



Q2 2025 Earnings Call
January 28, 2025

TSX-V: TMG | OTCQB: TMGEF

Disclaimer

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. 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

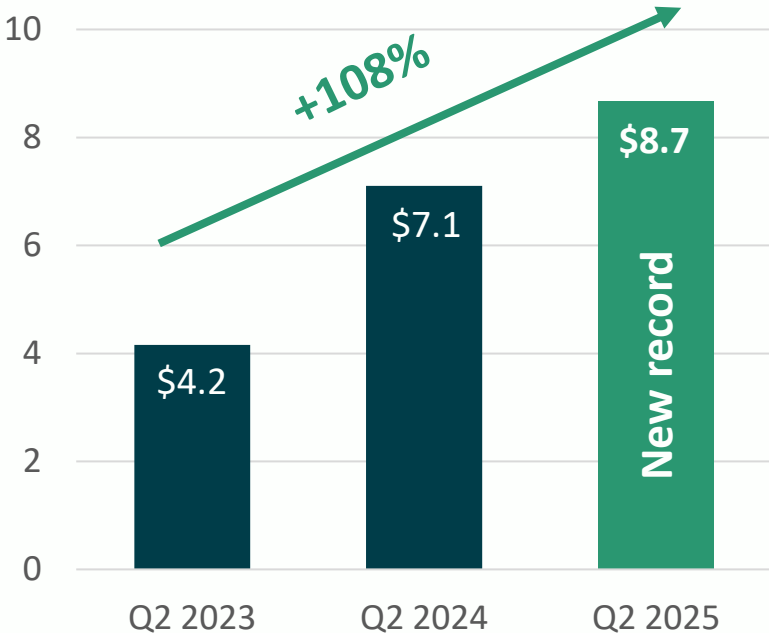
- Record quarterly and TTM¹ revenue – again
- Product mix & growth investments impacted profitability
- Continued positive cash flow and strengthening balance sheet
- Well-positioned for growth

¹ Trailing twelve months ended November 30, 2024.

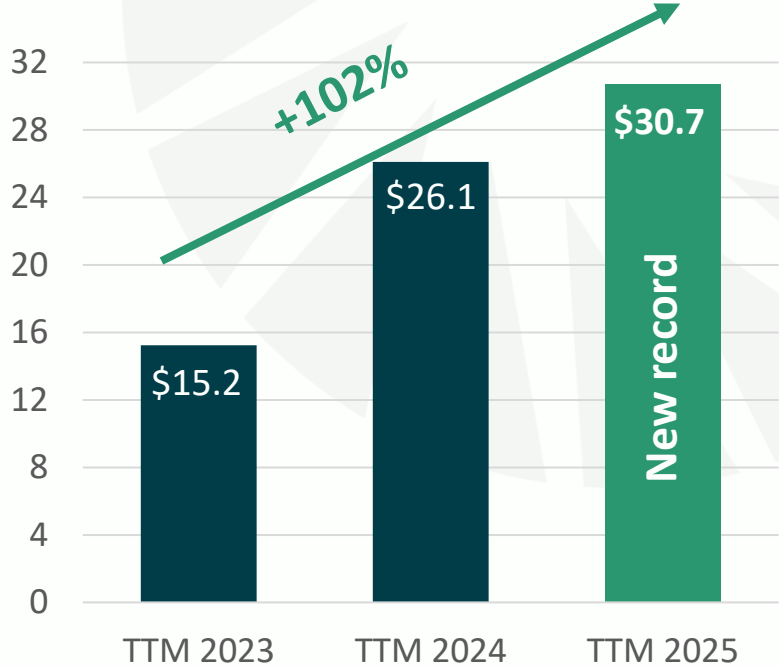


Revenue (\$ millions)

3 months ended November 30

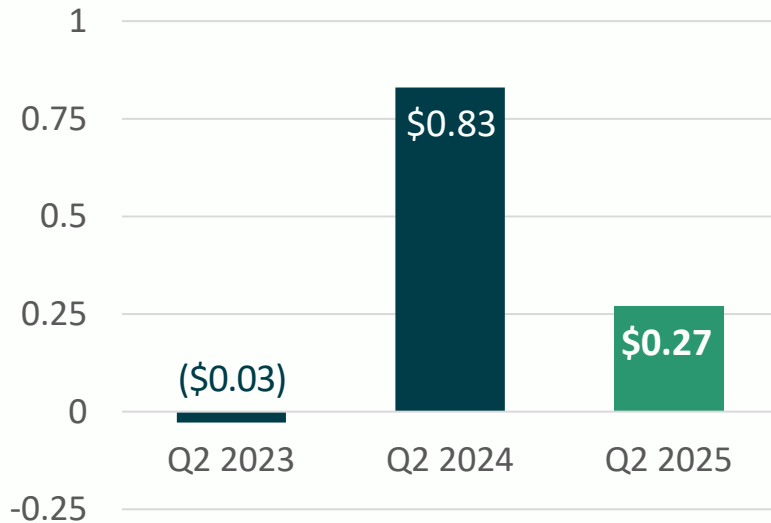


12 months ended November 30

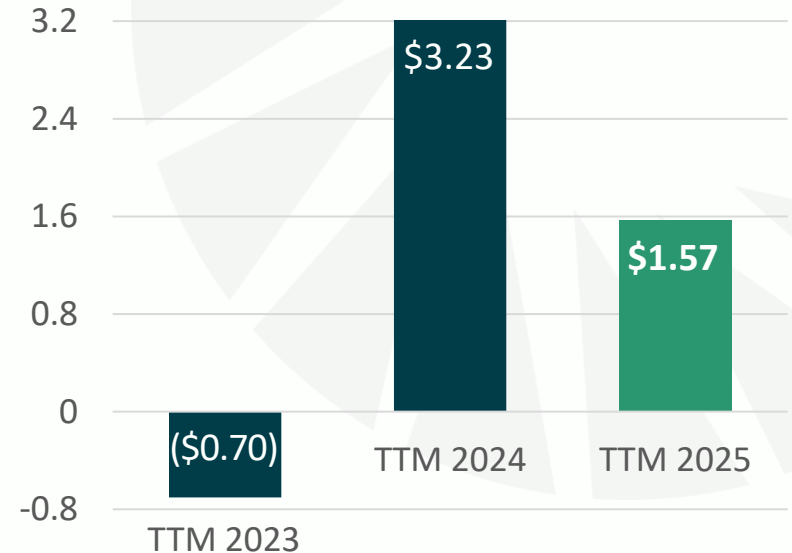


EBITDA¹ (\$ millions)

3 months ended November 30



12 months ended November 30

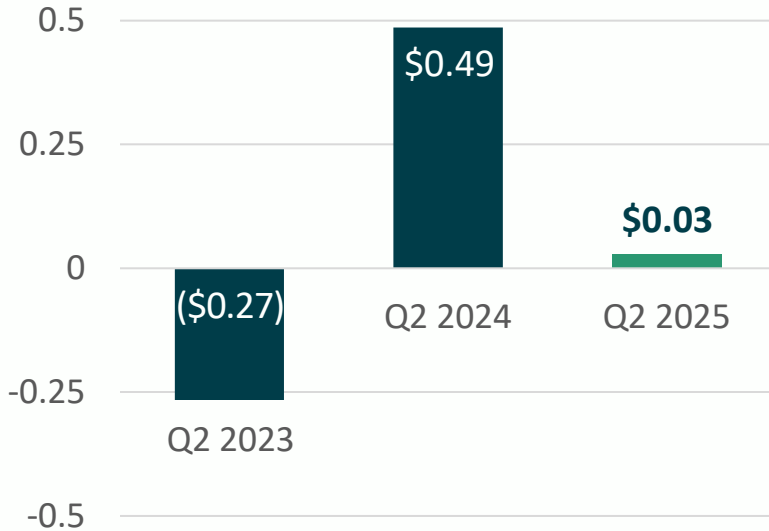


TTM 2025 expenses include \$2.3 million in growth-oriented investments made over the last two years – but most of the benefits are still to be realized

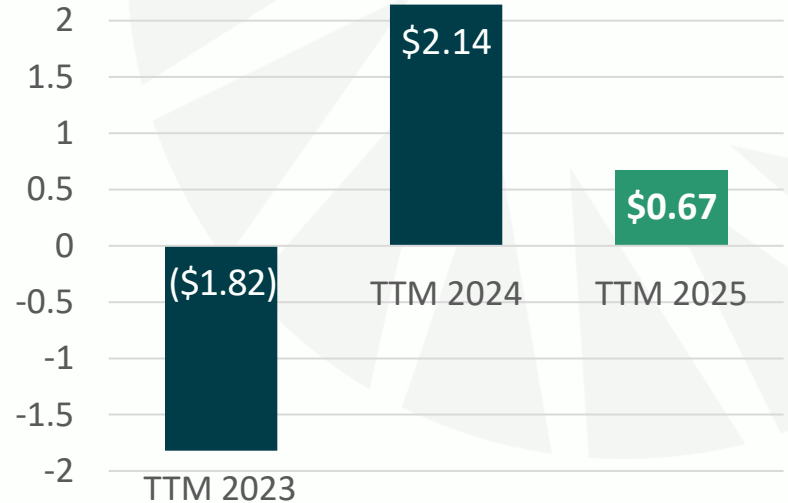
¹ EBITDA is a non-IFRS financial measure that represents earnings before interest, taxation, depreciation, amortization, impairment of intangible assets, and share-based compensation expense.

Net income (\$ millions)

3 months ended November 30



12 months ended November 30



TTM 2025 expenses include \$2.3 million in growth-oriented investments made over the last two years – but most of the benefits are still to be realized

Significant reinvestments in our business

TTM ending November 30, 2024

Plant (\$200 thousand)	People (\$1.7 million)	Technology (\$400 thousand)
<ul style="list-style-type: none"> • Larger production facility with more than double the throughput capacity of our former U.K. plant 	<ul style="list-style-type: none"> • Added 18 net new positions over the last 2 years: <ul style="list-style-type: none"> + <i>6 in Sales and Marketing</i> + <i>11 in Engineering and Production</i> + <i>1 in Finance, Admin and Operations Support</i> 	<ul style="list-style-type: none"> • Carbon Reduction Scoping Tool (CREST) <ul style="list-style-type: none"> • <i>Quickly identifies energy saving; carbon reducing opportunities</i> • New global accounting program and ERP software

Most of the benefits of these investments are still to be realized

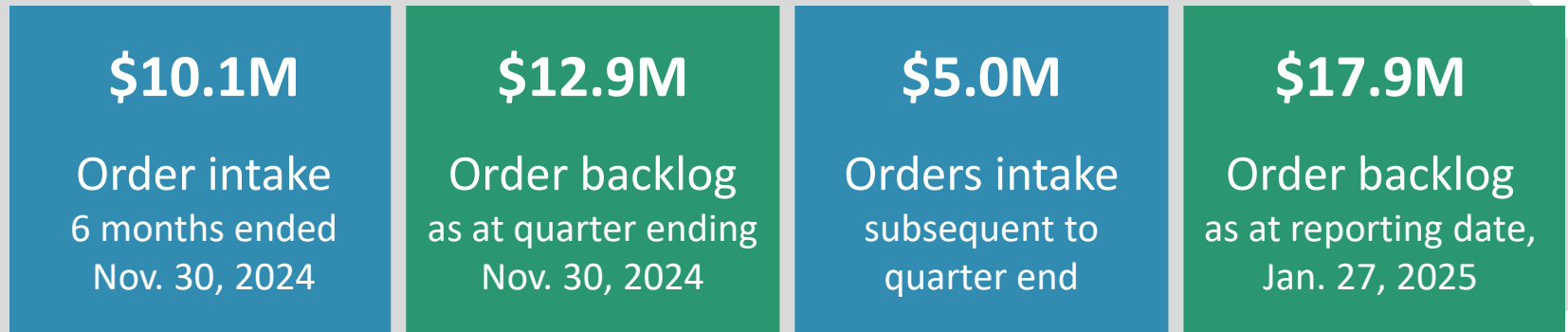
Strong balance sheet

As at November 30, 2024



- Cash at quarter end was impacted by temporary fluctuations in working capital items
- Over the last two years debt has been reduced by \$1.8 million and working capital increased by \$1.9 million from internally generated cash flow

Order intake and backlog¹



¹ 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.

Summary

- Record quarterly and TTM revenue
- Product mix & growth investments impacted profitability
- Continued positive cash flow and strengthening balance sheet
- We expect the investments made in future growth will bear fruit in fiscal 2026 and beyond





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.