

EUROSITE POWER INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Unaudited)

	June 30, 2017	December 31, 2016
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,876,949	\$ 3,734,526
Accounts receivable	288,550	270,199
Value added and other tax receivable	-	9,280
UK energy tax incentives receivable	-	227,536
Inventory	131,906	158,833
Other current assets	233,908	233,351
Total current assets	4,531,313	4,633,725
Property and equipment, net	8,199,806	8,233,773
Other assets, long-term	-	8,143
<b>TOTAL ASSETS</b>	<b>\$ 12,731,119</b>	<b>\$ 12,875,641</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 154,066	\$ 388,616
Accrued expenses and other current liabilities	214,021	213,492
Due to related party	-	38,811
Note payable - bank, short-term	150,978	69,933
Total current liabilities	519,064	710,852
Long-term liabilities:		
Convertible debentures	-	305,017
Convertible debentures Due to related parties	-	-
Note payable - bank	693,828	252,271
Note payable - related party	-	-
Total liabilities	1,212,893	1,268,140
Stockholders' equity:		
Common Stock, \$0.001 par value; 100,000,000 shares authorized; 82,265,056 and 65,747,100 issued at June 30, 2017 and December 31, 2016	82,265	82,265
Additional paid-in capital	22,466,945	22,243,742
Accumulated deficit	(10,970,496)	(10,718,506)
Cumulative translation adjustment (CTA)	(60,487)	-
Total stockholders' equity	11,518,227	11,607,501
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 12,731,119</b>	<b>\$ 12,875,641</b>

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

	Three Months Ended	
	June 2017	June 2016
<b>Revenues</b>		
Energy revenues	\$ 793,658	\$ 640,014
Turkey and other revenues	-	423
	<u>793,658</u>	<u>640,437</u>
<b>Cost of sales</b>		
Fuel, maintenance and installation	453,065	420,366
Site impairments	-	-
Site Depreciation expense	153,580	116,726
	<u>606,645</u>	<u>537,092</u>
Gross profit (loss)	<u>187,012</u>	<u>103,345</u>
<b>Operating expenses</b>		
General and administrative	223,971	332,168
Selling	60,234	160,405
Engineering	96,001	90,006
	<u>380,206</u>	<u>582,579</u>
Loss from operations	<u>(193,194)</u>	<u>(479,234)</u>
<b>Other income (expense)</b>		
Interest income		3,313
Interest expense, net of debt premium amortization	(10,537)	(7,586)
Debt conversion expense	-	-
	<u>(10,537)</u>	<u>(4,273)</u>
Loss before income taxes	<u>(203,731)</u>	<u>(483,507)</u>
Benefit for income taxes	-	-
Net loss	<u>\$ (203,731)</u>	<u>\$ (483,507)</u>
Net loss per share - basic and diluted	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>
Weighted-average shares outstanding - basic and diluted	<u>82,265,056</u>	<u>65,747,100</u>
<b><u>Non-GAAP financial disclosure</u></b>		
Loss from operations	\$ (193,194)	\$ (479,234)
Total Depreciation expense	153,630	118,571
Site Impairments	-	-
Foreign Exchange		15,835
Stock based compensation	85,191	97,938
Adjusted EBITDA	<u>\$ 45,627</u>	<u>\$ (246,890)</u>

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

	Six Months Ended	
	June 2017	June 2016
<b>Revenues</b>		
Energy revenues	\$ 1,622,550	\$ 1,325,730
Turnkey and other revenues	1,956	1,739
	<u>1,624,507</u>	<u>1,327,469</u>
<b>Cost of sales</b>		
Fuel, maintenance and installation	951,672	851,763
Site impairments	-	-
Site Depreciation expense	286,199	229,721
	<u>1,237,872</u>	<u>1,081,484</u>
Gross profit (loss)	<u>386,635</u>	<u>245,985</u>
<b>Operating expenses</b>		
General and administrative	507,532	632,260
Selling	149,583	293,334
Engineering	196,587	178,496
	<u>853,702</u>	<u>1,104,090</u>
Loss from operations	<u>(467,067)</u>	<u>(858,105)</u>
<b>Other income (expense)</b>		
Interest income		3,439
Interest expense, net of debt premium amortization	(15,710)	(20,302)
Debt conversion expense	-	(224,782)
	<u>(15,710)</u>	<u>(241,645)</u>
Loss before income taxes	<u>(482,776)</u>	<u>(1,099,750)</u>
Benefit for income taxes	-	-
Net loss	<u>\$ (482,776)</u>	<u>\$ (1,099,750)</u>
Net loss per share - basic and diluted	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>
Weighted-average shares outstanding - basic and diluted	<u>82,265,056</u>	<u>69,203,700</u>
<b><u>Non-GAAP financial disclosure</u></b>		
Loss from operations	\$ (467,067)	\$ (858,105)
Total Depreciation expense	297,561	229,721
Site Impairments	-	-
Stock based compensation	221,855	116,290
Adjusted EBITDA	<u>\$ 52,349</u>	<u>\$ (512,094)</u>

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

	Six Months Ended	
	June 2017	June 2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (482,776)	\$ (1,099,750)
<i>Adjustments to reconcile net loss to net cash used in operating activities:</i>		
Non cash debt conversion expense	-	-
Depreciation	297,560	233,455
Non cash interest expense	-	235,782
Non-cash site impairments	-	-
Amortization of convertible debt premium		(41,123)
Stock-based compensation	221,855	116,290
<i>Changes in operating assets and liabilities</i>		
(Increase) decrease in:		
Accounts receivable	(18,351)	52,254
Value added and other tax receivable	10,628	(2,285)
Accrued UK energy tax incentives	227,536	369,485
Inventory	26,927	(52,031)
Prepaid and other current assets	(557)	26,087
Other assets, long term	8,143	2,880
Increase (decrease) in:		
Accounts payable	(234,550)	(101,127)
Due to related party	(38,811)	(55,445)
Accrued expenses and other current liabilities	529	(56,011)
Note payable - bank	-	-
Net cash used in operating activities	<u>18,133</u>	<u>(371,539)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(263,593)	(334,946)
Net cash used in investing activities	<u>(263,593)</u>	<u>(334,946)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from sale of Common Stock net of costs	-	7,246,090
Payments on note payable	(305,017)	(2,000,000)
Proceeds from loan payable - bank	522,602	-
Net cash provided by (used in) financing activities	<u>217,585</u>	<u>5,246,090</u>
<b>Effect of Exchange Rate on Cash and Cash Equivalents</b>	170,299	-
Net increase (decrease) in cash and cash equivalents	142,424	4,539,605
Cash and cash equivalents, beginning of the period	3,734,526	587,819
Cash and cash equivalents, end of the period	<u>\$ 3,876,950</u>	<u>\$ 5,127,424</u>