

EUROSITE POWER INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	September 30, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	2,525,343	3,414,032
Accounts receivable	358,997	919,856
Value added and other tax receivable	-	33,901
UK energy tax incentives receivable	-	97,266
Inventory	186,181	177,591
Other current assets	140,391	334,303
Total current assets	3,210,912	4,976,948
Property and equipment, net	8,406,583	8,231,123
Other assets, long-term	134,010	-
TOTAL ASSETS	11,751,505	13,208,071
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 98,678	\$ 564,371
Accrued expenses and other current liabilities	248,389	199,585
Value added and other tax payable	23,715	
Note payable - bank, short-term	219,043	178,040
Total current liabilities	589,824	941,996
Long-term liabilities:		
Note payable - bank	947,631	761,083
Note payable - related party	-	-
Total liabilities	1,537,456	1,703,079
Stockholders' equity:		
Common Stock, \$0.001 par value; 100,000,000 shares authorized; 82,265,056 and 65,747,100 issued at March 31, 2017 and December 31, 2016	82,265	82,265
Additional paid-in capital	22,745,410	22,598,138
Capital contributions	(580,230)	-
Accumulated deficit	(11,973,523)	(11,196,536)
Cumulative translation adjustment (CTA)	(59,872)	21,126
Total stockholders' equity	10,214,050	11,504,992
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 11,751,505	\$ 13,208,071

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

	Three Months Ended	
	September 2018	September 2017
Revenues		
Energy revenues	759,730	646,590
Turnkey revenues	7,290	85,957
Other revenues	-	3,927
	<u>767,020</u>	<u>736,474</u>
Cost of sales		
Fuel, maintenance and installation	405,359	380,726
Turnkey costs	-	70,487
Site impairments	-	20,401
Site depreciation expense	139,680	135,547
	<u>545,039</u>	<u>607,161</u>
Gross profit (loss)	<u>221,981</u>	<u>129,313</u>
Operating expenses		
General and administrative	196,926	209,703
Selling	79,889	89,283
Engineering	144,829	113,964
	<u>421,644</u>	<u>412,950</u>
Loss from operations	<u>(199,663)</u>	<u>(283,637)</u>
Other income (expense)		
Interest income	967	91
Interest expense, net of debt premium amortization	(16,761)	(13,754)
Debt conversion expense	-	-
	<u>(15,794)</u>	<u>(13,663)</u>
Loss before income taxes	<u>(215,457)</u>	<u>(297,300)</u>
Benefit for income taxes	-	-
Net loss	<u>\$ (215,457)</u>	<u>\$ (297,300)</u>
Net loss per share - basic and diluted	<u>\$ (0.003)</u>	<u>\$ (0.0036)</u>
Weighted-average shares outstanding - basic and diluted	<u>72,622,316</u>	<u>82,265,056</u>
<u>Non-GAAP financial disclosure</u>		
Loss from operations	\$ (199,663)	\$ (283,637)
Depreciation expense	144,060	139,955
Site Impairments	-	20,401
Stock based compensation	35,659	67,655
Adjusted EBITDA	<u>\$ (19,944)</u>	<u>\$ (55,626)</u>

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

	Nine Months Ended	
	September 2018	September 2017
Revenues		
Energy revenues	2,748,704	2,269,141
Turnkey revenues	289,188	85,957
Other revenues	-	5,883
	<u>3,037,892</u>	<u>2,360,981</u>
Cost of sales		
Fuel, maintenance and installation	1,502,334	1,332,399
Turnkey costs	339,875	70,487
Site impairments		20,401
Site depreciation expense	423,892	421,738
	<u>2,266,101</u>	<u>1,845,024</u>
Gross profit (loss)	<u>771,791</u>	<u>515,957</u>
Operating expenses		
General and administrative	894,578	717,235
Selling	251,042	238,866
Engineering	361,987	310,551
	<u>1,507,607</u>	<u>1,266,652</u>
Loss from operations	<u>(735,816)</u>	<u>(750,695)</u>
Other income (expense)		
Interest income	967	-
Interest expense, net of debt premium amortization	(42,137)	(29,382)
Debt conversion expense	-	-
	<u>(41,170)</u>	<u>(29,382)</u>
Loss before income taxes	<u>(776,986)</u>	<u>(780,076)</u>
Benefit for income taxes	-	-
Net loss	<u>\$ (776,986)</u>	<u>\$ (780,076)</u>
Net loss per share - basic and diluted	<u>\$ (0.01)</u>	<u>\$ (0.01)</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	\$ (735,816)	\$ (750,695)
Depreciation expense	435,544	426,154
Site Impairments	-	20,401
Aborted acquisition costs	241,364	-
Stock based compensation	149,143	289,510
Adjusted EBITDA	<u>\$ 90,235</u>	<u>\$ (14,630)</u>

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

	Nine Months Ended	
	September 2018	September 2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (776,986)	\$ (482,776)
<i>Adjustments to reconcile net loss to net cash used in operating activities:</i>		
Non cash debt conversion expense	-	-
Depreciation	435,544	297,560
Stock-based compensation	147,272	221,855
<i>Changes in operating assets and liabilities</i>		
(Increase) decrease in:		
Accounts receivable	560,859	(18,351)
Value added and other tax receivable	57,616	10,628
Accrued UK energy tax incentives	97,266	227,536
Inventory	(8,590)	26,927
Prepaid and other current assets	193,912	(557)
Other assets, long term	(134,010)	8,143
Increase (decrease) in:		
Accounts payable	(465,693)	(234,550)
Due to related party	-	(38,811)
Accrued expenses and other current liabilities	48,804	529
Capital Contributions to Joint Venture	(580,230)	-
Net cash used in operating activities	<u>(424,237)</u>	<u>18,133</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(611,004)	(263,593)
Net cash used in investing activities	<u>(611,004)</u>	<u>(263,593)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sale of Common Stock net of costs	-	-
Payments on note payable	(174,206)	(305,017)
Proceeds from loan payable - bank	401,756	522,602
Net cash provided by (used in) financing activities	<u>227,550</u>	<u>217,585</u>
Effect of Exchange Rate on Cash and Cash Equivalents	(80,998)	170,299
Net increase (decrease) in cash and cash equivalents	(888,689)	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>\$ 2,525,343</u>	<u>\$ 3,876,950</u>