



**Q1 2025 Earnings Call**  
**October 30, 2024**

TSX-V: TMG | OTCQB: TMGEF

# Disclaimer

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This presentation may contain forward-looking statements within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of Thermal Energy International Inc. (the "Company" or "Thermal Energy") with respect to future business activities and operating performance. These forward-looking statements include, among others, statements with respect to our objectives, goals and strategies to achieve those objectives and goals, as well as statements with respect to our beliefs, plans, objectives, expectations, anticipations, estimates and intentions. The words "may", "will", "could", "should", "would", "suspect", "outlook", "believe", "plan", "anticipate", "estimate", "expect", "intend", "forecast", "objective" and "continue" (or the negative thereof), and words and expressions of similar import, are intended to identify forward-looking statements. Any such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in these forward-looking statements.

Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended and such changes could be material. For a detailed discussion of such risks and uncertainties, please see the risk factors outlined in our management's discussion and analysis available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The Company does not intend, and does not assume any obligation, to update the forward-looking statements.

The term "EBITDA" as used in this presentation is not a recognized measure under IFRS, does not have a standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other companies. This measure is provided as additional information to complement IFRS measures by providing further understanding of the Company's results of operations from management's perspective and should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. Please refer to our management's discussion and analysis for the applicable period for a reconciliation of EBITDA to Net income (loss), the closest IFRS measure.

## Overview

- Record quarterly and TTM<sup>1</sup> revenue
- Q1 EBITDA<sup>2</sup> and net income up year-over-year and sequentially
- Well-positioned for growth
- Favourable outlook

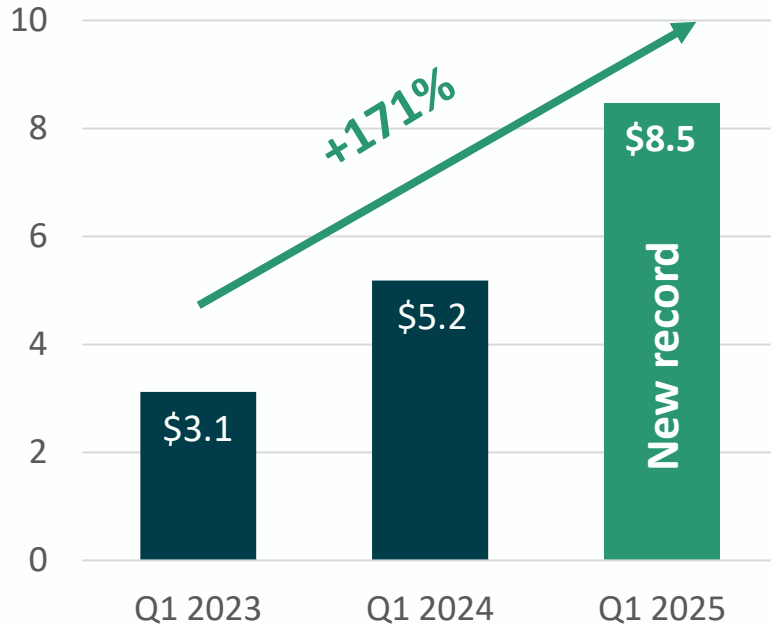
<sup>1</sup> Trailing twelve months ended August 31, 2024.

<sup>2</sup> EBITDA is a non-IFRS financial measure that represents earnings before interest, taxation, depreciation, amortization, impairment of intangible assets, and share-based compensation expense.

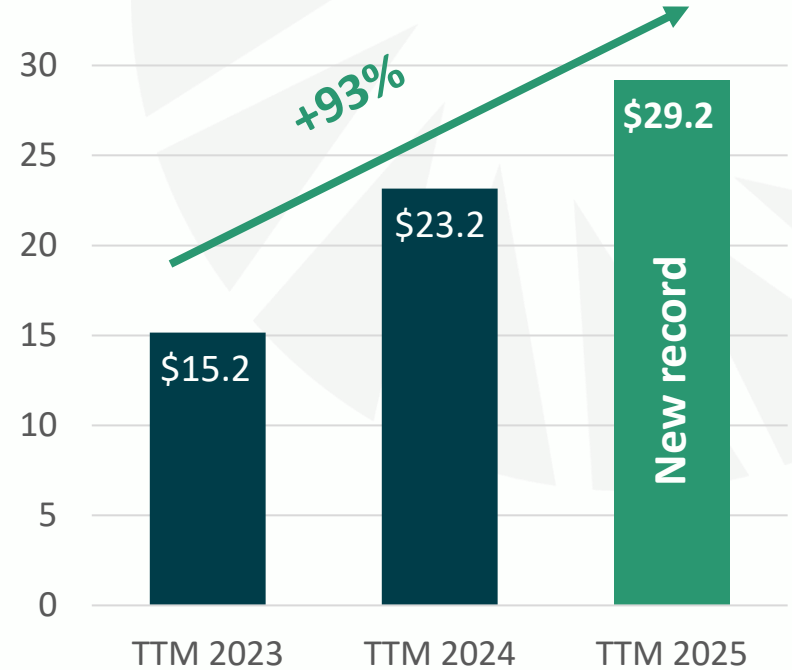


# Revenue (\$ millions)

**3 months ended August 31**

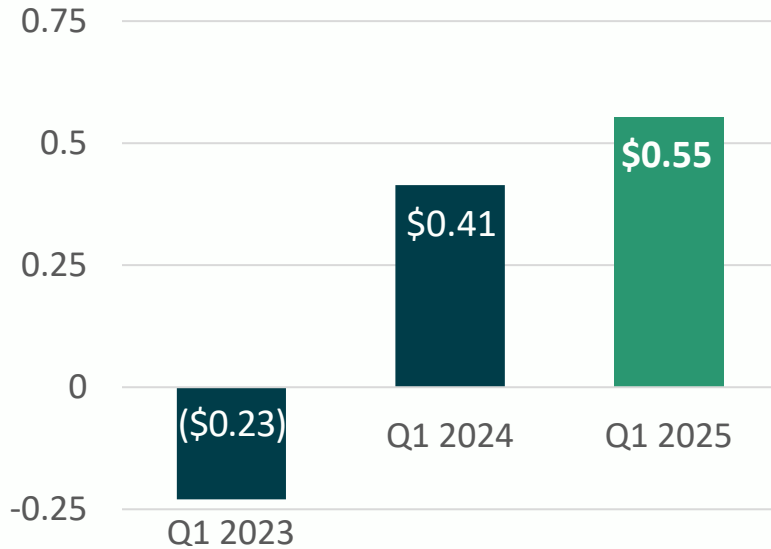


**12 months ended August 31**

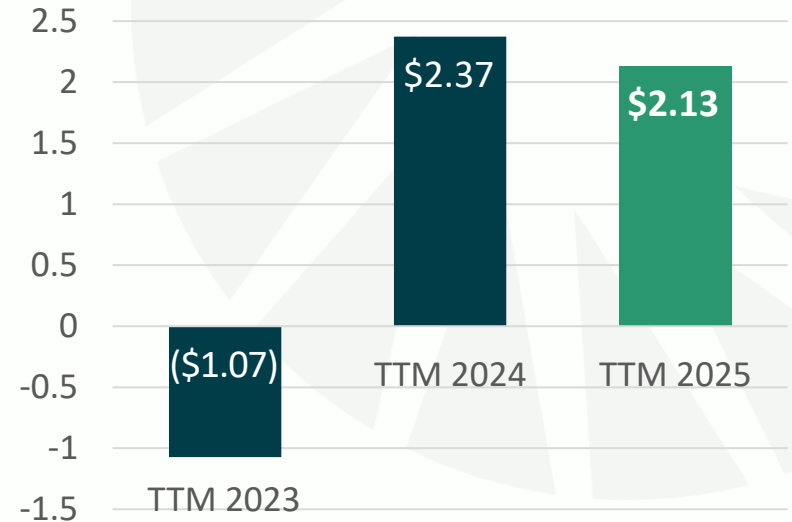


# EBITDA (\$ millions)

**3 months ended August 31**



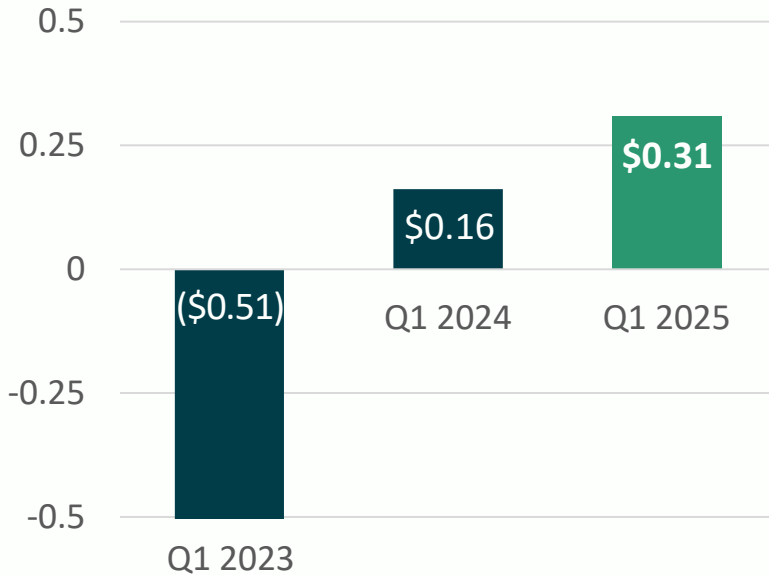
**12 months ended August 31**



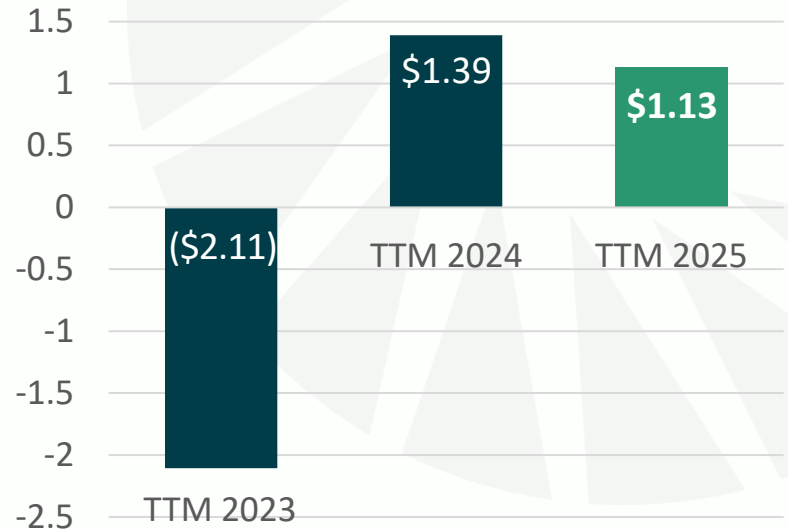
Q1 2025 and TTM 2025 operating expenses include \$0.4 million and \$1.6 million in investments in the future growth of the business respectively

# Net income (\$ millions)

**3 months ended August 31**



**12 months ended August 31**



Q1 2025 and TTM 2025 operating expenses include \$0.4 million and \$1.6 million in investments in the future growth of the business respectively

# Significant reinvestments in our business

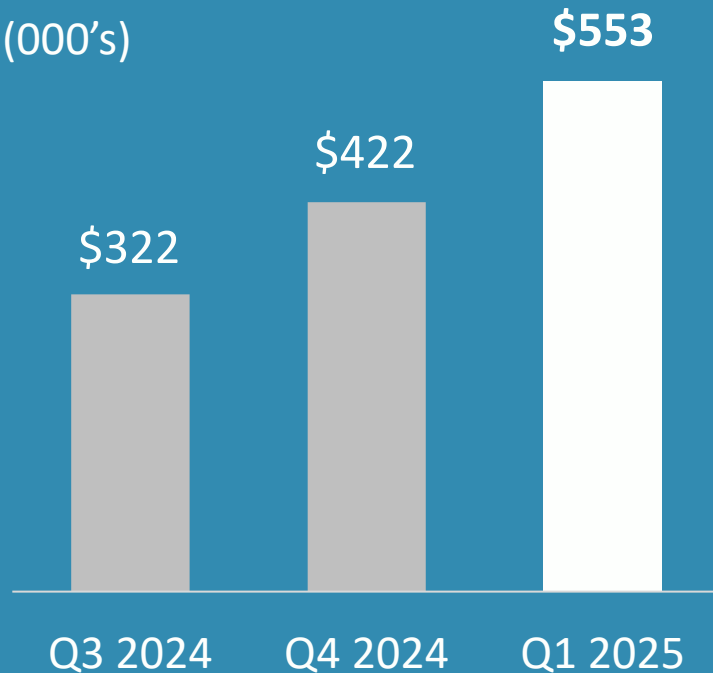
TTM ending August 31, 2024

Plant (\$330 thousand)	People (\$950 thousand)	Technology (\$320 thousand)
<ul style="list-style-type: none"> <li>• Larger production facility with more than double the throughput capacity of our former U.K. plant</li> </ul>	<ul style="list-style-type: none"> <li>• Added 9 net new positions over the last twelve months:               <ul style="list-style-type: none"> <li>+ <i>2 in Sales and Marketing</i></li> <li>+ <i>6 in Engineering and Production</i></li> <li>+ <i>1 in Finance, Admin and Operations Support</i></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Carbon Reduction Scoping Tool (CREST)               <ul style="list-style-type: none"> <li>• <i>Quickly identifies energy saving; carbon reducing opportunities</i></li> </ul> </li> <li>• New global accounting program and ERP software</li> </ul>

## Profitability – last 3 sequential quarters

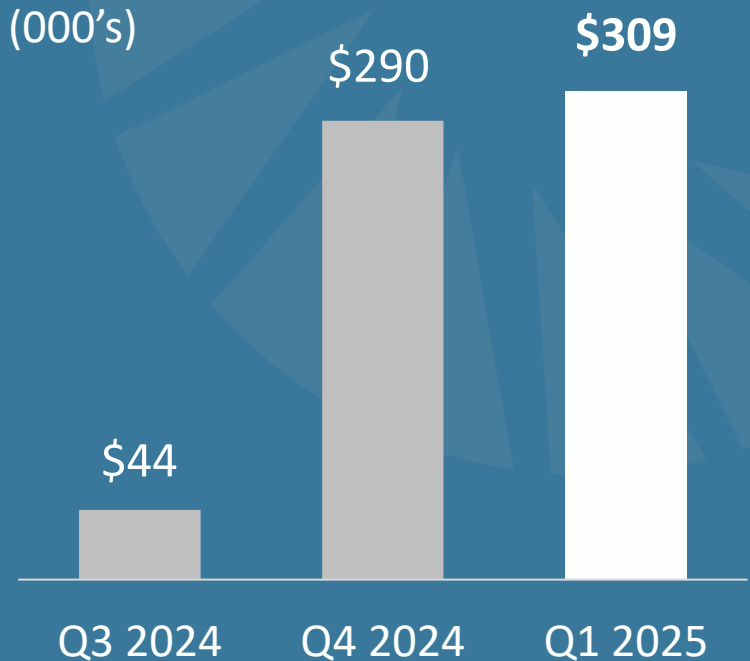
### EBITDA

(000's)



### Net Income

(000's)

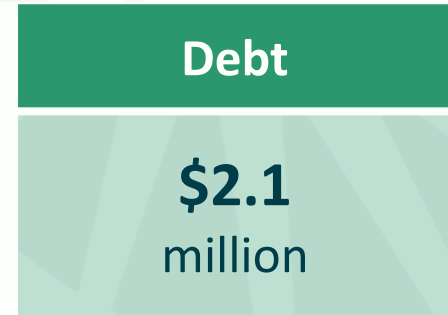
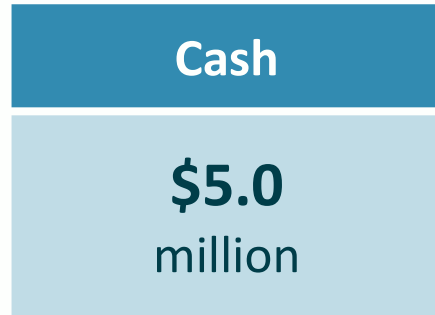




# Strong balance sheet

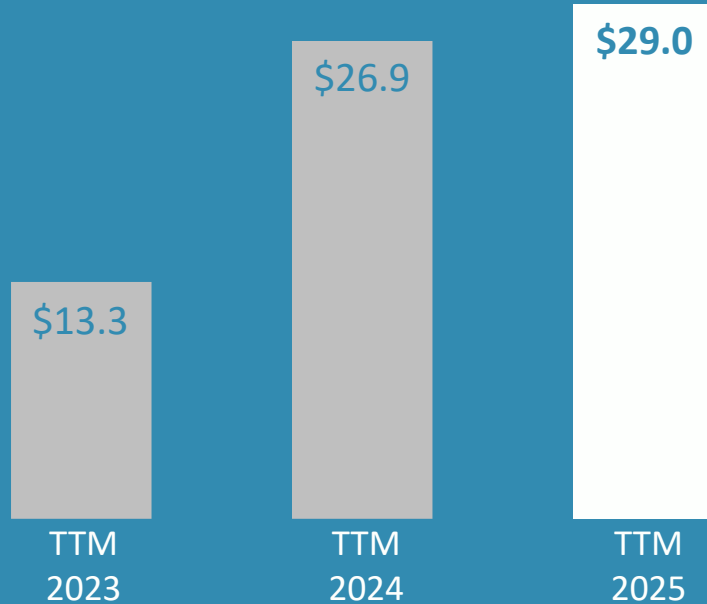
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As at August 31, 2024



# Order intake

(\$ millions)

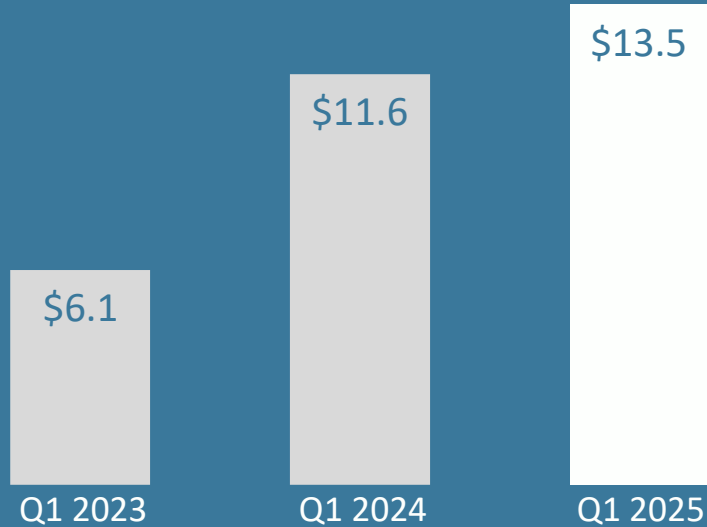


## Notable orders received subsequent to Q1 end:

- **\$2.2 million** in repeat business from a leading pharmaceutical company (September 23, 2024)
- **\$1.5 million** heat recovery order from a multinational confectionary company (October 28, 2024)

# Order backlog<sup>1</sup>

(\$ millions)

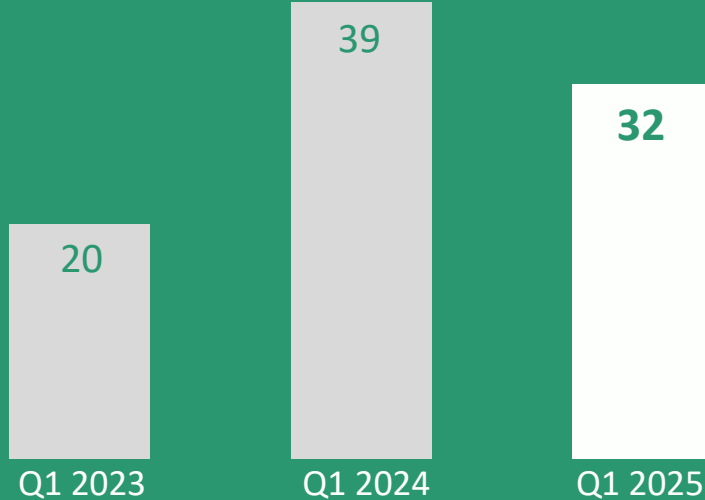


- Order backlog has since **grown to \$18.4 million** as at October 28, 2024

<sup>1</sup> Order backlog represents any purchase orders that have been received but have not yet been reflected as revenue in the Company's published financial statements.

# Project Development Agreements (“PDAs”)

## # of Live PDAs



- PDAs - we are paid by the customer to complete detailed engineering to develop a Turn-key Project
- The number and value of PDAs has remained quite stable in TTM 2025
- Received 7 new project orders totalling \$18.4 million in TTM 2025
- PDA pricing is being increased

# Our outlook

- An exciting time for Thermal Energy
- We've invested in growth
- Revenues can be quite lumpy from quarter-to-quarter depending on the timing of projects



Improving thermal energy efficiency is the **fastest, cheapest, and easiest** way to reduce industrial carbon emissions

# Summary

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- Q1 EBITDA and net income up year-over-year and sequentially
- Well-positioned for growth
- Favourable outlook





## Analyst Q&A

If you are a sell-side analyst and are accessing the call directly via MS Teams, you can use the **Raise Your Hand** feature if you have a question.