

EUROSITE POWER INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	December 31, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	3,414,032	3,734,526
Accounts receivable	919,856	270,199
Value added and other tax receivable	33,901	9,280
UK energy tax incentives receivable	97,266	227,536
Inventory	177,591	158,833
Other current assets	334,303	233,351
Total current assets	4,976,948	4,633,725
Property and equipment, net	8,231,123	8,233,773
Other assets, long-term	-	8,143
TOTAL ASSETS	13,208,071	12,875,641
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 564,371	\$ 388,616
Accrued expenses and other current liabilities	199,585	213,492
Due to related party		38,811
Note payable - bank, short-term	178,040	69,933
Total current liabilities	941,996	710,852
Long-term liabilities:		
Convertible debentures	-	305,017
Convertible debentures Due to related parties	-	-
Note payable - bank	761,083	252,271
Note payable - related party	-	-
Total liabilities	1,703,079	1,268,140
Stockholders' equity:		
Common Stock, \$0.001 par value; 100,000,000 shares authorized; 82,265,056 issued at December 31, 2017 and December 31, 2016	82,265	82,265
Additional paid-in capital	22,598,138	22,243,742
Accumulated deficit	(11,196,536)	(10,718,506)
Cumulative translation adjustment (CTA)	21,126	-
Total stockholders' equity	11,504,992	11,607,501
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 13,208,071	\$ 12,875,641

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

	Twelve Months Ended	
	December 2017	December 2016
Revenues		
Energy revenues	3,160,666	2,474,447
Turnkey revenues	479,302	\$ -
Other revenues	15,200	1,739
	<u>3,655,168</u>	<u>2,476,186</u>
Cost of sales		
Fuel, maintenance and installation	1,842,297	1,577,326
Turnkey costs	451,904	-
Site impairments	84,288	158,264
Site depreciation expense	556,205	453,241
	<u>2,934,695</u>	<u>2,188,831</u>
Gross profit (loss)	<u>720,474</u>	<u>287,355</u>
Operating expenses		
General and administrative	931,621	1,496,818
Selling	343,823	535,421
Engineering	411,052	407,799
	<u>1,686,496</u>	<u>2,440,038</u>
Loss from operations	<u>(966,022)</u>	<u>(2,152,683)</u>
Other income (expense)	(40,775)	(251,376)
Loss before income taxes	(1,006,798)	(2,404,059)
Benefit for income taxes	297,981	233,572
Net loss	<u>\$ (708,817)</u>	<u>\$ (2,170,487)</u>
Net loss per share - basic and diluted	<u>\$ (0.01)</u>	<u>\$ (0.03)</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	\$ (966,022)	\$ (2,152,683)
Depreciation expense	560,701	458,825
Site Impairments	84,288	158,264
Stock based compensation	355,978	370,060
Adjusted EBITDA	<u>\$ 34,944</u>	<u>\$ (1,165,534)</u>

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

	Twelve Months Ended	
	December 2017	December 2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (708,817)	\$ (2,170,487)
<i>Adjustments to reconcile net loss to net cash used in operating activities:</i>		
Non cash debt conversion expense	-	224,782
Depreciation	556,205	458,825
Non cash interest expense	-	11,000
Non-cash site impairments	-	-
Amortization of convertible debt premium		(47,141)
Stock-based compensation	335,978	370,060
<i>Changes in operating assets and liabilities</i>		
<i>(Increase) decrease in:</i>		
Accounts receivable	(649,657)	33,583
Value added and other tax receivable	(24,621)	(14,577)
Accrued UK energy tax incentives	148,688	141,949
Inventory	(18,758)	(21,740)
Prepaid and other current assets	(100,952)	(176,199)
Other assets, long term	8,143	2,861
<i>Increase (decrease) in:</i>		
Accounts payable	175,755	75,323
Due to related party	(38,811)	(60,168)
Accrued expenses and other current liabilities	(13,907)	(73,322)
Note payable - bank	-	69,933
Net cash used in operating activities	<u>(330,754)</u>	<u>(1,175,318)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(553,555)	(1,176,336)
Net cash used in investing activities	<u>(553,555)</u>	<u>(1,176,336)</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	616,920	252,271
Net cash provided by (used in) financing activities	<u>311,903</u>	<u>5,498,361</u>
Effect of Exchange Rate on Cash and Cash Equivalents	251,912	-
Net increase (decrease) in cash and cash equivalents	(320,494)	3,146,707
Cash and cash equivalents, beginning of the period	3,734,526	587,819
Cash and cash equivalents, end of the period	<u>\$ 3,414,032</u>	<u>\$ 3,734,526</u>