To supplement the Company's unaudited financial data presented on a generally accepted accounting principles (GAAP) basis, management uses certain non-GAAP measures, including adjusted total revenue, adjusted gross profit, EBITDAS, adjusted EBITDAS, adjusted net loss and adjusted diluted net loss per share. In 2016, the Company began utilizing an alternative financing structure for its customer Power Purchase Agreement (PPA) deployments that requires different accounting treatment compared to the prior structure under which the Company recognized upfront revenue for GenDrive shipments and hydrogen infrastructure deployed. The non-GAAP measures are a result of adjusting the revenue associated with PPA's in the relevant quarter to reflect those transactions as if the PPA's were financed under the same type of financing arrangement used in 2015. Accordingly, the non-GAAP measures reflect upfront revenue recognition for GenDrive shipments and hydrogen infrastructure deployed.

Management believes that the presentation of these measures is useful for investors when comparing current results to prior period results and also provides greater transparency, including with respect to better understanding deployment of and cost reductions in our fuel cell systems, two important metrics that investors use to assess the Company's performance. These non-GAAP results are among the indicators management uses as a basis for evaluating the Company's financial performance as well as for forecasting future periods. Management establishes performance targets, annual budgets and makes operating decisions based upon these metrics. Accordingly, disclosure of these non-GAAP measures provides investors with the same information that management uses to understand the Company's economic performance year over year. The presentation of this additional information is not meant to be considered in isolation or as a substitute for net income or other measures prepared in accordance with GAAP.

EBITDAS is defined as net income before interest expense, provision for income taxes, depreciation and amortization expense and stock compensation expense. Adjusted EBITDAS is EBITDAS further adjusted to reflect the upfront revenue recognition as described above. EBITDAS and Adjusted EBITDAS are not measures of our liquidity or financial performance under GAAP and should not be considered as alternatives to net income or any other performance measure derived in accordance with GAAP, or as an alternative to cash flows from operating activities as a measure of our liquidity.

Our management believes EBITDAS and Adjusted EBITDAS are useful to investors because they help enable investors to evaluate our business in the same manner as our management. Management uses EBITDAS and Adjusted EBITDAS to evaluate the Company's historical and prospective financial performance. In addition, investors have historically requested and the Company has historically reported these non-GAAP financial measures as a means of providing consistent and comparable information with past reports of financial results.

While management believes that the non-GAAP financial measures provide useful supplemental information to investors, there are limitations associated with the use of these measures. The measures are not prepared in accordance with GAAP and may not be directly comparable to similarly titled measures of other companies due to potential differences in the exact method of calculation. Further, EBITDAS and Adjusted EBITDAS exclude certain expenses, such as depreciation and amortization expense, which represent significant and unavoidable operating costs of our business. In addition, our measures of EBITDAS and Adjusted EBITDAS are different from those used in the covenants contained in our credit facility. Management compensates for these limitations by relying primarily on our GAAP results and by using EBITDAS and Adjusted EBITDAS only supplementally and by reviewing the reconciliations of the non-GAAP financial measures to their most comparable GAAP financial measures.

Non-GAAP financial measures are not in accordance with, or an alternative for, generally accepted accounting principles in the United States. The Company's non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP financial measures, and should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with GAAP.

Second Quarter 2016

Reconciliation of Reported Total Revenue to Adjusted Total Revenue	For the three months ended June 30,		For the six months ended June 30,	
	2016	2015	2016	2015
Total revenue, as reported	$ 20,459	$ 24,009	$ 35,791	$ 33,425
Revenue that would have been realized under traditional financing	17,484	-	32,301	-
Adjusted total revenue	$ 37,943	$ 24,009	$ 68,092	$ 33,425

Reconciliation of Reported Gross Loss to Adjusted Gross Profit (Loss)	For the three months ended June 30,		For the six months ended June 30,	
	2016	2015	2016	2015
Gross profit (loss), as reported	$ 384	$ 1,562	$ 554	$ (549)
Gross profit that would have been realized under traditional financing	5,714	-	9,325	-
Adjusted gross profit (loss)	$ 6,098	$ 1,562	$ 9,879	$ (549)

First Quarter 2016

Reconciliation of Reported Total Revenue to Adjusted Total Revenue	For the three months ended March 31,	
	2016	2015
Total revenue, as reported	$ 15,332	$ 9,416
Revenue that would have been realized under traditional financing	14,817	-
Adjusted total revenue	$ 30,149	$ 9,416

Reconciliation of Reported Gross Loss to Adjusted Gross Profit (Loss)	For the three months ended March 31,	
	2016	2015
Gross profit (loss), as reported	$ 170	$ (2,111)
Gross profit that would have been realized under traditional financing	3,611	-
Adjusted gross profit (loss)	$ 3,781	$ (2,111)

Fourth Quarter 2015

Reconciliation of Reported Total Revenue to Adjusted Total Revenue	For the three months ended December 31,		For the twelve months ended December 31,	
	2015	2014	2015	2014
Total revenue, as reported	$ 38,431	$ 21,453	$ 103,288	$ 64,230
Deferred profit associated with sale/leaseback transactions	3,554	-	3,554	-
Adjusted total revenue	$ 41,985	$ 21,453	$ 106,842	$ 64,230

Reconciliation of Reported Gross Loss to Adjusted Gross Profit (Loss)	For the three months ended December 31,		For the twelve months ended December 31,	
	2015	2014	2015	2014
Gross loss, as reported	$ (9,417)	$ (1,658)	$ (9,890)	$ (4,862)
Provision for loss contracts related to service	10,050	-	10,050	-
Deferred profit associated with sale/leaseback transactions	3,554	-	3,554	-
Adjusted gross profit (loss)	$ 4,187	$ (1,658)	$ 3,714	$ (4,862)