

EUROSITE POWER INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,491,765	\$ 3,414,032
Accounts receivable	468,464	919,856
Value added and other tax receivable	-	33,901
UK energy tax incentives receivable	-	97,266
Inventory	166,054	177,591
Other current assets	184,094	334,303
Total current assets	3,310,377	4,976,948
Property and equipment, net	8,402,772	8,231,123
Other assets, long-term	137,919	-
TOTAL ASSETS	\$ 11,851,068	\$ 13,208,071
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 163,482	\$ 564,371
Accrued expenses and other current liabilities	282,028	199,585
Due to related party	-	-
Note payable - bank, short-term	197,191	178,040
Total current liabilities	642,701	941,996
Long-term liabilities:		
Note payable - bank	784,062	761,083
Note payable - related party	-	-
Total liabilities	1,426,763	1,703,079
Stockholders' equity:		
Common Stock, \$0.001 par value; 100,000,000 shares authorized; 82,265,056 issued at June 30, 2018 and December 31, 2017	82,265	82,265
Additional paid-in capital	22,710,498	22,598,138
Capital contributions	(584,288)	-
Accumulated deficit	(11,758,065)	(11,196,536)
Cumulative translation adjustment (CTA)	(26,105)	21,126
Total stockholders' equity	10,424,305	11,504,992
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 11,851,068	\$ 13,208,071

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

	Three Months Ended	
	June 2018	June 2017
Revenues		
Energy revenues	\$ 952,418	\$ 793,658
Turkey and other revenues	-	-
	<u>952,418</u>	<u>793,658</u>
Cost of sales		
Fuel, maintenance and installation	566,252	453,065
Site impairments	-	-
Site Depreciation expense	141,692	153,580
	<u>707,945</u>	<u>606,645</u>
Gross profit (loss)	<u>244,474</u>	<u>187,012</u>
Operating expenses		
General and administrative	460,306	223,971
Selling	83,970	60,234
Engineering	121,647	96,001
	<u>665,923</u>	<u>380,206</u>
Loss from operations	<u>(421,450)</u>	<u>(193,194)</u>
Other income (expense)		
Interest income		
Interest expense, net of debt premium amortization	(13,937)	(10,537)
Debt conversion expense		-
	<u>(13,937)</u>	<u>(10,537)</u>
Loss before income taxes	(435,387)	(203,731)
Benefit for income taxes		-
Net loss	<u>\$ (435,387)</u>	<u>\$ (203,731)</u>
Net loss per share - basic and diluted	<u>\$ (0.01)</u>	<u>\$ (0.00)</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	\$ (421,450)	\$ (193,194)
Total Depreciation expense	144,270	153,630
Site Impairments	-	-
Aborted acquisition costs	241,364	-
Stock based compensation	46,789	85,191
Adjusted EBITDA	<u>\$ 10,973</u>	<u>\$ 45,627</u>

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

	Six Months Ended	
	June 2018	June 2017
Revenues		
Energy revenues	\$ 1,988,974	\$ 1,622,550
Turnkey and other revenues	281,898	1,956
	<u>2,270,872</u>	<u>1,624,507</u>
Cost of sales		
Fuel, maintenance and installation	1,436,850	951,672
Site impairments	-	-
Site Depreciation expense	284,212	286,199
	<u>1,721,062</u>	<u>1,237,872</u>
Gross profit (loss)	<u>549,810</u>	<u>386,635</u>
Operating expenses		
General and administrative	697,652	507,532
Selling	171,152	149,583
Engineering	217,158	196,587
	<u>1,085,963</u>	<u>853,702</u>
Loss from operations	<u>(536,153)</u>	<u>(467,067)</u>
Other income (expense)		
Interest income		
Interest expense, net of debt premium amortization	(25,376)	(15,710)
Debt conversion expense	-	-
	<u>(25,376)</u>	<u>(15,710)</u>
Loss before income taxes	<u>(561,529)</u>	<u>(482,776)</u>
Benefit for income taxes	-	-
Net loss	<u>\$ (561,529)</u>	<u>\$ (482,776)</u>
Net loss per share - basic and diluted	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted-average shares outstanding - basic and diluted	<u>72,622,316</u>	<u>82,265,056</u>
Non-GAAP financial disclosure		
Loss from operations	\$ (536,153)	\$ (467,067)
Total Depreciation expense	291,484	297,561
Site Impairments	-	-
Aborted acquisition costs	241,364	-
Stock based compensation	113,484	221,855
Adjusted EBITDA	<u>\$ 110,179</u>	<u>\$ 52,349</u>

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

	Six Months Ended	
	June 2018	June 2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (561,529)	\$ (482,776)
<i>Adjustments to reconcile net loss to net cash used in operating activities:</i>		
Non cash debt conversion expense	-	-
Depreciation	291,484	297,560
Stock-based compensation	112,360	221,855
<i>Changes in operating assets and liabilities</i>		
(Increase) decrease in:		
Accounts receivable	451,392	(18,351)
Value added and other tax receivable	-	10,628
Accrued UK energy tax incentives	131,167	227,536
Inventory	11,537	26,927
Prepaid and other current assets	150,209	(557)
Other assets, long term	(137,919)	8,143
Increase (decrease) in:		
Accounts payable	(400,889)	(234,550)
Due to related party	-	(38,811)
Accrued expenses and other current liabilities	82,444	529
Capital Contributions to Joint Venture	(584,288)	-
Net cash used in operating activities	<u>(454,033)</u>	<u>18,133</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(463,133)	(263,593)
Net cash used in investing activities	<u>(463,133)</u>	<u>(263,593)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sale of Common Stock net of costs	-	-
Payments on note payable	(110,615)	(305,017)
Proceeds from loan payable - bank	152,744	522,602
Net cash provided by (used in) financing activities	<u>42,129</u>	<u>217,585</u>
Effect of Exchange Rate on Cash and Cash Equivalents	(47,230)	170,299
Net increase (decrease) in cash and cash equivalents	(922,267)	142,424
Cash and cash equivalents, beginning of the period	3,414,032	3,734,526
Cash and cash equivalents, end of the period	<u>\$ 2,491,765</u>	<u>\$ 3,876,950</u>