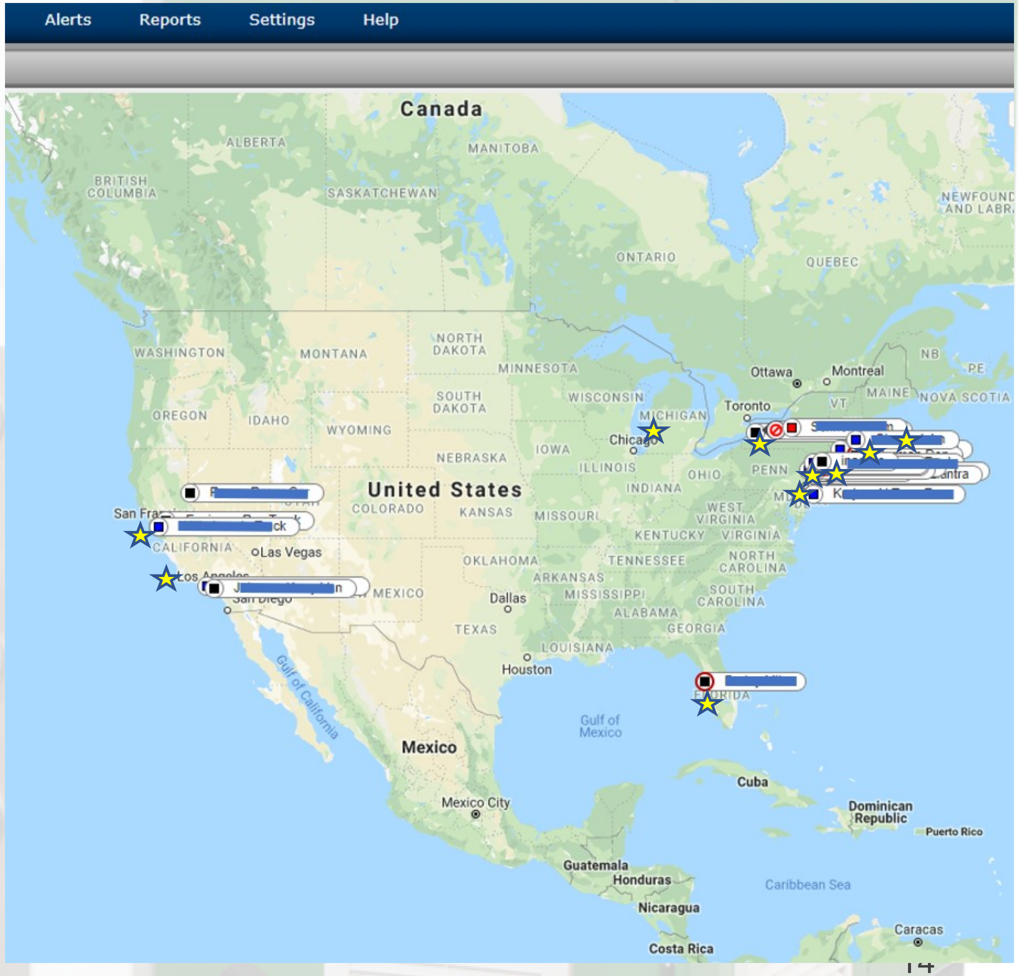
- Purchase order received for larger scale (2X) Ultera Design
- Specification for adaptation to 800 horsepower natural gas engines,
- Engineering complete, submittal documents to be provided to District this week
- Hardware order expected early 2020 for two systems
    - New engines supplied by Caterpillar

Ultera equipped 300 HP water pumping natural gas engine

Market Outlook

- **Continued Demand for InVerde CHP System**
  - Inverter-based microgrid capability increasingly important to maximize grid support service revenue potential
  - InVerde/Tecopower GHG reductions mitigate potential carbon emission limits for large buildings (e.g. NYC)
- **Continue to grow chiller business segment**
  - First Tecofrost installation expected in fall to MA facility
  - Anticipate first West Coast sale by end of 2019
  - Additional chillers sold to indoor growing, ice rinks, commercial buildings
- **New service expansion opportunity in North America**
  - Large 2-3 MW InVerde opportunity to be decided in Q3-19
  - Not currently in backlog due to bid/award process
  - Would result in 11th North American service center
  - Significant growth opportunity for 2020 and beyond

Tecogen Service Centers (10)



Closing Comments

Tecogen Key Value Proposition Remains:

- Use pipeline gas efficiently and cleanly to meet energy and resiliency needs of large facilities
- Differentiate Tecogen products and factory service capabilities in key growth markets and geographies
- Maximize margin and profitability of core business while maintaining key R&D and IP projects
- Demonstrate Ultera emissions technology as a commercially viable cost-effective means for obtaining near-zero emissions from any gas engine system.

Q&A

Tecofrost
Natural Gas Engine Driven Refrigeration

AMERICAN DG ENERGY

Ultera
EMISSION CONTROL

Company Information

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

Contact information

Benjamin Locke, CEO
781.466.6402
Benjamin.Locke@Tecogen.com