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 14, 2024

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

Delaware
(State or Other Jurisdiction of Incorporation)

001-36103 (Commission File Number)	04-3536131 (IRS Employer Identification No.)
45 First Avenue Waltham, Massachusetts (Address of Principal Executive Offices)	02451 (Zip Code)

(781) 466-6400
(Registrant's telephone number, including area code)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol	Name of exchange on which registered

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 14, 2024, the registrant issued a press release with earnings commentary and supplemental information for the three and twelve months ended December 31, 2023. 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 Current Report on Form 8-K shall 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 14, 2024, the registrant will present the attached slides online in connection with an earnings conference call. The 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 99.02 to this Current Report on 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 Items 2.02 and 7.01 shall be deemed to be furnished, and not filed:

Exhibit	Description
99.01	Earnings Release dated March 14, 2024 for the three and twelve months ended December 31, 2023
99.02	Tecogen Earnings Call Presentation dated March 14, 2024

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.

March 14, 2024

By: /s/ Abinand Rangesh

Abinand Rangesh, Chief Executive Officer

Tecogen Announces Fourth Quarter 2023 Results

Q4 2023 revenue of $5.9 *million, an increase of* 30.2% *QoQ*

WALTHAM, Mass., **March 14, 2024** - Tecogen Inc. (OTCQX:TGEN), a leading manufacturer of clean energy products, reported revenues of $5.9 million and a net loss of $1.8 million for the quarter ended December 31, 2023 compared to revenues of $4.5 million, and a net loss of $1.4 million in 2022. The increase in net loss was primarily driven by an increase in bad debt reserves for installation projects from 2017 and increase in reserves for obsolete inventory.

Our Adjusted EBITDA loss narrowed to $527 thousand for the quarter ended December 31, 2023 compared to $1.1 million in 2022. For the year ended December 31, 2023 revenues were $25.1 million and the net loss was $4.5 million compared to revenues of $25.0 million, and net loss of $2.4 million for the same period in 2022. For the year the Adjusted EBITDA loss was $2.6 million in 2023 and $1.7 million respectively in 2022.

"During the 4th quarter we had positive cash flow from operations and a recovery in gross margin for our Services segment. We continue to execute on our strategy of increasing recurring cash flow from Energy and Services to cover our fixed costs. This will allow us to be cash flow positive while we secure profitable large dollar value projects.

Unlike in the past where our sales were predominantly small cogeneration projects for residential buildings in New York City, we are now seeing the market shift to multiple unit chiller and cogeneration projects nationwide. We recently received a 6 unit (3 hybrid chillers and 3 Inverde cogeneration units) as well as a 12 unit cogeneration order. We are now focused on securing additional multiple unit product orders that we expect will result in sustained profitability and growth. In fact, we are specified on large chiller projects for some iconic facilities that are on track to close later this year.

We are also receiving significant interest from customers who are limited in electrical capacity or facing sharp increases in peak electricity charges. We expect customer pain point to increase as electrification efforts place higher pressure on the ability of utilities to supply sufficient power. As a result, our proprietary software and utility demand response capabilities will give us a competitive advantage in securing new product orders and increased Services revenue.

Although we showed a significant net loss in Q4, this was driven by a $1 million increase in bad debt expense associated with old installation project receivables and obsolete inventory. We also performed much needed work on replacing engines in the Services fleet and site improvement work within our energy fleet. These costs and the obsolete inventory reserve drove down gross profit margins but are an essential investment to improve unit runtime going forward.

We have $1 million remaining on our credit line which will help us execute our factory move later this quarter, and our present cash position of $1.1 million." commented Abinand Rangesh, Tecogen's Chief Executive Officer.

Key Takeaways

Revenues

- Revenues for Q4 2023 were $5.9 million compared to $4.5 million for the same period in 2022, a 30.2% increase.
    - Products revenue was $1.8 million in Q4 2023 compared to $1.0 million in the same period in 2022, an increase of 76.6%, primarily due to increased chiller sales and cogeneration sales, which was offset partially by decreased sales of engineered accessories.
    - Services revenue was $3.6 million in Q4 2023 compared to $3.0 million in the same period in 2022, an increase of 19.1%, primarily due to revenue from acquired maintenance contracts.
    - Energy Production revenue increased 4.7%, to $542 thousand in Q4 2023 compared to $517 thousand in the same period in 2022.

- Revenues for the year ended December 31, 2023 were $25.1 million compared to $25.0 million for the same period in 2022, a 0.5% increase.
    - Products revenue was $8.9 million in the year ended December 31, 2023 compared to $11.2 million in the same period in 2022, a decrease of 20.6%, primarily due to decreased cogeneration sales, partially offset by increased chiller sales into our key market segments including controlled environment agriculture.
    - Services revenue was $14.5 million in the year ended December 31, 2023 compared to $12.1 million in the same period in 2022, an increase of 20.4%, primarily due to revenue from acquired maintenance contracts and a 4.8% increase in revenue from existing service contracts.
    - Energy Production revenue decreased 1.6%, to $1.76 million in the year ended December 31, 2023 compared to $1.79 million in the same period in 2022.

Net Loss and Earnings Per Share

- Net loss in Q4 2023 was $1.8 million compared to net loss of $1.4 million in Q4 2022, an increase of $0.4 million, primarily due to increased operating expenses. EPS was a net loss of $0.07/share and a net loss of $0.06 in Q4 2023 and Q4 2022, respectively.

- Net loss for the year ended December 31, 2023 was $4.6 million compared to net loss of $2.4 million in the comparable 2022 period, an increase of $2.2 million, due primarily to lower Products segment revenue and gross profit and an increase in operating expenses. EPS was a net loss of $0.19/share for the year ended December 31, 2023 compared to $0.10/share in 2022.

Loss from Operations

- Loss from operations for Q4 2023 increased to $1.8 million compared to a loss of $1.4 million for the same period in 2022 due to higher operating expenses.

- Loss from operations for the year ended December 31, 2023 was $4.4 million compared to a loss of $2.3 million for the same period in 2022, an increase of $2.1 million. The loss from operations increased due to lower revenue and gross profit margins in our Products segment and increased operating expenses.

Gross Profit and Gross Margin

- Gross profit for Q4 2023 was $2.3 million compared to $2.4 million in the fourth quarter of 2022. Gross margin was 39.8% in Q4 2023 quarter compared to 52.5% for the same period in 2022. Products margin decreased to 19.4% from 32.1% due to an increase in the provision for obsolete inventory, higher material costs, and increased product warranty costs. Services margin decreased to 51.3% from 60.1%, due to increased labor and material costs and an increase in the provision for obsolete inventory. In particular, as supply chain constraints for engines eased, we performed significant engine related replacements and upgrades which negatively impacted Service margins. Energy Production margin decreased to 30.3% in Q4 2023 from 47.7% in the comparable period in 2022 due to increased costs incurred to repair certain of our energy sites.

- Gross profit for the year ended December 31, 2023 decreased to $10.2 million compared to $11.1 million in the same period in 2022, a decrease of $0.9 million. Gross margin decreased to 40.6% in the year ended December 31, 2023 compared to 44.3% for the same period in 2022. Products margin decreased to 33.1% from 33.5%, due primarily to increased provisions for obsolete inventory. Services margin decreased to 45.5% from 54.2%, due to increased labor and material costs and an increase in the provision for obsolete inventory. In particular, as supply chain constraints for engines eased, we performed a significant number of engine replacements in the year ended December 31, 2023 which negatively impacted Services margins. Energy Production margin deceased to 37.1% from 44.2% due to increased costs incurred to repair certain of our energy sites.

Operating Expenses

- Operating expenses increased 10.2% to $4.2 million in Q4 2023 compared to $3.8 million in the same period in 2022 due primarily to an increase in bad debt expense, due to certain install receivables which were deemed uncollectible, increases in depreciation and amortization, travel, and business insurance, which are attributable in part to the Aegis acquisition.
- Operating expenses increased by $1.2 million, or 8.9% to $14.6 million for the year ended December 31, 2023 compared to $13.4 million in the same period in 2022 due primarily to an increase in bad debt expense due to certain install receivables which were deemed uncollectible, increases in depreciation and amortization, travel, and business insurance, which are attributable in part to the Aegis acquisition.

Adjusted EBITDA[(1)] was negative $527 thousand for the fourth quarter of 2023 compared to negative $1.1 million for the fourth quarter of 2022. Adjusted EBITDA[(1)] was negative $2.6 million for the year ended December 31, 2023 compared to negative $1.7 million for the comparable period in 2022. (Adjusted EBITDA is defined as net income or loss attributable to Tecogen, adjusted for interest, income taxes, depreciation and amortization, stock-based compensation expense, unrealized gain or loss on equity securities, goodwill impairment charges, inventory writedowns, bad debt provision and other non-cash non-recurring charges or gains including abandonment of intangible assets and the extinguishment of debt. See the table following the Condensed Consolidated Statements of

Operations for a reconciliation from net income (loss) to Adjusted EBITDA, as well as important disclosures about the company's use of Adjusted EBITDA).

Conference Call Scheduled for March 14, 2024, at 9:30 am ET

Tecogen will host a conference call on **March 14, 2024** to discuss the fourth quarter results beginning at 9:30 AM eastern time. To listen to the call please dial **(877) 407-7186 within the U.S. and Canada, or (201) 689-8052 from other international locations**. Participants should ask to be joined to the Tecogen Fourth Quarter 2023 earnings call. Please begin dialing 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 https://ir.tecogen.com/ir-calendar. Following the call, the recording will be archived for 14 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 engine-driven combined heat and power, air conditioning systems, and high-efficiency water heaters for residential, commercial, recreational and industrial use. The company provides cost effective, environmentally friendly and reliable products for energy production that nearly eliminate criteria pollutants and significantly reduce a customer’s carbon footprint.

In business for over 35 years, Tecogen has shipped more than 3,200 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 e+, Tecochill, Tecopower, Tecofrost, Tecopack, and Ultera are registered 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, our Quarterly Reports on Form 10-Q and on our Form 8-K, 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

CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited)

	December 31, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,351,270	$ 1,913,969
Accounts receivable, net	6,735,337	6,714,122
Employee retention credit receivable	46,147	713,269
Unbilled revenue	1,258,532	1,805,330
Inventory, net	10,553,419	10,482,729
Prepaid and other current assets	360,639	401,189
Total current assets	20,305,344	22,030,608
Property, plant and equipment, net	1,162,577	1,407,720
Right of use assets	943,283	1,245,549
Intangible assets, net	2,436,230	997,594
Goodwill	2,743,424	2,406,156
Other assets	201,771	165,230
TOTAL ASSETS	$ 27,792,629	$ 28,252,857
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Related party loan	$ 505,505	$ —
Accounts payable	4,514,415	3,261,952
Accrued expenses	2,504,629	2,384,447
Deferred revenue, current	1,647,206	1,115,627
Lease obligations, current	289,473	687,589
Acquisition liabilities, current	845,363	—
Unfavorable contract liabilities, current	176,207	236,705
Total current liabilities	10,482,798	7,686,320
Long-term liabilities:		
Deferred revenue, net of current portion	369,611	371,823
Lease obligations, net of current portion	683,307	623,452
Acquisition liabilities, net of current portion	1,181,779	—
Unfavorable contract liability, net of current portion	422,839	583,512
Total liabilities	13,140,334	9,265,107
Stockholders' equity:		
Tecogen Inc. shareholders' equity:		
Common stock, $0.001 par value; 100,000,000 shares authorized; 24,850,261 and 24,850,261 issued and outstanding at December 31, 2023 and 2022, respectively	24,850	24,850
Additional paid-in capital	57,601,402	57,351,008
Accumulated deficit	(42,879,656)	(38,281,548)
Total Tecogen Inc. stockholders' equity	14,746,596	19,094,310
Noncontrolling interest	(94,301)	(106,560)
Total stockholders' equity	14,652,295	18,987,750
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 27,792,629	$ 28,252,857

TECOGEN INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

	Three Months Ended	
	December 31, 2023	**December 31, 2022**
Revenues		
Products	$ 1,765,390	$ 999,771
Services	3,591,310	3,014,586
Energy production	541,613	517,230
	5,898,313	4,531,587
Cost of sales		
Products	1,422,325	678,855
Services	1,749,347	1,202,800
Energy production	377,379	270,693
	3,549,051	2,152,348
Gross profit	2,349,262	2,379,239
Operating expenses		
General and administrative	3,461,807	3,267,067
Selling	504,716	238,863
Research and Development	214,320	195,747
Gain on sales of assets	(16,257)	—
Long-lived asset impairment	—	76,049
Total operating expenses	4,164,586	3,777,726
Loss from operations	(1,815,324)	(1,398,487)
Other income (expense)		
Interest and other income (expense)	(24,442)	(12,157)
Interest expense	(7,421)	(415)
Unrealized loss on investment securities	18,749	(18,749)
Total other expense, net	(13,114)	(31,321)
Loss before income taxes	(1,828,438)	(1,429,808)
Income tax provision	239	—
Consolidated net loss	(1,828,677)	(1,429,808)
Income attributable to the noncontrolling interest	(17,720)	5,402
Net loss attributable to Tecogen Inc	(1,846,397)	(1,424,406)
Net loss per share - basic	$ (0.07)	$ (0.06)
Weighted average shares outstanding - basic	24,850,261	24,850,261
Net loss per share - diluted	$ (0.07)	$ (0.06)
Weighted average shares outstanding - diluted	24,850,261	24,850,261

	Three Months Ended	
	December 31, 2023	December 31, 2022
Non-GAAP financial disclosure [(1)]		
Net loss attributable to Tecogen Inc	$ (1,846,397)	$ (1,424,406)
Interest expense, net	7,421	415
Provision for income taxes	239	—
Depreciation and amortization, net	107,933	103,381
EBITDA	(1,730,804)	(1,320,610)
Stock-based compensation	75,683	79,431
Unrealized loss on securities	(18,749)	18,749
Inventory write down	402,883	—
Long-lived asset impairment	—	76,049
Bad debt provision	744,248	—
Adjusted EBITDA	$ (526,739)	$ (1,146,381)

TECOGEN INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

	Years Ended	
	December 31, 2023	**December 31, 2022**
Revenues		
Products	$ 8,859,946	$ 11,156,099
Services	14,523,054	12,060,661
Energy production	1,756,419	1,785,854
	25,139,419	25,002,614
Cost of sales		
Products	5,923,096	7,413,320
Services	7,909,202	5,525,493
Energy production	1,105,503	996,990
	14,937,801	13,935,803
Gross profit	10,201,618	11,066,811
Operating expenses:		
General and administrative	11,880,389	10,909,251
Selling	1,931,037	1,811,085
Research and development	840,011	732,873
Gain on sale of assets	(36,207)	(41,931)
Long-lived asset impairment	—	4,674
Total operating expenses	14,615,230	13,415,952
Loss from operations	(4,413,612)	(2,349,141)
Other income (expense)		
Interest and other income (expense)	(61,003)	(34,713)
Interest expense	(16,050)	(16,255)
Unrealized gain on marketable securities	—	18,749
Total other expense, net	(77,053)	(32,219)
Loss before income taxes	(4,490,665)	(2,381,360)
State income tax provision	32,491	16,352
Consolidated net loss	(4,523,156)	(2,397,712)
Income attributable to the noncontrolling interest	(74,952)	(50,215)
Net loss attributable to Tecogen Inc.	$ (4,598,108)	$ (2,447,927)
Net loss per share - basic	$ (0.19)	$ (0.10)
Weighted average shares outstanding - basic	24,850,261	24,850,261
Net loss per share - diluted	$ (0.19)	$ (0.10)
Weighted average shares outstanding -diluted	24,850,261	24,850,261

	Years Ended			
	December 31, 2023		December 31, 2022	
Non-GAAP financial disclosure [(1)]				
Net loss attributable to Tecogen Inc	$	(4,598,108)	$	(2,447,927)
Interest expense, net		16,050		16,255
Provision for income taxes		32,491		16,352
Depreciation and amortization, net		567,712		428,348
EBITDA		(3,981,855)		(1,986,972)
Stock-based compensation		250,394		334,149
Unrealized loss on investment securities		—		(18,749)
Inventory writedown		402,883		—
Long-lived asset impairment		—		4,674
Bad debt provision		744,248		—
Adjusted EBITDA	$	(2,584,329)	$	(1,666,898)

(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 Adjusted EBITDA (net income (loss) attributable to Tecogen Inc adjusted for interest, income taxes, depreciation and amortization, stock-based compensation expense, unrealized gain or loss on investment securities, goodwill impairment charges and other non-cash non-recurring charges including abandonment of certain intangible assets, extinguishment of debt, inventory writedown and bad debt provision), which is a non-GAAP measure. The Company believes Adjusted 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. Adjusted 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 INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

	Years Ended	
	December 31, 2023	**December 31, 2022**
Consolidated loss	$ (4,523,156)	$ (2,397,712)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation, accretion and amortization, net	567,712	428,348
Long-lived asset impairment	—	4,674
Gain on sale of assets	(36,207)	(41,931)
Provision for doubtful accounts receivable	902,432	(70,987)
Provision for litigation	—	150,000
Provision for inventory reserve	402,883	107,000
Unrealized gain on investment securities	—	(18,749)
Stock-based compensation	250,394	334,149
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(81,195)	2,401,904
Inventory, net	(82,525)	(2,824,740)
Unbilled revenue	56,994	1,452,860
Prepaid expenses and other current assets	40,550	177,612
Other non-current assets	265,725	625,320
Increase (decrease) in:		
Accounts payable	1,161,416	(246,401)
Accrued expenses	128,869	(109,282)
Deferred revenue	543,842	(678,758)
Other current liabilities	(421,049)	(645,236)
Net cash used in operating activities	(823,315)	(1,351,929)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(46,851)	(314,879)
Proceeds on sale of property and equipment	34,655	72,655
Purchases of intangible assets	—	(29,505)
Payment for business acquisition	(170,000)	—
Distributions to noncontrolling interest	(62,693)	(76,836)
Net used in investing activities	(244,889)	(348,565)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from related party note	505,505	—
Net cash provided by financing activities	505,505	—
Change in cash and cash equivalents	(562,699)	(1,700,494)
Cash and cash equivalents, beginning of the year	1,913,969	3,614,463
Cash and cash equivalents, end of the year	$ 1,351,270	$ 1,913,969
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 10,926	$ 14,597
Cash paid for taxes	$ 32,491	$ 16,352

Tecogen
Clean Energy Solutions

OTCQX: TGEN

EARNINGS CALL MARCH 14, 2024

FY 2023

MANAGEMENT

- Abinand Rangesh – CEO & CFO
- 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

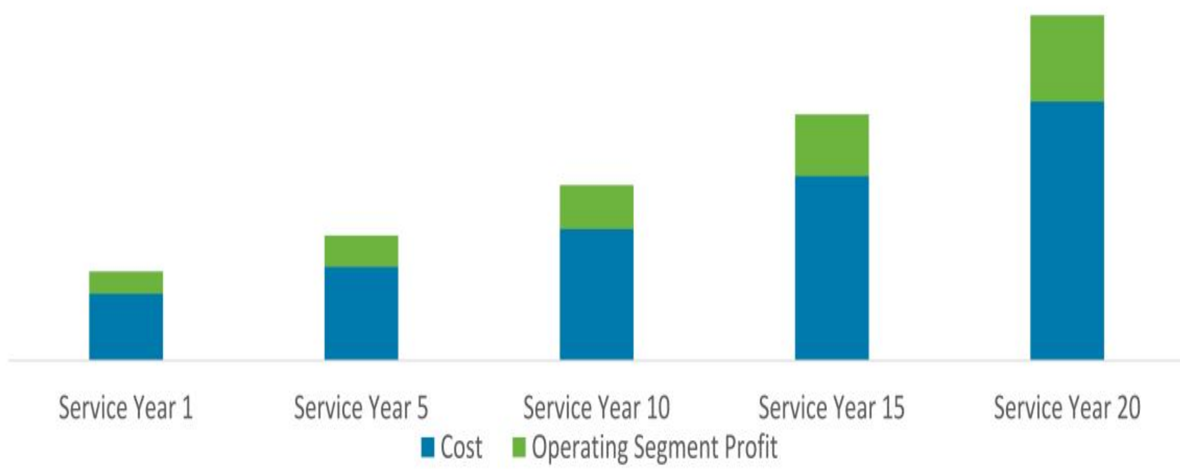
- Key Takeaways 2023
  - Market Changes
  - Strategy – What was achieved
  - Strategy – What remains to be achieved
- 4Q 2023 Results
- FY 2023 Results
- 2024 Plan
- Q&A

MARKET CHANGES 2023

- Headwind - Significant anti-gas sentiment in NY, MA, CA
  - NYC projects, especially in low-income housing cancelled due to anti-gas sentiment
  - Pivoted business to target gas friendly geographies nationwide
- Increasing Tailwind - Electrical capacity constraints, and expensive time of day charges, especially for larger facilities

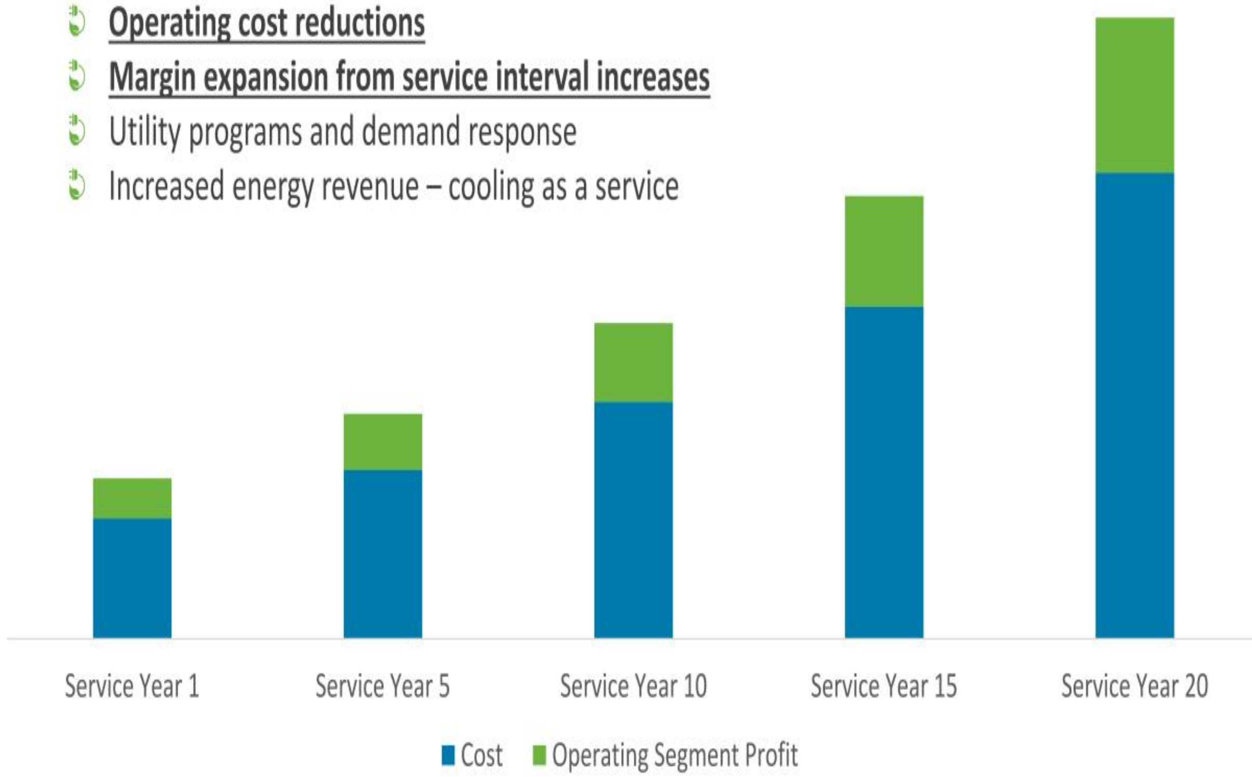
STRATEGY - WHAT WAS ACHIEVED?

- Continuing to execute on strategy to increase recurring cashflow to cover fixed costs and for profit to be generated irrespective of product fluctuations
  - Service gross margin recovered to >50% in Q4
  - Generated $200k cash in Q4
  - Invested in site improvements for both service and energy segments to increase run hours
  - Invested in product improvements to increase oil change intervals and cylinder head life



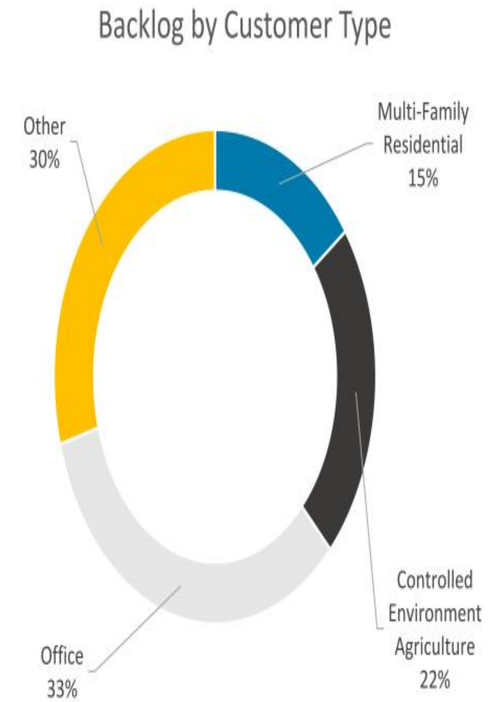
WHAT REMAINS TO BE DONE

- Need to close the large product orders we are specified on
- Lower rent costs after factory move in Q2
- **Operating cost reductions**
- **Margin expansion from service interval increases**
- Utility programs and demand response
- Increased energy revenue – cooling as a service



BACKLOG AND CASH

- Backlog is presently $5.25m. Although we have POs for another $3.5m, we feel the projects have a financing risk (cannabis) and have removed it from backlog.
- Additional $4.5m project not presently in backlog. Tecogen flat specified on project. Expect to close in June or July
- Specified on other multiple large projects that we expect to close Q2/Q3
- Cash position $1.35m at quarter end and $1.5m presently
- $500k drawn under credit line and have $1m available
- Likely to see product revenue disruption Q1 and Q2 due to factory move



REVENUE SEGMENTS

Tecogen
Clean Energy Solutions

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.

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.

4Q 2023 RESULTS

- **Key Points**
  - Revenue = $5.9 million up 30%
  - Net loss of $0.07/share Q4 2023
  - Net loss $1.85m
    - Includes $403k obsolete inventory
    - $744k bad debt provision for old installation receivables
  - Opex $4.16m due to increased bad debt
    - $3.4m Opex without bad debt
  - Gross Margin would have been 46% without obsolete inventory write down
  - Cash and equivalents balance of $1.35 million

$ in thousands	4Q'23	4Q'22	QoQ Change	%
Revenue				
Products	$ 1,765	$ 1,000	$ 766	
Services	3,591	3,015	577	
Energy Production	542	517	24	
Total Revenue	5,898	4,532	1,367	**30.2%**
Gross Profit				
Products	343	321	22	
Services	1,842	1,812	30	
Energy Production	164	247	(82)	
Total Gross Profit	2,349	2,379	(30)	**-1.3%**
Gross Margin: %				
Products	19%	32%	-13%	
Services	51%	60%	-9%	
Energy Production	30%	48%	-17%	
Total Gross Margin	40%	53%	-13%	
Operating Expenses				
General & administrative	3,462	3,267	195	
Selling	505	239	266	
Research and development	214	196	19	
Impairment and other expenses	(16)	76	(92)	
Total operating expenses	4,165	3,778	387	**10.2%**
Operating loss	(1,815)	(1,398)	(417)	
Net loss	$ (1,846)	$ (1,424)	$ (422)	

YE 2023 RESULTS

Tecogen
Clean Energy Solutions

- **Key Points**
  - Revenue = $25.1 million
  - Net loss of $0.19/share YE 2023
  - Net loss of $4.6m
  - Service revenue increased 20% due to increased number of service contracts
  - Gross Margin of 41%
  - Op Ex = $14.6m due to increased bad debt provision, increased depreciation, and amortization expenses and increased admin

$ in thousands	YE 23	YE 22	YoY Change	%
Revenue				
Products	$ 8,860	$ 11,156	$ (2,296)	
Services	14,523	12,060	2,463	
Energy Production	1,756	1,786	(29)	
Total Revenue	25,139	25,002	138	**0.6%**
Gross Profit				
Products	2,937	3,743	(806)	
Services	6,614	6,535	79	
Energy Production	651	789	(138)	
Total Gross Profit	10,202	11,066	(865)	**-7.8%**
Gross Margin: %				
Products	33%	34%	0%	
Services	46%	54%	-9%	
Energy Production	37%	44%	-7%	
Total Gross Margin	41%	44%	-4%	
Operating Expenses				
General & administrative	11,880	10,909	971	
Selling	1,931	1,811	120	
Research and development	840	733	107	
Impairment and other expenses	(36)	(37)	1	
Total operating expenses	14,615	13,416	1,201	**8.9%**
Operating loss	(4,414)	(2,349)	(2,065)	**-87.9%**
Net loss	$ (4,598)	$ (2,448)	$ (2,150)	**-87.8%**

4Q 2023 ADJUSTED EBITDA RECONCILIATION

Tecogen
Clean Energy Solutions

- **EBITDA: Earnings Before Interest, Taxes, Depreciation & Amortization**
  - EBITDA and adjusted EBITDA loss was $1.7m and $527k respectively

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

	Quarter Ended, Dec 31	
Non-GAAP financial disclosure (in thousands)	**2023**	**2022**
Net income (loss) attributable to Tecogen Inc.	$ (1,846)	$ (1,424)
Interest expense, net	7	-
Income tax expense	0	-
Depreciation & amortization, net	108	103
EBITDA	**(1,731)**	**(1,321)**
Stock based compensation	76	79
Unrealized loss on marketable securities	(19)	19
Long lived asset impairment	-	76
Installation bad debt provision	744	-
Obsolete inventory provision	403	
Adjusted EBITDA*	**$ (527)**	**$ (1,146)**

*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

YE 2023 ADJUSTED EBITDA RECONCILIATION

Tecogen
Clean Energy Solutions

- **EBITDA: Earnings Before Interest, Taxes, Depreciation & Amortization**
  - EBITDA and adjusted EBITDA loss of $4m and $2.6m respectively
- **EBITDA Non-cash adjustments**
  - Stock based compensation
  - Unrealized and realized (gain) loss on investment securities
  - Non-recurring charges

	FY Ended, Dec 31	
Non-GAAP financial disclosure (in thousands)	**2023**	**2022**
Net income (loss) attributable to Tecogen Inc.	$ (4,598)	$ (2,448)
Interest expense, net	16	16
Income tax expense	32	16
Depreciation & amortization, net	568	428
EBITDA	**(3,982)**	**(1,987)**
Stock based compensation	250	334
Unrealized loss (gain) on marketable securities	-	(19)
Long lived asset impairment	-	5
Installation bad debt provision	744	
Obsolete inventory provision	403	-
Adjusted EBITDA*	**$ (2,584)**	**$ (1,667)**

*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

4Q 23 PERFORMANCE BY SEGMENT

Tecogen
Clean Energy Solutions

- Product revenue increased 77% QoQ
    - Gross margin impacted by $319k inventory adjustment
    - Without inventory adjustment gross margin 38%
- Service revenue increased 19% QoQ
    - No longer providing installation services
    - Service contracts (O&M) up 18% QoQ
    - Services Gross Margin 51%
    - Inventory adjustment $84K
    - Without inventory adjustment 53%
- Energy Production revenue increased 5% QoQ
- Gross Margin 40%
    - Gross Margin would have been 46% without obsolete inventory

4Q Revenues ($ thousands)	2023	2022	YoY Growth
Revenues			
Cogeneration	$ 892	$ 604	48%
Chiller	612	47	1211%
Engineered accessories	262	349	-25%
Total Product Revenues	1,765	1,000	77%
Service Contracts	3,591	3,034	18%
Installation Services	-	(20)	-100%
Total Service Revenues	3,591	3,015	19%
Energy Production	542	517	5%
Total Revenues	5,898	4,532	30%
Cost of Sales			
Products	1,422	679	110%
Services	1,749	1,203	45%
Energy Production	377	271	39%
Total Cost of Sales	3,549	2,152	65%
Gross Profit	2,349	2,379	-1%
Gross Margin			
Products	19%	32%	
Services	51%	60%	
Energy Production	30%	48%	
Overall	40%	53%	

QTD Gross Margin	2023	2022	Target
Overall	40%	53%	>40%

YE 23 PERFORMANCE BY SEGMENT

- Product revenue decreased 21% YoY
  - 5% increase in chiller shipments
  - 48% decrease in cogeneration
  - Margin impacted by $319k inventory provision. Product margin would have been 38% without.
- Service revenue increased 20% YoY
  - Investments in engines and site improvements temporarily drove down gross profit margins
  - Margin impact by $84K provision
- Energy Production Revenue decreased 2% YoY
- Gross Margin decreased to 41% due to service engine replacements and inventory provision

YE 2023 Revenues ($ thousands)	2023	2022	YoY Growth
Revenues			
Cogeneration	2,762	5,280	-48%
Chiller	5,304	5,035	5%
Engineered accessories	794	842	-6%
Total Product Revenues	8,860	11,156	-21%
Service Contracts	14,523	12,060	20%
Installation Services	0	0	0%
Total Service Revenues	14,523	12,060	20%
Energy Production	1,756	1,786	-2%
Total Revenues	25,140	25,002	1%
Cost of Sales			
Products	5,923	7,413	-20%
Services	7,909	5,525	43%
Energy Production	1,106	997	11%
Total Cost of Sales	14,938	13,935	7%
Gross Profit	10,202	11,067	-8%
Gross Margin			
Products	33%	34%	
Services	46%	54%	
Energy Production	37%	44%	
Overall	41%	44%	

Gross Margin	2023	2022	Target
Overall	41%	44%	>40%

Tecogen 2024 Plan

January 2024

Phase 1 – Increase recurring service revenue and establish sales channels relationships

- Increased recurring service revenue by assuming service agreements for 200+ cogeneration units
- Continuing to add additional service contracts
- Established multiple new sales channel relationships with project developers in core markets such as Indoor Agriculture - Sales pipeline has increased >15% YoY

July 2024

Phase 2 – Operational Cost Reductions & Generate Upside from Existing Revenue

- Lower rent after factory move and Opex reductions post move
- Utility demand response using cogeneration software

October 2024

Phase 3 – Product Growth and Cooling as a Service

- Cooling and Heating as a Service – Provides a way for building owners to upgrade a chiller or boiler plant without upfront capital investment.
- Combines project financing and ongoing maintenance into a single predictable monthly payment, so customers pay for the upgrade from the savings.

SELF LEARNING INTELLIGENT CONTROL OF COGENERATION AND CHILLERS

Tecogen
Clean Energy Solutions

- Based on our remote monitoring platform CHPInsight®
- Increases equipment run hours and savings
  - Learns from building load profile to optimize operations (output from CHPInsight Dashboard shown on left)
- Utility Demand Response Payments
  - Centralized control of multiple units
  - Can aggregate excess capacity from multiple cogeneration systems when utility is capacity constrained and be paid by the utility
- Arbitrage of natural gas vs electric
  - Can control hybrid chiller plants to choose power source mix
  - Can optimize for greenhouse gas reduction and economics

Cooling as a Service

- Targeted at buildings that need to upgrade their chiller or boiler plant
- In retrofit applications, buildings may have competing uses for capital, especially in a high interest rate environment.
- Buildings are likely to defer upgrades or choose systems that have a lower first cost but lower efficiency and higher ongoing costs
- Chillers can be upgraded to Tecochill or High Efficiency electric solutions depending on application
- Customers pay for the cooling and heating as a service that includes all maintenance and the capital recovery as a flat monthly fee

SUMMARY AND Q&A

- Continuing to focus on cashflow
- Pivoting to adapt to changing market
- Continuing to grow service division
- Continuing to expand margin on service
- Opex reduction post factory move
- Close the larger projects

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