

EUROSITE POWER INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	September 30, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	3,914,996	3,734,526
Accounts receivable	302,856	270,199
Value added and other tax receivable	-	9,280
UK energy tax incentives receivable	-	227,536
Inventory	127,671	158,833
Other current assets	230,759	233,351
Total current assets	4,576,283	4,633,725
Property and equipment, net	8,021,606	8,233,773
Other assets, long-term	-	8,143
TOTAL ASSETS	\$ 12,597,889	\$ 12,875,641
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	187,001	388,616
Accrued expenses and other current liabilities	194,243	213,492
Due to related party	-	38,811
Note payable - bank, short-term	150,453	69,933
Total current liabilities	531,697	710,852
Long-term liabilities:		
Convertible debentures	-	305,017
Convertible debentures Due to related parties	-	-
Note payable - bank	682,236	252,271
Note payable - related party	-	-
Total liabilities	1,213,933	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 September 30, 2017 and December 31, 2016	82,265	82,265
Additional paid-in capital	22,532,225	22,243,742
Accumulated deficit	(11,267,796)	(10,718,506)
Cumulative translation adjustment (CTA)	37,263	-
Total stockholders' equity	11,383,957	11,607,501
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 12,597,889	\$ 12,875,641

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

	Three Months Ended	
	September 2017	September 2016
Revenues		
Energy revenues	646,590	459,114
Turnkey revenues	85,957	-
Other revenues	3,927	-
	<u>736,474</u>	<u>459,114</u>
Cost of sales		
Fuel, maintenance and installation	380,726	308,511
Turnkey costs	70,487	-
Site impairments	20,401	-
Depreciation expense	135,547	111,761
	<u>607,161</u>	<u>420,272</u>
Gross profit (loss)	<u>129,313</u>	<u>38,842</u>
Operating expenses		
General and administrative	209,703	379,286
Selling	89,283	127,917
Engineering	113,964	110,593
	<u>412,950</u>	<u>617,796</u>
Loss from operations	<u>(283,637)</u>	<u>(578,954)</u>
Other income (expense)		
Interest income	91	6,167
Interest expense, net of debt premium amortization	(13,754)	(10,039)
Debt conversion expense	-	-
	<u>(13,663)</u>	<u>(3,872)</u>
Loss before income taxes	<u>(297,300)</u>	<u>(582,826)</u>
Benefit for income taxes	-	-
Net loss	<u>\$ (297,300)</u>	<u>\$ (582,826)</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>82,265,056</u>
Non-GAAP financial disclosure		
Loss from operations	(283,637)	(578,954)
Depreciation expense	139,955	113,611
Site Impairments	20,401	-
Foreign Exchange	-	-
Stock based compensation	67,655	126,885
Adjusted EBITDA	<u>\$ (55,626)</u>	<u>\$ (338,458)</u>

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

	Nine Months Ended	
	September 2017	September 2016
Revenues		
Energy revenues	2,269,141	1,784,844
Turnkey revenues	85,957	
Other revenues	5,883	1,739
	<u>2,360,981</u>	<u>1,786,583</u>
Cost of sales		
Fuel, maintenance and installation	1,332,399	1,160,274
Turnkey costs	70,487	-
Site impairments	20,401	-
Site depreciation expense	421,738	341,482
	<u>1,845,024</u>	<u>1,501,756</u>
Gross profit (loss)	<u>515,957</u>	<u>284,827</u>
Operating expenses		
General and administrative	717,235	1,011,546
Selling	238,866	421,251
Engineering	310,551	289,089
	<u>1,266,652</u>	<u>1,721,886</u>
Loss from operations	<u>(750,695)</u>	<u>(1,437,059)</u>
Other income (expense)		
Interest income		9,606
Interest expense, net of debt premium amortization	(29,382)	(30,341)
Debt conversion expense	-	(224,782)
	<u>(29,382)</u>	<u>(245,517)</u>
Loss before income taxes	<u>(780,076)</u>	<u>(1,682,576)</u>
Benefit for income taxes	-	-
Net loss	<u>\$ (780,076)</u>	<u>\$ (1,682,576)</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>73,605,329</u>
<u>Non-GAAP financial disclosure</u>		
Loss from operations	\$ (750,695)	\$ (1,437,059)
Depreciation expense	426,154	347,066
Site Impairments	20,401	-
Stock based compensation	289,510	243,175
Adjusted EBITDA	<u>\$ (14,630)</u>	<u>\$ (846,818)</u>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended	
	September 2017	September 2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (780,076)	\$ (1,682,576)
<i>Adjustments to reconcile net loss to net cash used in operating activities:</i>		
Non cash debt conversion expense	-	-
Depreciation	426,154	347,066
Non cash interest expense	-	235,782
Non-cash site impairments	-	-
Amortization of convertible debt premium		(44,132)
Stock-based compensation	289,510	243,175
<i>Changes in operating assets and liabilities</i>		
(Increase) decrease in:		
Accounts receivable	(32,657)	86,937
Value added and other tax receivable	9,280	(34,635)
Accrued UK energy tax incentives	226,510	369,485
Inventory	31,162	(55,040)
Prepaid and other current assets	2,592	(22,271)
Other assets, long term	8,143	1,121
Increase (decrease) in:		
Accounts payable	(201,615)	(106,675)
Due to related party	(38,811)	(40,991)
Accrued expenses and other current liabilities	(19,249)	(59,908)
Note payable - bank	-	-
Net cash used in operating activities	<u>(79,059)</u>	<u>(762,662)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	<u>(213,988)</u>	<u>(823,132)</u>
Net cash used in investing activities	<u>(213,988)</u>	<u>(823,132)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
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	510,485	349,665
Net cash provided by (used in) financing activities	<u>205,468</u>	<u>5,595,755</u>
Effect of Exchange Rate on Cash and Cash Equivalents	268,049	-
Net increase (decrease) in cash and cash equivalents	180,469	4,009,961
Cash and cash equivalents, beginning of the period	3,734,526	587,819
Cash and cash equivalents, end of the period	<u>\$ 3,914,995</u>	<u>\$ 4,597,780</u>