

EUROSITE POWER INC.
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (Unaudited)

	March 31, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,820,360	\$ 3,414,032
Accounts receivable	730,530	919,856
Value added and other tax receivable	38,337	33,901
UK energy tax incentives receivable	-	97,266
Inventory	164,935	177,591
Other current assets	357,317	334,303
Total current assets	4,111,479	4,976,948
Property and equipment, net	8,442,367	8,231,123
Other assets, long-term	147,105	-
TOTAL ASSETS	\$ 12,700,951	\$ 13,208,071
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 474,354	\$ 564,371
Accrued expenses and other current liabilities	186,061	199,585
Due to related party	-	-
Note payable - bank, short-term	206,428	178,040
Total current liabilities	866,843	941,996
Long-term liabilities:		
Note payable - bank	885,159	761,083
Note payable - related party	-	-
Total liabilities	1,752,001	1,703,079
Stockholders' equity:		
Common Stock, \$0.001 par value; 100,000,000 shares authorized; 82,265,056 issued at March 31, 2018 and December 31, 2017	82,265	82,265
Additional paid-in capital	22,664,833	22,598,138
Capital Contributions Reserve	(616,241)	-
Accumulated deficit	(11,322,679)	(11,196,536)
Cumulative translation adjustment (CTA)	140,772	21,126
Total stockholders' equity	10,948,950	11,504,992
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 12,700,951	\$ 13,208,071

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

	Three Months Ended	
	March 2018	March 2017
Revenues		
Energy revenues	\$ 1,036,556	\$ 828,893
Turnkey and other revenues	281,898	1,956
	<u>1,318,454</u>	<u>830,849</u>
Cost of sales		
Fuel, maintenance and installation	574,863	498,607
Turnkey costs	295,735	-
Depreciation expense	142,519	132,619
	<u>1,013,117</u>	<u>631,227</u>
Gross profit (loss)	<u>305,337</u>	<u>199,623</u>
Operating expenses		
General and administrative	237,346	283,561
Selling	87,182	89,349
Engineering	95,511	100,586
	<u>420,040</u>	<u>473,496</u>
Loss from operations	<u>(114,703)</u>	<u>(273,873)</u>
Other income (expense)		
Interest income	-	-
Interest expense, net of debt premium amortization	(11,439)	(5,173)
Debt conversion expense	-	-
	<u>(11,439)</u>	<u>(5,173)</u>
Loss before income taxes	<u>(126,142)</u>	<u>(279,046)</u>
Benefit for income taxes		-
Net loss	<u>\$ (126,142)</u>	<u>\$ (279,046)</u>
Net loss per share - basic and diluted	<u>\$ (0.002)</u>	<u>\$ (0.003)</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	\$ (114,703)	\$ (273,873)
Depreciation expense	147,214	143,931
Site Impairments	-	-
Stock based compensation	66,695	136,664
Adjusted EBITDA	<u>\$ 99,206</u>	<u>\$ 6,722</u>

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

	Three Months Ended	
	March 2018	March 2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (126,142)	\$ (279,046)
<i>Adjustments to reconcile net loss to net cash used in operating activities:</i>		
Depreciation	147,214	143,931
Stock-based compensation	66,695	136,664
<i>Changes in operating assets and liabilities</i>		
<i>(Increase) decrease in:</i>		
Accounts receivable	189,326	(175,863)
Value added and other tax receivable	(4,436)	9,280
Accrued UK energy tax incentives	97,266	-
Inventory	12,656	34,373
Prepaid and other current assets	(23,014)	5,317
Other assets, long term	(147,105)	(1,480)
<i>Increase (decrease) in:</i>		
Accounts payable	(90,017)	(132,425)
Due to related party	-	(38,811)
Accrued expenses and other current liabilities	(13,523)	(27,071)
Net cash used in operating activities	<u>108,918</u>	<u>(325,131)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(358,458)	(150,130)
Contributions to Joint Venture	(616,241)	-
Net cash used in investing activities	<u>(974,699)</u>	<u>(150,130)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from loan payable - bank	152,463	524,017
Net cash provided by (used in) financing activities	<u>152,463</u>	<u>524,017</u>
Effect of Exchange Rate on Cash and Cash Equivalents	119,646	50,235
Net increase (decrease) in cash and cash equivalents	(593,672)	98,991
Cash and cash equivalents, beginning of the period	3,414,032	3,734,526
Cash and cash equivalents, end of the period	<u>\$ 2,820,360</u>	<u>\$ 3,833,517</u>