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

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): March 28, 2019 (March 28, 2019)

TECOGEN INC.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-36103	04-3536131
(Commission File Number)	(IRS Employer Identification No.)

45 First Avenue Waltham, Massachusetts	02451
(Address of Principal Executive Offices)	(Zip Code)

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

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. ☐

Item 2.02. Results of Operations and Financial Condition.

On March 28, 2019, the registrant issued via press release earnings commentary and supplemental information for the three and twelve months ended December 31, 2018. The press release is furnished as Exhibit 99.01 to this Current Report on Form 8-K.

The information in this Item 2.02 and Exhibit 99.01 to this Form 8-K shall not be deemed "filed" for purposes of Section 18 of 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 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 7.01 Regulation FD Disclosure

On March 28, 2019, the registrant 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 in this Item 7.01 and Exhibit 99.01 to this Form 8-K shall not be deemed "filed" for purposes of Section 18 of 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 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 and Item 7.01 shall be deemed to be furnished, and not filed:

Exhibit	Description
99.01	Press Release dated March 28, 2019, for the three and twelve months ended December 31, 2018.
99.02	Presentation dated March 28, 2019.

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.

By: /s/ Bonnie Brown

March 28, 2019

Bonnie Brown, Chief Accounting Officer

Tecogen®

Advanced Modular CHP Systems

Tecogen Reports Record Revenues for Full Year 2018

Generates Fourth Quarter '18 Adjusted EBITDA[1]
of $502 thousand

WALTHAM, Mass., March 28, 2019, Tecogen® Inc. (NASDAQ:TGEN, the "Company"), a leading manufacturer of clean energy products which, through patented technology, nearly eliminate criteria pollutants and significantly reduce a customer's carbon footprint, reported record revenues of $35,883,684 for the year ended December 31, 2018 compared to $33,202,666 for the same period in 2017, an 8% increase. Chiller sales of $7,157,771 led the year's product sales with an increase of $2,352,039, or 49%.

Gross profit increased to $13,591,862 for the year ended December 31, 2018 compared to $12,954,404 for the prior year, a 4.9% improvement. Gross margin for 2018 was 38% compared to 39% for 2017.

Fourth quarter revenues were $9,316,408, a decrease of 9%, year over year, while overall gross margin for the fourth quarter of 2018 increased to 40% compared to 37% for the same period in the prior year.

Net income attributable to Tecogen Inc. for Q4 2018, exclusive of goodwill impairment, was $18.7 thousand compared to $269.0 thousand for Q4 2017. Operating expenses in 2018 before goodwill impairment increased 7% as compared to Q4 2017. Much of the increase in operating expenses was associated with legal fees in connection with the acquisition of American DG Energy Inc., as well as selling expenses incurred from our increased focus on chiller sales.

Excluding non-recurring merger related costs, goodwill impairment, mark to market adjustments and stock compensation expense, adjusted non-GAAP EBITDA[1] was $502,160 and $217,454 for the quarter and year ended December 31, 2018, respectively, compared to $532,765 and $1,102,780 for the quarter and year ended December 31, 2017.

In May 2018, the Company secured a commercial line of credit for up to $10 million, with a three year term. The availability of funds is based on the Company's accounts receivable and inventory. Concurrent with establishing this credit line, the Company repaid its note due to a related party in the amount of $850,000, plus the related accrued interest.

The Company completed the sale of eight American DG Energy power purchase agreements and related assets for an aggregate price of $7 million to a company managed by an investment firm in the energy efficiency and decentralized generation market. Tecogen will continue to provide maintenance for the equipment and various administrative tasks for the duration of the power purchase agreements. Performance incentives were also included for energy savings in excess of agreed minimums, which will be split evenly by both parties.

CEO Benjamin Locke noted, "2018 was a transformational year for the Company. We adjusted our product mix and sales strategy to maximize our opportunity with our exclusive natural gas engine cooling technology, substantially improved the profitability of the ADG fleet, and made significant progress developing our Ultera emissions technology for fork truck and automotive applications. Our recent transaction strengthened our balance sheet and puts us in an excellent position to achieve our 2019 goals."

2018 Major Highlights:

Financial

- Revenue for the year ended December 31, 2018 was a record $35.9 million compared to $33.2 million for the same period in 2017, an increase of 8%.
- Product revenue for the full year 2018 was $12.6 million compared to $13.0 million for the full year 2017, a decrease of 2.8%. Chiller sales were at the record level of $7.2 million, an increase of 49% over 2017. Cogeneration sales declined by 33% in 2018, compared to 2017.
- Service revenue for the full year 2018 was $16.9 million, showing 3% growth from the $16.4 million in service-related revenues in 2017. Full year 2018 service revenue benefited from 5% growth in installations revenue as the Company's turnkey installation offerings continue to gain traction with customers.
- Full year 2018 consolidated gross margin was 38% compared to 39% in 2017; and despite the slight decrease in margin, the year delivered a 5% year-on-year increase in gross profit dollars.
- Energy production revenue for the year ended December 31, 2018 was $6.4 million, providing a gross margin of 41% and gross profit of $2.6 million.
- The Company recorded goodwill impairment in the fourth quarter of 2018 in the amount of $4.4 million, which represents the excess of the carrying value of the Company's energy production reporting unit over its estimated fair value based on discounted cash flow analysis. Prior to the impairment, the goodwill asset associated with the energy production reporting unit was $13.3 million. As of December 31, 2018 goodwill associated with the energy production reporting unit was $8.9 million.
- Net income before goodwill impairment for Q4 2018 was $18,686 compared to comprehensive income of $288,662 for the same period in 2017. Net loss before goodwill impairment for the year 2018 was $1.3 million compared to a comprehensive loss of $117,881 for the year 2017.

Sales and Operations

- Sales backlog of product and installation projects grew to $16.6 million at year end 2018 compared to $15.7 million at year end 2017. Product and installation backlog is $29.9 million as of March 25, 2019, with product related backlog at $15.4 million and installation backlog at $14.5 million.
- Chiller revenue for Q4 2018 was $2,952,482 compared to $2,433,620 for Q4 2017, an increase of 21%. Cogeneration sales for Q4 2018 were $750,128, a decline of 66% when compared to Q4 2017, a result of both sales timing and an overall shift in product mix from cogeneration to chiller sales.
- Service contract revenue rose by 11% to $2,217,758 for Q4 2018 compared to the same period in 2017. Installation revenue decreased by $368,166 to $1,747,094 for Q4 2018 compared to that of Q4 2017.
- Fourth quarter 2018 energy production revenue was $1.6 million compared to $1.5 million for the same period in 2017, an increase of 10% year over year, illustrating the performance improvement of these sites.
- Overall gross margin for Q4 2018 was 40% compared to 37% for the same period in 2017, an improvement

of 8% year over year.

- Received largest order ever for $8.3 million turnkey trigeneration installation in Manhattan data center. The sale was financed through a third party ESCO.
- Delivered 13 Tecochill systems to 7 different indoor cannabis growing facilities in 2018.
- Granted ETL certification to ANSI/UL 1741 SA for smart inverters in August 2018.
- Added a Florida service center to support the growing fleet in the Southeast portion of the United States.
- Re-introduced Tecofrost gas engine ammonia refrigeration product line.

Research and Development

In 2018, Company expenses relating to R&D totaled $1.3 million for product development and improvement, product certifications, and patents. Key activities are summarized below.

Product R&D:

- Industrial Refrigeration Product Reintroduction (Tecofrost). Based on favorable and stable gas pricing, Tecogen is reintroducing an ammonia refrigeration line of natural gas compressors incorporating the Ultera emissions after-treatment system. Initial responses to Tecofrost have been very favorable.
- Online Data Product Communication and Control. Development of a cloud-based remote communication system for our products, known as "CHP Insight," continued throughout the year, and new features for data analysis and improved graphics have been added.
- UL 1741SA Phase 1 Certification. This "smart" inverter certification, a requirement in California, was obtained for the InVerde e+. The certification requires inverters to be more tolerant of grid disturbances and capable of changing operation to assist the grid under certain conditions.
- Battery Integration with InVerde e+. We have obtained a battery system for integration into the InVerde e+ inverter, and we expect to begin testing the system in 2019.

Ultera Emissions R&D:

- Forklift Truck Application of Ultera Emissions System. Following completion of the initial research funded by the Propane Education and Research Council, Mitsubishi Caterpillar Forklift of America has elected to work with Tecogen to refine the technology in preparation for full evaluation at its test facility.
- Stationary Emissions Technologies. To date, Ultera is the only known technology that enables rich-burn engines to comply with the California South Coast Air Quality Management District (SCAQMD) Best Available Control Technology (BACT) Guideline for stationary non-emergency electrical generators powered by a spark-ignition internal combustion engine. Following successful operation of two Ultera kits sold several years ago, a public-sector customer in Southern California has opened discussions with Tecogen to retrofit additional engines with the Ultera system. Tecogen has provided quotes this month for Ultera systems in several large sizes and awaits feedback regarding next steps.
- Ultera Automotive Catalyst Development. A leading US research and development organization is completing the first phase of a program to advance the Ultera technology in mobile applications and has identified a promising catalyst material to improve performance of the Ultera process.
- Ultera Intellectual Property. We obtained two additional Ultera-related US patents, and our core Ultera patent was granted in the European Union.

Conference Call Scheduled for Today at 11:00 am ET

Tecogen will host a conference call today to discuss the fourth quarter and year end results beginning at 11:00 a.m. ET. To listen to the call dial (877) 407-7186 within the US and Canada or (201) 689-8052 from other international locations. Participants should ask to be joined to the Tecogen year-end 2018 earnings call. We suggest call participants 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 in the "News and Events" section under "About Us." The earnings conference call will be webcast live. To view the associated slides, register for and listen to the webcast, go to http://ir.tecogen.com/financial-results. 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. To listen to the playback, dial (877) 660-6853 within the U.S. and Canada, or (201) 612-7415 from other international locations and use Conference Call ID#: 13672659.

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 35 years, Tecogen has shipped more than 3,000 units, supported by an established network of engineering, sales, and service personnel across the United States. For more information, please visit www.tecogen.com or contact us for a free Site Assessment.

Tecogen, InVerde, InVerde e+, Ilios, Tecochill, Tecopower, Tecofrost and Ultera are registered or pending trademarks of Tecogen Inc.

Forward Looking Statements

This press release and any 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 press release 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.

Tecogen Media & Investor Relations Contact Information:

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TECOGEN INC

CONSOLIDATED BALANCE SHEETS
As of December 31, 2018 and 2017

	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	$ 272,552	$ 1,673,072
Accounts receivable, net	14,176,452	9,536,673
Unbilled revenue	4,893,259	3,963,133
Inventory, net	6,294,862	5,130,805
Due from related party	9,405	585,492
Prepaid and other current assets	722,042	771,526
Total current assets	26,368,572	21,660,701
Property, plant and equipment, net	11,273,115	12,265,711
Intangible assets, net	2,893,990	2,896,458
Goodwill	8,975,065	13,365,655
Other assets	393,651	482,551
TOTAL ASSETS	$ 49,904,393	$ 50,671,076
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Revolving line of credit, bank	$ 2,009,435	$ —
Accounts payable	7,153,330	5,095,285
Accrued expenses	1,528,014	1,416,976
Deferred revenue	2,507,541	1,293,638
Loan due to related party	—	850,000
Interest payable, related party	—	52,265
Total current liabilities	13,198,320	8,708,164
Long-term liabilities:		
Deferred revenue, net of current portion	2,375,700	538,100
Unfavorable contract liability, net	6,292,599	7,729,667
Total liabilities	21,866,619	16,975,931
Commitments and contingencies (Note 10)		
Stockholders' equity:		
Tecogen Inc. stockholders' equity:		
Common stock, $0.001 par value; 100,000,000 shares authorized; 24,824,746 and 24,766,892 issued and outstanding at December 31, 2018 and 2017, respectively	24,825	24,767
Additional paid-in capital	56,427,928	56,176,330
Accumulated other comprehensive loss-investment securities	—	(165,317)
Accumulated deficit	(28,670,095)	(22,796,246)
Total Tecogen Inc. stockholders' equity	27,782,658	33,239,534
Noncontrolling interest	255,116	455,611

Total stockholders' equity	28,037,774	33,695,145
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 49,904,393	$ 50,671,076

TECOGEN INC

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

For the Three Months Ended December 31, 2018 and 2017

(unaudited)

	2018	2017
Revenues		
Products	$ 3,702,610	$ 4,642,124
Services	3,964,852	4,118,406
Energy production	1,648,946	1,503,633
	9,316,408	10,264,163
Cost of sales		
Products	2,201,319	2,750,767
Services	2,430,973	2,737,539
Energy production	972,749	980,776
	5,605,041	6,469,082
Gross profit	3,711,367	3,795,081
Operating expenses		
General and administrative	2,667,985	2,477,998
Selling	758,898	713,448
Research and Development	304,511	295,864
Goodwill impairment	4,390,590	—
Total operating expenses	8,121,984	3,487,310
Income (loss) from operations	(4,410,617)	307,771
Other income (expense)		
Interest and other income	104	6,593
Interest expense	(63,820)	(40,056)
Unrealized loss on investment securities	(59,042)	—
Total other expense, net	(122,758)	(33,463)
Income (loss) before income taxes	(4,533,375)	274,308
Income tax provision	(9,931)	—
Consolidated net income (loss)	(4,523,444)	274,308
(Income) loss attributable to the noncontrolling interest	151,540	(5,327)
Net income (loss) attributable to Tecogen Inc	$ (4,371,904)	268,981
Other comprehensive income-unrealized gain on securities		19,681
Comprehensive income		$ 288,662
Net income (loss) per share - basic and diluted	$ (0.18)	$ 0.01
Weighted average shares outstanding - basic	24,821,832	24,736,707
Weighted average shares outstanding - diluted	24,821,832	23,342,627

Non-GAAP financial disclosure [1]		
Net income (loss) attributable to Tecogen Inc	$ (4,371,904)	$ 268,981
Interest expense, net	63,716	33,463
Provision for income taxes	(9,931)	—
Depreciation and amortization, net	202,934	184,882
EBITDA	(4,115,185)	487,326
Stock-based compensation	47,380	45,439
Unrealized loss on securities	59,042	—
Merger related expenses	120,333	—
Goodwill impairment	4,390,590	—
Adjusted EBITDA	$ 502,160	$ 532,765

TECOGEN INC

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

For the Years Ended December 31, 2018 and 2017

	2018	2017
Revenues		
Products	$ 12,624,867	$ 12,991,283
Services	16,859,291	16,377,443
Energy production	6,399,526	3,833,940
Total revenues	35,883,684	33,202,666
Cost of sales		
Products	7,797,591	8,012,012
Services	10,693,077	10,201,732
Energy production	3,801,154	2,034,518
Total cost of sales	22,291,822	20,248,262
Gross profit	13,591,862	12,954,404
Operating expenses		
General and administrative	10,790,841	9,520,497
Selling	2,651,128	2,271,826
Research and development	1,297,612	936,929
Goodwill impairment	4,390,590	—
Total operating expenses	19,130,171	12,729,252
Income (loss) from operations	(5,538,309)	225,152
Other income (expense)		
Interest and other income	8,030	27,626
Interest expense	(120,015)	(155,082)
Unrealized loss on investment securities	(118,084)	—
Total other expense, net	(230,069)	(127,456)
Income (loss) before income taxes	(5,768,378)	97,696
State income tax provision	32,748	—
Consolidated net income (loss)	(5,801,126)	97,696
(Income) loss attributable to the noncontrolling interest	92,594	(50,260)
Net income (loss) attributable to Tecogen Inc.	$ (5,708,532)	47,436
Other comprehensive loss-unrealized loss on securities		(165,317)
Comprehensive loss		$ (117,881)
Net income (loss) per share - basic	$ (0.23)	$ —
Net income (loss) per share - diluted	$ (0.23)	$ —
Weighted average shares outstanding - basic	24,815,926	23,171,033
Weighted average shares outstanding - diluted	24,815,926	23,342,627

Non-GAAP financial disclosure [1]				
Net income (loss) attributable to Tecogen Inc	$	(5,708,532)	$	47,436
Interest expense, net		111,985		127,456
Depreciation and amortization, net		789,123		587,822
Provision for income taxes		32,748		—
EBITDA		(4,774,676)		762,714
Stock-based compensation		181,188		183,768
Unrealized loss on investment securities		118,084		—
Merger related expenses		302,268		156,298
Goodwill impairment		4,390,590		—
Adjusted EBITDA	$	217,454	$	1,102,780

TECOGEN INC

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2018 and 2017

CASH FLOWS FROM OPERATING ACTIVITIES:	2018	2017
Consolidated net income (loss)	$ (5,801,126)	$ 97,696
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation, accretion and amortization, net	789,123	587,822
Gain on contract termination	(124,733)	—
Loss on sale of assets	22,088	2,909
Provision (recovery) for losses on accounts receivable	4,395	(16,600)
Provision of inventory reserve	1,000	17,000
Stock-based compensation	181,188	183,768
Goodwill impairment	4,390,590	—
Non-cash interest expense	32,225	1,491
Changes in operating assets and liabilities, net of effects of acquisition:		
(Increase) decrease in:		
Accounts receivable	(4,467,939)	(336,051)
Unbilled revenue	(697,586)	(1,676,409)
Inventory, net	(1,165,057)	(298,167)
Due from related party	576,087	(325,651)
Prepaid expenses and other current assets	49,484	(47,498)
Other non-current assets	113,284	(32,252)
Increase (decrease) in:		
Accounts payable	1,173,979	1,335,042
Accrued expenses and other current liabilities	111,038	(494,095)
Deferred revenue	1,006,893	375,499
Interest payable, related party	(52,265)	34,240
Net cash used in operating activities	(3,857,332)	(591,256)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(828,086)	(580,044)
Proceeds on sale of property and equipment	2,003,606	—
Purchases of intangible assets	(226,847)	(453,598)
Cash acquired in acquisition	442,746	971,454
Expenses associated with asset acquisition	(2,457)	—
Return of investment in Ultra Emissions Technologies Ltd	—	2,000,000
Payment of stock issuance costs	—	(377,246)
Distributions to noncontrolling interest	(107,901)	(47,921)
Net cash provided by investing activities	1,281,061	1,512,645
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from revolving line of credit	21,533,143	—
Payments on revolving line of credit	(19,435,306)	—
Payments for debt issuance costs	(145,011)	—
Payments made on loan due to related party	(850,000)	(3,150,000)
Proceeds from exercise of stock options	72,925	179,918
Net cash provided by (used in) financing activities	1,175,751	(2,970,082)
Change in cash and cash equivalents	(1,400,520)	(2,048,693)
Cash and cash equivalents, beginning of the year	1,673,072	3,721,765
Cash and cash equivalents, end of the year	$ 272,552	$ 1,673,072

Supplemental disclosure of cash flow information:

Cash paid for interest	$	140,055	$	110,979
Cash paid for taxes	$	32,748	$	—
Issuance of stock to acquire American DG Energy, net	$	—	$	18,482,656
Issuance of Tecogen stock options in exchange for American DG Energy options	$	—	$	114,896

(1) Non-GAAP Financial Measures

In addition to reporting net income, a U.S. generally accepted accounting principle ("GAAP") measure, this news release contains information about EBITDA (net income (loss) attributable to Tecogen Inc adjusted for interest, depreciation and amortization, stock-based compensation expense, goodwill impairment and merger related expenses), which is a non-GAAP measure. The Company believes EBITDA allows investors to view its performance in a manner similar to the methods used by management and provides additional insight into its operating results. EBITDA is not calculated through the application of GAAP. Accordingly, it should not be considered as a substitute for the GAAP measure of net income and, therefore, should not be used in isolation of, but in conjunction with, the GAAP measure. The use of any non-GAAP measure may produce results that vary from the GAAP measure and may not be comparable to a similarly defined non-GAAP measure used by other companies.

Tecogen®

Energy Efficiency Reimagined

NASDAQ: TGEN

Year End 2018 Earnings Review
March 28, 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
- 2018 Financial Overview
- Strategic Update
- Market Update

Bonnie Brown

- Financial Review

Robert Panora

- Ultera Emissions Update

Benjamin Locke

- 2019 Outlook

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

2018 Financial Results

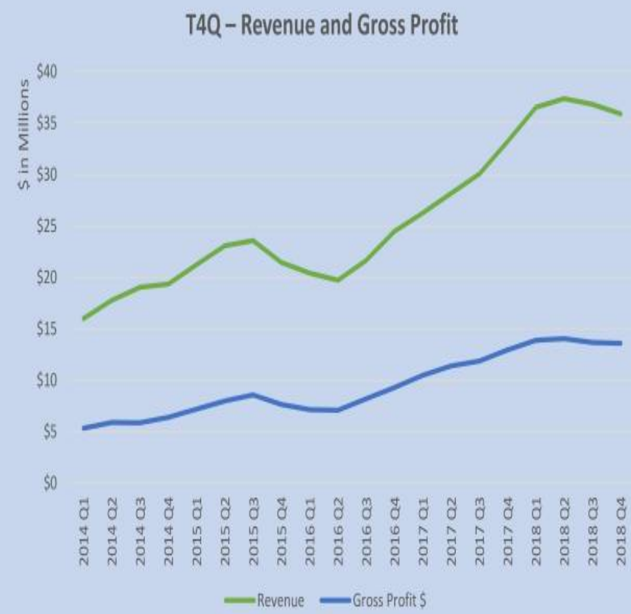
Tecogen

Q4 2018

- Q4 2018 revenues of $9.3 million
- Adjusted EBITDA*of $502K for 4Q'18 compared to $533K for 4Q'17
- Gross margin of 40% compared to 37% in Q4 '17
- Chiller sales grow 21% year over year
- 11% growth in service contract revenue
- Goodwill Impairment loss of $4.4 million

YE 2018

- Record revenue in 2018 of $35.9 million
- Gross margin of 38% for YE18 vs 39% for YE17
- 2018 Adjusted EBITDA of $217K vs. $1.1 million in 2017
- Chiller sales a record of $7.2 million



Steady growth of revenues and gross profits

* 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.

4Q 2018 Adjusted EBITDA of $502K

$ in thousands	4Q'18	4Q'17	YoY Change		Comments
Revenue					
Products	$ 3,703	$ 4,642	$ (939)		
Service	3,965	4,118	(153)		
Energy Production	1,649	1,504	145		
Total Revenue	9,316	10,264	(948)	-9%	Product shift to chiller sales
Gross Profit					
Products	$ 1,501	$ 1,891	$ (390)		
Service	1,534	1,381	153		
Energy Production	676	523	153		
Total Gross Profit	3,711	3,795	(84)	-2%	
Gross Margin: %					
Products	41%	41%	0%		
Service	39%	34%	5%		
Energy Production	41%	35%	6%		
Total Gross Margin	40%	37%	3%	8%	Maintaining solid margins
Operating Expenses					
General & administrative	$ 2,668	$ 2,478	$ 190		
Selling	759	713	45		
Research and development	305	296	9		
Total Operating Expenses w/o GW Impairment	3,731	3,487	244	7%	Merger related expenses and R&D activities account for this increase
Goodwill impairment	4,391	-	4,391		
Net income without goodwill impairment	19	269	(250)		Adds back effect of goodwill impairment loss
Adjusted EBITDA	$ 502	$ 533	$ (31)		See Adjusted EBITDA reconciliation slide

Record Quarterly Chiller Sales

Goodwill Impairment loss, Q4 2018

Consistently Strong Gross Margins

YE 2018 Adjusted EBITDA of $217K

Tecogen

$ in thousands	YE 2018	YE 2017	YoY Change		Comments
Revenue					
Products	$ 12,625	$ 12,991	$ (366)		
Service	16,859	16,377	482		
Energy Production	6,400	3,834	2,566		2018 represents first full year
Total Revenue	35,884	33,202	2,682	8%	
Gross Profit					
Products	$ 4,827	$ 4,979	$ (152)		
Service	6,166	6,175	(9)		
Energy Production	2,598	1,800	798		Full year in 2018, partial in 2017
Total Gross Profit	13,592	12,954	638	5%	
Gross Margin: %					
Products	38%	38%	0%		
Service	37%	38%	-1%		
Energy Production	41%	47%	-6%		
Total Gross Margin	38%	39%	-1%		Margin remains steady overall
Operating Expenses					
General & administrative	$ 10,790	$ 9,520	$ 1,270		
Selling	2,651	2,272	379		
Research and development	1,298	937	361		
Total Operating Expenses w/o GW Impairment	14,739	12,729	2,010	16%	
Goodwill impairment	4,391	-	4,391		
Net income (loss) without goodwill impairment	(1,318)	47	(1,365)		Adds back effect of goodwill impairment loss
Adjusted EBITDA	$ 217	$ 1,103	$ (885)		See Adjusted EBITDA reconciliation slide

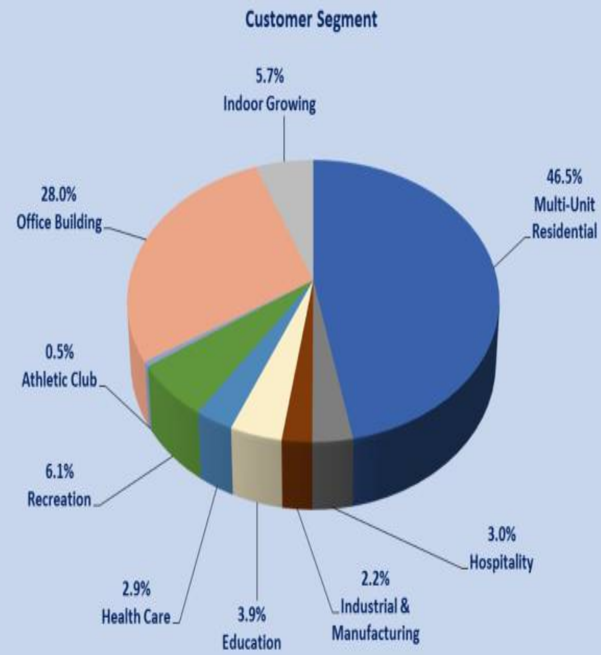
Record Revenue for the Year

5% Growth in Gross Profit

Consistently Strong Gross Margin

Goodwill Impairment loss, Q4 2018

Product and Installation Backlog



Current Backlog of $ 29.9 million
Product backlog: $15.4 mm, Install backlog $14.5 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	No additional capitalization currently planned

Tecogen positioned for continued growth in core business while building value for Ultera Emissions technology

Market Update

- Indoor Agriculture Growth Opportunity
  - Proven cost/benefit of Tecochill
  - Substantial long term growth as market expands
- Diverse product portfolio enables range of options
  - CHP, chillers, heat pump allows many options
  - Tecofrost opens many new markets
- Third party Financing Offers Creative Economics
  - Low cost of capital, able to use tax advantages
  - Results in best savings for customer
  - Allows capital for large projects (Manhattan data center)
  - Additional projects in development
- Increasing focus on microgrids for resiliency
  - "Smart Inverter" Certification requirements
  - Opens additional revenues from utility programs

Tecofrost, IIAR Refrigeration Conference, March 2019

Q4 2018 Financial Metrics: Revenues, Margins, Growth

Tecogen

- After the elimination of goodwill impairment of $4.4 million, maintained profitability for the quarter
- Four diverse revenue streams
  - 21% growth in chiller sales
  - Long term service contracts provide steady cash flow, growing 11%
  - Turnkey installations facilitate both product sales and service revenue
  - Energy production provides 41% gross margin
- Maintained 40% overall gross margin

	Quarter Ended December 31,			
$ in thousands	2018	2017	YoY Growth	% of Total Rev
Revenue				
Cogeneration	$ 750	$ 2,209	-66%	8%
Chiller	2,952	2,434	21%	32%
Total Product Revenue	3,703	4,642	-20%	40%
Service Contracts and Parts	2,218	2,003	11%	24%
Installation Services	1,747	2,115	-17%	19%
Total Service Revenue	3,965	4,118	-4%	43%
Energy Production	1,649	1,504	10%	18%
Total Revenue	$ 9,316	$ 10,264	-9%	100%
Cost of Sales				
Products	$ 2,201	$ 2,751	-20%	
Services	2,431	2,738	-11%	
Energy Production	973	981	-1%	
Total Cost of Sales	$ 5,605	$ 6,469	-13%	
Gross Profit	$ 3,711	$ 3,795	-2%	40%
Net income (loss) attributable to Tecogen Inc.	$ (4,372)	$ 269		
Net income attributable to Tecogen w/o GW impairment	$ 19	$ 269		
Gross Margin				
Products	41%	41%		
Services	39%	34%		
Aggregate Products and Services	40%	37%		
Energy Production	41%	35%		
Overall	40%	37%		

21% Growth in Chiller Sales

11% Growth in Service Contract Revenue

40% Overall Gross Margin

Year End 2018 Financial Metrics: Revenues, Margins, Growth

Tecogen

- Four diverse revenue streams
  - Record-breaking chiller sales
  - Long term service contracts provide steadily improving cash flow, representing 24% of revenue
  - Turnkey installation activities grew 5% in the year
  - Energy production provides full year of reliable cash flow
- Maintained total gross margin of 38%

	Year Ended December 31,			
$ in thousands	2018	2017	YoY Growth	2018 % of Total Rev
Revenue				
Cogeneration	$ 5,467	$ 8,186	-33%	15%
Chiller	7,158	4,806	49%	20%
Total Product Revenue	12,625	12,992	-3%	35%
Service Contracts and Parts	8,762	8,697	1%	24%
Installation Services	8,097	7,680	5%	23%
Total Service Revenue	16,859	16,377	3%	47%
Enery Production	6,400	3,834	67%	18%
Total Revenue	$ 35,884	$ 33,203	8%	100%
Cost of Sales				
Products	$ 7,798	$ 8,012	-3%	
Services	10,693	10,202	5%	
Energy Production	3,801	2,035	87%	
Total Cost of Sales	$ 22,292	$ 20,249	10%	
Gross Profit	$ 13,592	$ 12,954	5%	38%
Net income (loss attributable to Tecogen	$ (5,709)	$ 47		
Net Income (loss) attributable to Tecogen, w/o GW Impairment	$ (1,318)	$ 47		
Gross Margin				
Products	38%	38%		
Services	37%	38%		
Aggregate Products and Services	37%	38%		
Energy Production	41%	47%		
Overall	38%	39%		

Record-Breaking Chiller Sales

8% Overall Revenue Growth

5% Increase in Gross Profit

Adjusted EBITDA Reconciliation

Adjusted EBITDA positive for the year and 4th quarter

Q4 and YE Comparative Net income (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

Consistently reaching positive levels of adjusted EBITDA

Non-GAAP financial disclosure		Q4 2018		Q4 2017
Net Income (loss) attributable to Tecogen Inc.	$	(4,371,904)	$	268,981
Interest expense, net		63,716		33,463
Depreciation & amortization, net		202,934		184,882
Income tax expense		(9,931)		-
EBITDA		(4,115,185)		487,326
Stock based compensation		47,380		45,439
Unrealized loss on investment securities		59,042		-
Merger related expenses		120,333		-
Goodwill impairment		4,390,590		-
Adjusted EBITDA*	$	502,160	$	532,765

Non-GAAP financial disclosure		Year End 2018		Year End 2017
Net Income (loss) attributable to Tecogen Inc.	$	(5,708,532)	$	47,436
Interest expense, net		111,985		127,456
Depreciation & amortization, net		789,123		587,822
Income tax expense		32,748		-
EBITDA		(4,774,676)		762,714
Stock based compensation		181,188		183,768
Unrealized loss on investment securities		118,084		-
Merger related expenses		302,268		156,298
Goodwill impairment		4,390,590		-
Adjusted EBITDA*	$	217,454	$	1,102,780

*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.

Emissions Technology Update

Forklift Program – Tecogen/Mitsubishi Caterpillar Forklift of America (MCFA)

- Received first samples of alternative engine retuning software from MCFA
- Prototype evaluation completed at Tecogen
  - Tuning shift produced expected result (NOx reduction)
- “Roadmap” provided to MCFA for revised tuning
  - Second revision received, testing underway.
- Multiple iterations typical
  - Encouraged by interest and fast turnaround by MCFA

Emissions Technology Update (2)

Other Emissions Progress

Southern California generator retrofit program

- All engines permitted, successfully tested for compliance
- Only natural gas engines permitted to current (2010) regs without operating exemption

Ultera Automotive Catalyst Development

- On road Ultera development work with outside research institute progressing
- Focus is alternative catalyst formulation
- Test samples fabricated
- Testing planned over next few months

Ultera Project approved by SoCal District Pump Project

- Project approved for new natural gas driven pump procurement
- 800 horsepower engines
- Requires 2x scaleup of system

Natural Gas Generator Upfitted with Ultera in Southern California (LA County)

2019 Outlook

Continued growth in Core business

- Driven by shift in product sales mix to chillers
- No chiller competitors, Predictable sales channels
- Ultera emissions key to certain markets (California)

Adapt to changing role of CHP in utility distributed generation market

- "Smart Inverter" certification likely to spread to east coast
- InVerde ideally suited to this changing environment
- integration of storage and solar becoming even more important

Validation of Ultera value proposition

- MCFA program results promising
- Further proof points with other stationary engine retrofits (Generac, EMWD)
- Opportunity for automotive applications

Stable Financial Footing

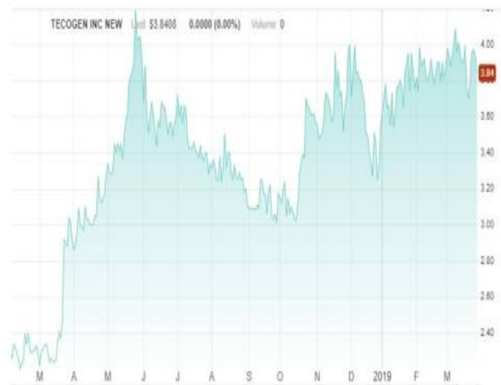
- Zero debt, strong balance sheet
- Access to capital if needed

Closing Comments

Tecogen Key Value Proposition Remains:

- Use plentiful and affordable natural gas efficiently and cleanly to meet energy needs of large facilities
- Tecogen cogeneration systems have necessary certifications and functionality to participate in new, revenue generating utility support programs
- Tecogen is only manufacturer of natural gas engine chillers, with significant new market potential for indoor growing and ammonia refrigeration systems
- Ultera emission technology successfully implemented on many engine platforms and has potential for significant investor upside

TGEN 12 month stock chart



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