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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): May 12, 2017 (May 11, 2017)



**TECOGEN INC.**

(Exact Name of Registrant as Specified in Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

333-178697  
(Commission File Number)

04-3536131  
(IRS Employer Identification No.)

45 First Avenue  
Waltham, Massachusetts  
(Address of Principal Executive Offices)

02451  
(Zip Code)

(781) 622-1120  
(Registrant's telephone number, including area code)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02. Results of Operations and Financial Condition.**

On May 11, 2017, the registrant issued via press release earnings commentary and supplemental information for the three months ended March 31, 2017. The press release is furnished as Exhibit 99.01 to this current Report on Form 8-K.

On May 11, 2017, the Company presented the attached slides online in connection with an earnings conference call. Those slides are being furnished as Exhibit 99.02 to this Current Report on Form 8-K.

The information contained in this current Report on Form 8-K (including Exhibit 99.1 and 99.2) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

The following exhibits relating to Item 2.02 shall be deemed to be furnished, and not filed:

| <u>Exhibit</u> | <u>Description</u>   |
|----------------|--|
| 99.01          | Press release dated May 11, 2017, for the three months ended March 31, 2017. |
| 99.02          | Presentation dated May 11, 2017.   |

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

TECOGEN INC.

May 12, 2017      By: /s/ David A. Garrison  
David A. Garrison, Chief Financial Officer



### **Tecogen Announces First Quarter 2017 Results**

*Delivers operating profit driven by dramatic 34.9% growth in revenues and 25.7% combined gross margin improvement*

WALTHAM, Mass., May 11, 2017 - Tecogen<sup>®</sup> Inc. (NASDAQ:TGEN), a leading manufacturer of clean energy products which, through patented technology, nearly eliminate criteria pollutants and significantly reduce a customer's carbon footprint, reported revenues of \$6,846,767 for the quarter ended March 31, 2017 compared to \$5,075,515 for the same period in 2016, or 34.9% growth in top line revenue.

Income from operations was \$77,702 compared to a \$906,866 loss in the prior year comparable period. Similarly, Tecogen delivered net income for the quarter of \$44,787 compared to a loss of \$893,168 in the first quarter 2016.

Commenting about the quarter, Tecogen Co-Chief Executive Officer Benjamin Locke noted, "the first quarter of 2017 is the third straight quarter of profitable operation for the company. This is a direct result of the hard work completed in 2016 on cost controls, product improvements, and strategic sales partnerships. We are very pleased with these results, and hope to continue this trend throughout 2017."

Revenue results were driven by solid growth in both product and services related revenues. Total services related revenues grew 43.8% over the prior year period, driven by installation activity, while product revenue grew 23.9% compared to first quarter of 2016, helped by strong cogeneration sales.

Cost control initiatives generated 25.7% combined gross margin improvement in the quarter, bringing gross margin up to 42.6% compared to 33.9% in first quarter of 2016, and above management's targeted 35-40% gross margin range. The increase in margins was the direct result of product upgrades and improvements.

On a combined basis, operating expense increased to \$2,836,971 for the first quarter 2017 from \$2,626,210 in the same quarter of 2016.

Backlog of products and installations was \$13.6 million as of first quarter end, and currently stands at \$14.3 million as of Monday, May 8, 2017.

Speaking about the results and other recent news, Mr. Locke added, "2017 will be an exciting year for Tecogen. In addition to our financial success, we expect to finalize the acquisition of American DG Energy in the second quarter, subject to the shareholder vote. This will add steady revenue with good margins to the financials of Tecogen, helping to offset some of the peaks and valleys of products sales. In 2016, ADGE made substantial improvements to the operational and financial production of their installed fleet. As a result of the merger, we believe further improvements to the fleet are possible, which will provide more revenue and improved operating margins. Upon approval, we will welcome ADGE shareholders to Tecogen, and make them a long term part of our investor group as we continue growing our core business, our emissions technology for fork trucks, and our automotive emissions joint venture, Ultratek."

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**Major Highlights:***Financial*

- Gross profit for the first quarter of 2017 was \$2,914,673 compared to \$1,719,344 in the first quarter of 2016, an increase of 69.5% versus the prior year. This substantial growth was generated by improvement in both top line revenues and gross margins.
- Gross margin in the first quarter 2017 increased to 42.6% compared to 33.9% in 2016. Margins benefited from improvement in both service and product gross margins.
- Services gross margin improved to 46.1% in the period compared to the 35.8% in the prior year. Services gross margin was helped by continued cost control as well as increasing penetration of our high-margin, high-value add, 'turnkey lite' offering on the installation side.
- Product gross margin was 37.4% for first quarter 2017 compared to 31.5% in first quarter of 2016. Product gross margin was primarily helped by the materials and supplier arrangements put in place over the past several quarters as well as by the product mix shift toward our new InVerde e+ model.
- On a combined basis, operating expense rose to \$2,836,971 for the first quarter of 2017 from \$2,626,210 in the first quarter of 2016.
- Consolidated net income, attributable to Tecogen, for the three months ended March 31, 2017 was \$44,787 compared to a consolidated net loss of \$893,168 for the same period in 2016.
- Net income per share was \$0.00 compared to a net loss of \$0.05 for the three months ended March 31, 2017 and 2016, respectively.

*Sales & Operations*

- Product sales revenues were higher in the period, posting 23.9% growth over the prior year comparable quarter. Higher cogeneration product sales more than delivered the entirety of the growth in product revenues, partially offsetting a year-on-year decline in chiller and heat pump sales. Variations in product mix are typical from quarter to quarter as customer orders for different products are not entirely predictable.
- Services revenues grew 43.8% year-on-year, benefiting from increasing penetration in service contracts and favorable operating metrics for the installed fleet as well as an active period for installations work. Continued penetration of our 'turnkey lite' offering, which includes custom value-added engineering design work as well as custom factory engineered accessories and load modules, has been a strong source of services revenue growth and is expected to continue to develop as an important revenue stream.
- Current sales backlog of equipment and installations as of Monday May 8, 2017 was \$14.3 million, driven by strong traction in the InVerde product line and Installation services. As of March 31, 2017 backlog was \$13.6 million in line with the Company's goal of consistently delivering quarter-end product backlog greater than \$10 million.
- TTcogen, our joint venture with Czech CHP-manufacturer TEDOM, continued to make steady progress toward building product awareness and establishing what we hope will be profitable relationships with key partners.

*Emissions Technology*

- ULTRATEK - Automotive emissions development work has continued under Tecogen's shared venture, Ultratek. This quarter, data from our AVL testing of a small, advanced European vehicle was presented at the SAE International World Congress in Detroit, MI. The remarkable performance of Ultera in reducing the pollution levels of these vehicles has been described in our recent paper published through SAE International and available through our web site here. Since the Ultratek formation, we have been awarded two additional Ultera related patents, while filing recently for three others specifically involving the integration of the technology to gasoline vehicles. In upcoming months we anticipate continued progress as we pursue further enhancements of the technology and engage with the automotive industry.
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- PERC - As reported in the last quarter of 2016, we received research grant funding from the Propane Education and Research Council (PERC) to demonstrate the viability of our emissions technology in fork trucks. The program's goal is to develop a retrofit emissions system for fork trucks to reduce their emissions to levels more acceptable for air quality in indoor work environments. This quarter, testing is currently underway utilizing a donated fork truck from a major manufacturer that has expressed strong interest in Ultera and has agreed to assist our research effort. The company also recruited an experienced powertrain engineer to lead the effort, Allan Welch. Mr. Welch's credentials are summarized in our February 22, 2017 press release.
- CA Air Permit for Ultera on Standby Generators - We are actively completing the installation of the Ultera kits on the generators located in Southern California. We anticipate commissioning these units in the third quarter of 2017, while demonstrating groundbreaking engine compliance to these ultra-stringent emissions.

#### **Conference Call Scheduled for Today at 11:00 am ET**

Tecogen will host a conference call today to discuss the first quarter results beginning at 11:00 am eastern time. To listen to the call dial (888) 349-0103 within the U.S., (855) 669-9657 from Canada, or (412) 902-0129 from other international locations. Participants should ask to be joined to the Tecogen Inc. call. Please begin dialing at least 10 minutes before the scheduled starting time. The earnings press release will be available on the Company website at [www.Tecogen.com](http://www.Tecogen.com) in the "News and Events" section under "About Us." The conference call will be recorded and available for playback one hour after the end of the call. The earnings conference call will also be webcast live. To view the associated slides, register for and listen to the webcast, go to <http://investors.tecogen.com/webcast>. Following the call, the webcast will be archived for 30 days.

The earnings conference call will be recorded and available for playback one hour after the end of the call through Thursday May 18<sup>th</sup>, 2017. To listen to the playback, dial **(877) 344 7529 within the U.S., (855) 669-9658 from Canada or (412) 317-0088 outside the U.S.** and use **Replay Access Code 10105269**.

#### **About Tecogen**

Tecogen Inc. designs, manufactures, sells, installs, and maintains high efficiency, ultra-clean, cogeneration products including natural gas engine-driven combined heat and power, air conditioning systems, and high-efficiency water heaters for residential, commercial, recreational and industrial use. The company is known for cost efficient, environmentally friendly and reliable products for energy production that, through patented technology, nearly eliminate criteria pollutants and significantly reduce a customer's carbon footprint.

In business for over 20 years, Tecogen has shipped more than 2,300 units, supported by an established network of engineering, sales, and service personnel across the United States. For more information, please visit [www.tecogen.com](http://www.tecogen.com) or contact us for a free Site Assessment.

Tecogen, InVerde, Ilios, Tecochill, Ultera, and e<sup>+</sup>, are registered trademarks or trademark pending registration of Tecogen Inc.

**Forward Looking Statements:** This press release contains forward-looking statements under the Private Securities Litigation Reform Act of 1995 that involve a number of risks and uncertainties. Important factors could cause actual results to differ materially from those indicated by such forward-looking statements, as disclosed on the Company's website and in Securities and Exchange Commission filings. The statements in this press release are made as of the date of this press release, even if subsequently made available by the Company on its website or otherwise. The Company does not assume any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made.

#### **Tecogen Media & Investor Relations Contact Information:**

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P: 781-622-1120  
E: [John.Hatsopoulos@tecogen.com](mailto:John.Hatsopoulos@tecogen.com)

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**TECOGEN INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
As of March 31, 2017 and December 31, 2016  
(unaudited)

|  | March 31, 2017       | December 31, 2016    |
|--|----------------------|----------------------|
| <b>ASSETS</b>  |                      |                      |
| Current assets:  |                      |                      |
| Cash and cash equivalents  | \$ 2,148,753         | \$ 3,721,765         |
| Accounts receivable, net   | 9,102,078            | 8,630,418            |
| Unbilled revenue   | 2,347,055            | 2,269,645            |
| Inventory, net   | 6,075,277            | 4,774,264            |
| Due from related party   | 336,693              | 260,988              |
| Prepaid and other current assets   | 601,437              | 401,876              |
| <b>Total current assets</b>  | <b>20,611,293</b>    | <b>20,058,956</b>    |
| Property, plant and equipment, net   | 548,111              | 517,143              |
| Intangible assets, net   | 1,094,747            | 1,065,967            |
| Goodwill   | 40,870               | 40,870               |
| Other assets   | 2,128,300            | 2,058,425            |
| <b>TOTAL ASSETS</b>  | <b>\$ 24,423,321</b> | <b>\$ 23,741,361</b> |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>  |                      |                      |
| <b>Current liabilities:</b>  |                      |                      |
| Accounts payable   | 4,011,804            | 3,367,481            |
| Accrued expenses   | 1,153,864            | 1,378,258            |
| Deferred revenue   | \$ 907,445           | \$ 876,765           |
| <b>Total current liabilities</b>   | <b>6,073,113</b>     | <b>5,622,504</b>     |
| Long-term liabilities:   |                      |                      |
| Deferred revenue, net of current portion   | 489,959              | 459,275              |
| Senior convertible promissory note, related party  | 3,148,712            | 3,148,509            |
| <b>Total liabilities</b>   | <b>9,711,784</b>     | <b>9,230,288</b>     |
| Commitments and contingencies (Note 6)   |                      |                      |
| Stockholders' equity:  |                      |                      |
| Tecogen Inc. stockholders' equity:   |                      |                      |
| Common stock, \$0.001 par value; 100,000,000 shares authorized;<br>20,043,052 and 19,981,912 issued and outstanding at March 31, 2017<br>and December 31, 2016, respectively | 20,043               | 19,982               |
| Additional paid-in capital   | 37,490,389           | 37,334,773           |
| Accumulated deficit  | (22,798,895)         | (22,843,682)         |
| <b>Total stockholders' equity</b>  | <b>14,711,537</b>    | <b>14,511,073</b>    |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>  | <b>\$ 24,423,321</b> | <b>\$ 23,741,361</b> |

**TECOGEN INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
For the three months ended March 31, 2017 and 2016  
(unaudited)

|  | Three months ended March 31, |                     |
|--|------------------------------|---------------------|
|  | 2017                         | 2016                |
| Revenues   |                              |                     |
| Products   | \$ 2,807,347                 | \$ 2,266,148        |
| Services   | 4,039,420                    | 2,809,367           |
| Total revenues   | <u>6,846,767</u>             | <u>5,075,515</u>    |
| Cost of sales  |                              |                     |
| Products   | 1,756,849                    | 1,552,716           |
| Services   | 2,175,245                    | 1,803,455           |
| Total cost of sales                                    | <u>3,932,094</u>             | <u>3,356,171</u>    |
| Gross profit   | <u>2,914,673</u>             | <u>1,719,344</u>    |
| Operating expenses                                     |                              |                     |
| General and administrative                             | 2,208,905                    | 1,892,220           |
| Selling  | 447,452                      | 515,032             |
| Research and development                               | 180,614                      | 218,958             |
| Total operating expenses                               | <u>2,836,971</u>             | <u>2,626,210</u>    |
| Income (loss) from operations                          | <u>77,702</u>                | <u>(906,866)</u>    |
| Other income (expense)                                 |                              |                     |
| Interest and other income (expense)                    | (1,213)                      | 2,891               |
| Interest expense                                       | (31,702)                     | (42,381)            |
| Total other expense, net                               | <u>(32,915)</u>              | <u>(39,490)</u>     |
| Income (loss) before income taxes                      | <u>44,787</u>                | <u>(946,356)</u>    |
| Consolidated net income (loss)                         | 44,787                       | (946,356)           |
| Less: Loss attributable to the noncontrolling interest | —                            | 53,188              |
| Net income (loss) attributable to Tecogen Inc.         | <u>\$ 44,787</u>             | <u>\$ (893,168)</u> |
| Net income (loss) per share - basic                    | <u>\$0.00</u>                | <u>\$ (0.05)</u>    |
| Net income (loss) per share - diluted                  | <u>\$0.00</u>                | <u>\$ (0.05)</u>    |
| Weighted average shares outstanding - basic            | <u>20,037,795</u>            | <u>18,478,990</u>   |
| Weighted average shares outstanding - diluted          | <u>20,317,142</u>            | <u>18,478,990</u>   |

**TECOGEN INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the three months ended March 31, 2017 and 2016  
(unaudited)

|   | March 31,           |                     |
|---|---------------------|---------------------|
|   | 2017                | 2016                |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                     |                     |
| Consolidated net income (loss)  | \$ 44,787           | \$ (946,356)        |
| <i>Adjustments to reconcile net income (loss) to net cash used in operating activities:</i> |                     |                     |
| Depreciation and amortization   | 64,281              | 65,456              |
| Recovery of inventory reserve   | (36,000)            | 14,000              |
| Stock-based compensation  | 48,842              | 27,243              |
| Non-cash interest expense   | 203                 | 12,382              |
| Loss on sale of assets  | 2,909               | 640                 |
| Provision for losses on accounts receivable   | —                   | (6,154)             |
| <i>Changes in operating assets and liabilities</i>  |                     |                     |
| (Increase) decrease in:   |                     |                     |
| Short term investments  | —                   | (73)                |
| Accounts receivable   | (471,660)           | (595,293)           |
| Unbilled revenue  | (77,410)            | 213,121             |
| Inventory, net  | (1,265,013)         | 367,511             |
| Due from related party  | (75,705)            | 582,662             |
| Prepaid expenses and other current assets   | (199,561)           | (1,786)             |
| Other non-current assets  | (69,875)            | —                   |
| Increase (decrease) in:   |                     |                     |
| Accounts payable  | 644,323             | (934,598)           |
| Accrued expenses  | (224,394)           | 13,109              |
| Deferred revenue  | 61,364              | 37,021              |
|   | <u>(1,552,909)</u>  | <u>(1,151,115)</u>  |
| Net cash used in operating activities   |                     |                     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>  |                     |                     |
| Purchases of property and equipment   | (73,330)            | (47,371)            |
| Purchases of intangible assets  | (53,608)            | (27,959)            |
| Net cash used in investing activities   | <u>(126,938)</u>    | <u>(75,330)</u>     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>  |                     |                     |
| Payment of stock issuance costs   | —                   | (6,150)             |
| Proceeds from the exercise of stock options   | 106,835             | —                   |
| Net cash provided by financing activities   | <u>106,835</u>      | <u>(6,150)</u>      |
| Net increase (decrease) in cash and cash equivalents  | (1,573,012)         | (1,232,595)         |
| Cash and cash equivalents, beginning of the period  | 3,721,765           | 5,486,526           |
| Cash and cash equivalents, end of the period  | <u>\$ 2,148,753</u> | <u>\$ 4,253,931</u> |
| <b><u>Supplemental disclosures of cash flows information:</u></b>                           |                     |                     |
| Cash paid for interest  | \$ 31,150           | \$ 29,999           |





# 1Q 2017 Earnings



NASDAQ: TGEN

May 11, 2017

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# 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





## Safe Harbor Statement

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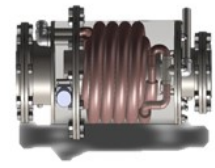
This presentation includes forward-looking statements within the meaning of Section 27-A of the Securities Act of 1933, and Section 21-E of the Securities Exchange Act of 1934. Such statements include declarations regarding the intent, belief, or current expectations of the Company and its management. Prospective investors are cautioned that any such forward looking statements are not guarantees of future performance, and involve a number of risks and uncertainties that can materially and adversely affect actual results as identified from time to time in the Company's SEC filings. Forward looking statements provided herein as of a specified date are not hereby reaffirmed or updated.



# Why Tecogen?

Heat, Power & Cooling that is Cheaper, Cleaner, & More Reliable

← “Unregulated Utility” →

| CHP Modules   | Ilios Water Heaters   | TECOCHILL   | Emissions Control Ultra   |
|---|---|---|---|
|  |  |  |  |
| Electricity & Heat  | 2-3x Heat Efficiency  | Cooling & Heat  | Ultra-Clean Emissions   |

*Tecogen’s compelling ROI proposition meets the needs of a diverse range of customers.*

|   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|
| <a href="#">Hospitality</a>   | <a href="#">Health Care</a>   | <a href="#">Education</a>   | <a href="#">Multi-Unit Residential</a>  | <a href="#">Industrial</a>  | <a href="#">Municipal</a>   | <a href="#">Recreation</a>  |
|  |  |  |  |  |  |  |



# 1Q 2017 Results:

## REVENUE

- Total Revenues: \$6.8M in 1Q17 vs. \$5.1M in 1Q16 & \$7.1M in 4Q16
- Products: \$2.8M in 1Q17 vs. \$2.3M in 1Q16 & \$3.2M in 4Q16
  - Cogeneration sales continued driving Product revenue in 1Q
- Service: \$4.0M in 1Q17 vs. \$2.8M in 1Q16 & \$3.9M in 4Q16
  - Growth primarily due to strong sales of 'turnkey lite' solutions

## PROFIT & Op. INCOME

- Gross Profit: \$2.9M in 1Q17 vs. \$1.7M in 1Q16 & \$2.7M in 4Q16
- Income from Operations: \$78k in 1Q17 vs. \$(907k) loss from operations in 1Q16

## MARGIN

- 42.6% gross margin in 1Q17 vs. 33.9% in 1Q16
- Service margins increased as higher margin value add installation services grew increasing margin.
- Product margin growth from cost control initiatives.

## NET INCOME

**\$44,787 in 1Q17 vs \$(893,168) in 1Q16**



# Recent Achievements

## Performance

- Increased sales of new Inverde e+ due to technical superiority
- Growing our “Turnkey-Light” business proposition

## Groundwork for Continued Growth

- Strengthening our relationship with ESCOs
- Increased sales through TTCogen
- ADG Merger will enable cost savings, better financials, improved performance and steady revenue stream to Tecogen

## Emissions Development for Future Growth

- PERC research grant for propane fork truck development work
- Auto Emissions JV making progress
- CA air permit for stationary generators installation proceeding





# Sales Benefitting From

## InVerde e+



## Key Relationships



## GE Equipment Insight



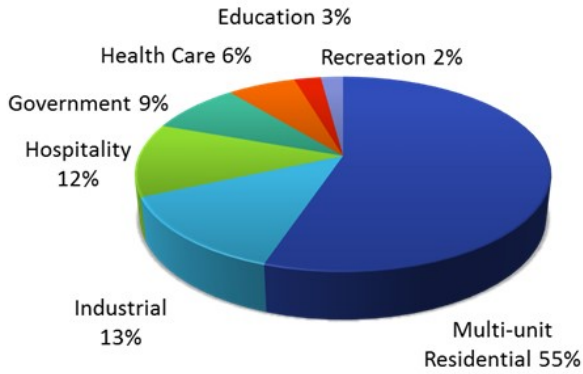
## TTcogen JV



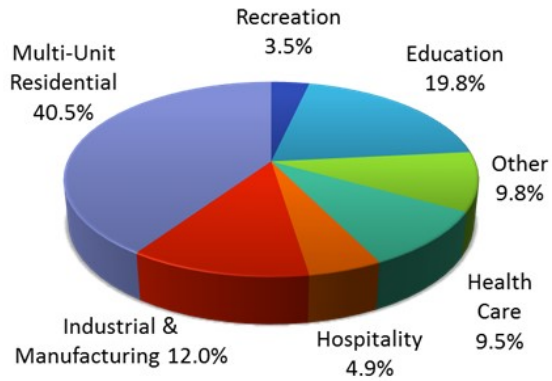


# Backlog

Backlog



Installed Base\*



\$13.6M 1Q17 backlog vs. \$11.1M 4Q16 backlog

\$17.5M Current Product and Installation Backlog as of May 10, 2017

TTcogen Backlog has reached \$710k and is not included in Backlog above

Backlog growth driven by increasing demand for InVerde e+ and Installation Services

\* Approximate recently installed base by end market as of YE 2016.





# Financial Metrics

## Revenues, Margins, Growth

### Tecogen Revenue Model & Outlook

- Three revenue streams
  - Product sales
  - Long-term service contracts **provide stable ongoing revenue**
  - Turnkey Installation through Tecogen service operations
- Maintain Gross Margins near 40%
- Quarterly Backlog >\$10M

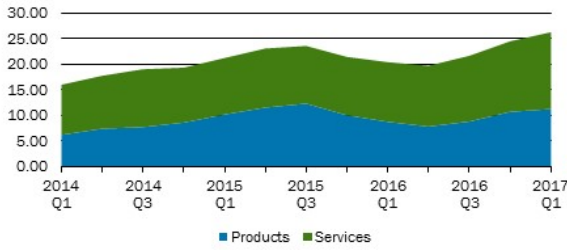
- ✓ **17<sup>th</sup> consecutive quarter of Y/Y contracted service revenue growth**
- ✓ **Highest gross margin since the start of public reporting**

|                          | For the Quarter Ended      |                            | Y/Y Growth | % of Total Revenue 2017 |
|--------------------------|----------------------------|----------------------------|------------|-------------------------|
|                          | Mar. 31, 2017              | Mar. 31, 2016              |            |                         |
| <b>REVENUE</b>           |                            |                            |            |                         |
| Cogeneration             | 2,296,637                  | 1,417,971                  |            | 33.5%                   |
| Chiller & Heat Pump      | <u>510,710</u>             | <u>848,176</u>             |            | 7.5%                    |
| Total Product Revenue    | 2,807,347                  | 2,266,147                  | 24%        | <b>41.0%</b>            |
| Service & Parts          | 2,361,582                  | 2,002,877                  |            | 34.5%                   |
| Installation Services    | <u>1,677,838</u>           | <u>965,542</u>             |            | 24.5%                   |
| Total Service Revenue    | 4,039,420                  | 2,809,368                  | 44%        | <b>59.0%</b>            |
| <b>Total Revenue</b>     | <b><u>\$ 6,846,767</u></b> | <b><u>\$ 5,075,515</u></b> | <b>35%</b> |                         |
| <b>COST OF SALES</b>     |                            |                            |            |                         |
| Products                 | 1,756,849                  | 1,552,716                  |            |                         |
| Services                 | <u>2,175,245</u>           | <u>1,803,455</u>           |            |                         |
| Total Cost of Sales      | \$ 3,932,094               | \$ 3,356,171               | 64%        |                         |
| <b>Gross Profit</b>      | <b>\$ 2,914,673</b>        | <b>\$ 1,719,344</b>        | <b>70%</b> |                         |
| <b>Net Income (Loss)</b> | <b>\$ 44,787</b>           | <b>\$ (893,168)</b>        |            |                         |
| <b>GROSS MARGIN</b>      |                            |                            |            |                         |
| Product Gross Margin     | 37.4%                      | 31.5%                      |            |                         |
| Service Gross Margin     | 46.1%                      | 35.8%                      |            |                         |
| Gross Margin             | 42.6%                      | 35.8%                      |            |                         |

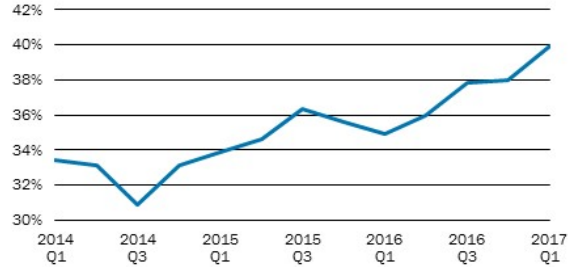


# Consistent Financial Progress

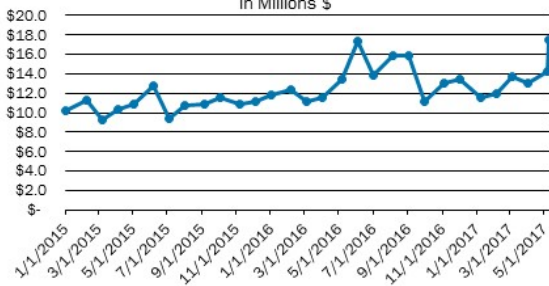
Revenues  
Trailing 4 Quarters - in Millions



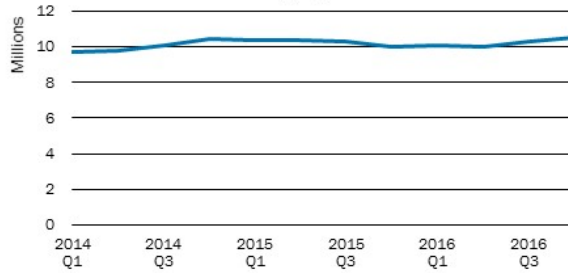
Gross Margin  
Trailing 4 Quarters (%)



Backlog - Product and Installation Sales  
in Millions \$



Operating Expense  
Trailing 4 Quarters





# Opportunities & Outlook

a growing company in a growing industry

- High ROI product
- Technological innovation
- Relationships with key partners
- Increasing environmental and regulatory pressures
- Resiliency and Demand Response concerns

## Sales



- Turnkey installation
- Long term service agreements
- Nationwide presence
- High margin revenue stream
- Additional growth anticipated

## Service



- Double digit CAGR
- >\$40B market potential for CHP
- Margins ~40%
- >\$10M product and installation backlog
- <50% manufacturing capacity utilization
- Stable operating expense profile

## Growth & Margins





## Q & A

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NASDAQ: TGEN





# Contact Information



## Company Information

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