

EUROSITE POWER INC.
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (Unaudited)

	December 31, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	2,081,689	3,414,032
Accounts receivable	745,806	919,856
Value added and other tax receivable	-	33,901
UK energy tax incentives receivable	86,431	97,266
Inventory	205,532	177,591
Other current assets	294,102	334,303
Total current assets	3,413,560	4,976,948
Property and equipment, net	8,158,262	8,231,123
Other assets, long-term	127,657	-
TOTAL ASSETS	11,699,479	13,208,071
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 210,916	\$ 564,371
Accrued expenses and other current liabilities	162,206	199,585
Value added and other tax payable	64,236	
Note payable - bank, short-term	225,628	178,040
Total current liabilities	662,986	941,996
Long-term liabilities:		
Note payable - bank	860,448	761,083
Note payable - related party	-	-
Total liabilities	1,523,434	1,703,079
Stockholders' equity:		
Common Stock, \$0.001 par value; 100,000,000 shares authorized; 82,265,056 and 82,265,056 issued at December 31, 2018 and December 31,	82,265	82,265
Additional paid-in capital	22,780,160	22,598,138
Capital contributions	(572,288)	-
Accumulated deficit	(12,035,204)	(11,196,536)
Cumulative translation adjustment (CTA)	(78,888)	21,126
Total stockholders' equity	10,176,045	11,504,992
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 11,699,479	\$ 13,208,071

EUROSITE POWER INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended	
	December 2018	December 2017
Revenues		
Energy revenues	1,038,341	891,525
Turnkey revenues	361,827	393,345
Other revenues	-	9,317
	<u>1,400,168</u>	<u>1,294,187</u>
Cost of sales		
Fuel, maintenance and installation	559,240	509,899
Turnkey costs	379,613	381,418
Site impairments	47,223	63,887
Site depreciation expense	134,767	134,467
	<u>1,120,842</u>	<u>1,089,671</u>
Gross profit (loss)	<u>279,325</u>	<u>204,516</u>
Operating expenses		
General and administrative	212,061	214,386
Selling	74,803	104,956
Engineering	127,334	100,501
	<u>414,198</u>	<u>419,844</u>
Loss from operations	<u>(134,873)</u>	<u>(215,328)</u>
Other income (expense)		
Interest income		
Interest expense, net of debt premium amortization	(14,105)	(11,394)
Debt conversion expense	-	-
	<u>(14,105)</u>	<u>(11,394)</u>
Loss before income taxes	(148,978)	(226,722)
Benefit for income taxes	87,297	297,981
Net gain/ (loss)	<u>\$ (61,681)</u>	<u>\$ 71,259</u>
Net loss per share - basic and diluted	<u>\$ (0.001)</u>	<u>\$ 0.001</u>
Weighted-average shares outstanding - basic and diluted	<u>82,265,056</u>	<u>82,265,056</u>
<u>Non-GAAP financial disclosure</u>		
Loss from operations	\$ (134,873)	\$ (215,328)
Depreciation expense	138,131	138,963
Site Impairments	47,223	63,887
Stock based compensation	35,497	66,468
Adjusted EBITDA	<u>\$ 85,978</u>	<u>\$ 53,991</u>

EUROSITE POWER INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Twelve Months Ended	
	December 2018	December 2017
Revenues		
Energy revenues	3,787,045	3,160,666
Turnkey revenues	651,015	479,302
Other revenues	-	15,200
	<u>4,438,060</u>	<u>3,655,168</u>
Cost of sales		
Fuel, maintenance and installation	2,061,573	1,842,297
Turnkey costs	719,488	451,904
Site impairments	47,223	84,288
Site depreciation expense	558,658	556,205
	<u>3,386,943</u>	<u>2,934,695</u>
Gross profit (loss)	<u>1,051,116</u>	<u>720,474</u>
Operating expenses		
General and administrative	1,106,640	931,621
Selling	325,844	343,823
Engineering	489,322	411,052
	<u>1,921,806</u>	<u>1,686,496</u>
Loss from operations	<u>(870,689)</u>	<u>(966,022)</u>
Other income (expense)		
Interest income		1,118
Interest expense	(55,276)	(41,893)
Debt conversion expense	-	-
	<u>(55,276)</u>	<u>(40,775)</u>
Loss before income taxes	(925,965)	(1,006,798)
Benefit for income taxes	87,297	297,981
Net loss	<u>\$ (838,668)</u>	<u>\$ (708,817)</u>
Net loss per share - basic and diluted	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted-average shares outstanding - basic and diluted	<u>82,265,056</u>	<u>82,265,056</u>
<u>Non-GAAP financial disclosure</u>		
Loss from operations	\$ (870,689)	\$ (966,022)
Depreciation expense	573,675	560,701
Site Impairments	47,223	84,288
Aborted acquisition costs	241,364	-
Stock based compensation	184,640	355,978
Adjusted EBITDA	<u>\$ 176,213</u>	<u>\$ 34,944</u>

EUROSITE POWER INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Twelve Months Ended	
	December 2018	December 2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (838,668)	\$ (708,817)
<i>Adjustments to reconcile net loss to net cash used in operating activities:</i>		
Depreciation and impairment	620,898	556,205
Stock-based compensation	184,640	335,978
<i>Changes in operating assets and liabilities</i>		
<i>(Increase) decrease in:</i>		
Accounts receivable	174,050	(649,657)
Value added and other tax receivable	98,137	(24,621)
Accrued UK energy tax incentives	8,217	148,688
Inventory	(27,941)	(18,758)
Prepaid and other current assets	40,201	(100,952)
Other assets, long term	(127,657)	8,143
<i>Increase (decrease) in:</i>		
Accounts payable	(353,455)	175,755
Due to related party	-	(38,811)
Accrued expenses and other current liabilities	(37,379)	(13,907)
Capital Contributions to Joint Venture	(572,288)	-
Net cash used in operating activities	<u>(831,245)</u>	<u>(330,754)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(548,037)	(553,555)
Net cash used in investing activities	<u>(548,037)</u>	<u>(553,555)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sale of Common Stock net of costs	-	-
Payments on note payable	(245,837)	(305,017)
Proceeds from loan payable - bank	392,789	616,920
Net cash provided by (used in) financing activities	<u>146,952</u>	<u>311,903</u>
Effect of Exchange Rate on Cash and Cash Equivalents	(100,013)	251,912
Net increase (decrease) in cash and cash equivalents	(1,332,343)	(320,494)
Cash and cash equivalents, beginning of the period	3,414,032	3,734,526
Cash and cash equivalents, end of the period	<u>\$ 2,081,689</u>	<u>\$ 3,414,032</u>