



**Q3 2024 Earnings Call**  
**April 25, 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.



## Agenda

- Q3 highlights
- Investing in growth
- TTM financial results
- Balance sheet highlights
- Order intake and backlog
- Project development agreements
- Outlook
- Q&A

## Q3 2024 highlights

- Revenue +8% to \$6.1 million
- EBITDA<sup>1</sup> of \$322 thousand
- Net income of \$44 thousand
- Higher expenses reflect investments in growing the business
- Received orders totaling \$8.3 million

<sup>1</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.



# Investing in growth

## People

- 9 net new people in the first nine months of fiscal 2024:
  - + *6 in Sales and Marketing*
  - + *2 in Engineering and Production*
  - + *1 in Finance*

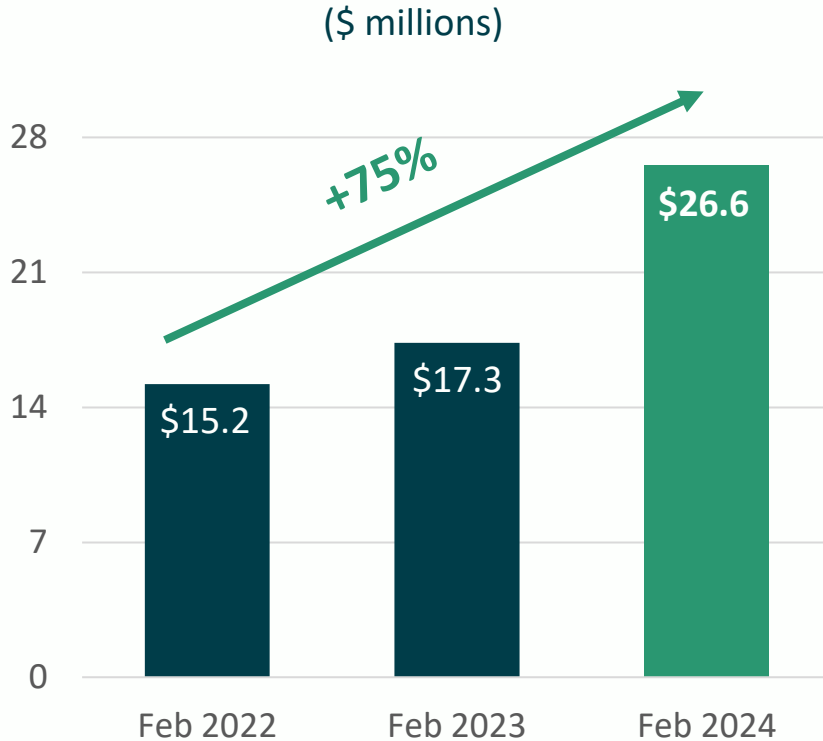
## Technology

- Carbon Reduction Scoping Tool
  - *Quickly identifies energy saving; carbon reducing opportunities*
- New global accounting program and ERP software

## Plant

- Moving, leasing, and renovation expenses in Q3 related to new U.K. production facility
  - *More than double the throughput capacity of our former premises*

## Revenue – TTM<sup>1</sup> (Q3)

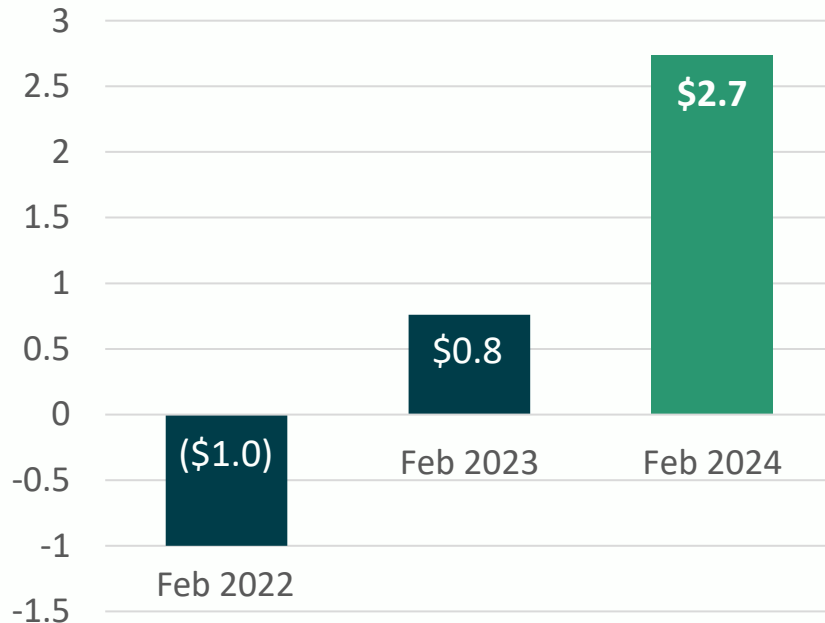


- TTM revenue of \$26.6 million, **highest ever**
- 2-year increase of **75%**

<sup>1</sup>Trailing twelve months as at the end of February each year.

# EBITDA<sup>1</sup> – TTM (Q3)

(\$ millions)

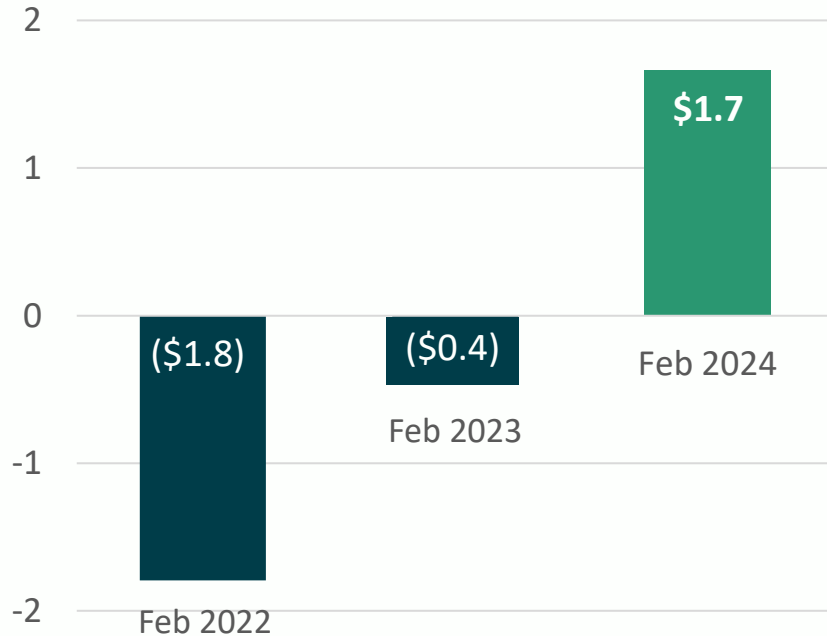


- TTM February 2024 EBITDA represents a **\$3.7M increase** compared to TTM February 2022
- **Investments in growth** during the first 9 months of fiscal 2024 lowered TTM February 2024 EBITDA by \$1.1 million

<sup>1</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.

# Net income – TTM (Q3)

(\$ millions)



- TTM February 2024 net income represents a **\$3.5M increase** compared to TTM February 2022



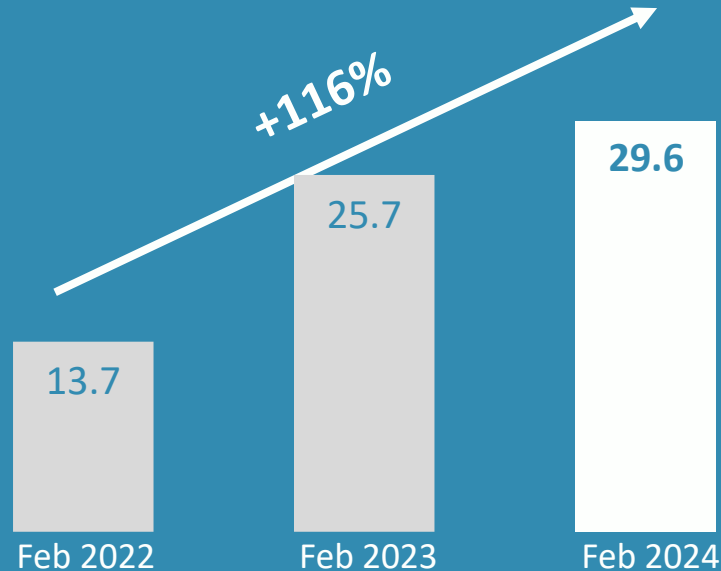
## Balance sheet highlights

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	<b>February 29, 2024</b>	<b>May 31, 2023</b>
Cash & equivalents	<b>\$7.5 million</b>	\$3.0 million
Working capital	<b>\$3.4 million</b>	\$3.0 million

## Order intake – TTM (Q3)

(\$ millions)

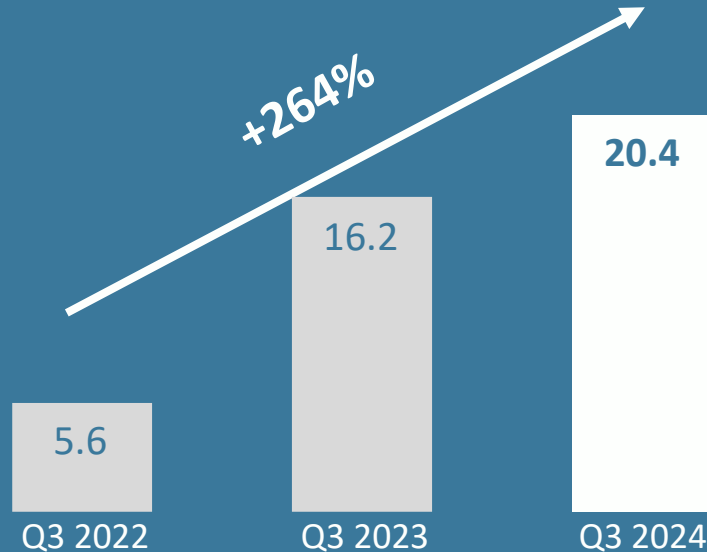


### Notable orders in the quarter:

- \$3.7 million heat recovery order from one of Europe's largest food and drink producers
- The largest single order in BEI history
- The first order for our new Hybrid Flu-Ace

## Order backlog (end of Q3)

(\$ millions)

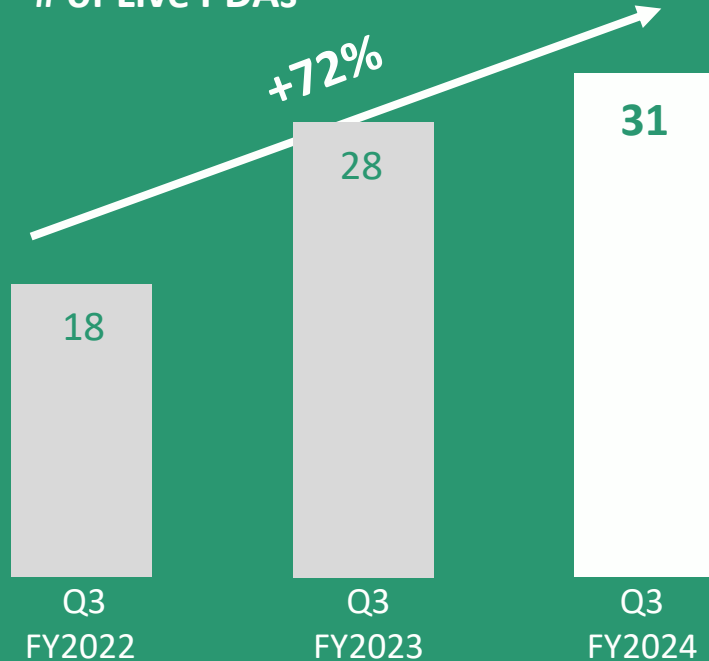


**Definition:** Order backlog represents any purchase orders that have been received but have not yet been reflected as revenue in the Company's published financial statements.

- \$20.4 million was our **highest backlog ever** at quarter end

# Growth in Project Development Agreements (“PDAs”)

## # of Live PDAs

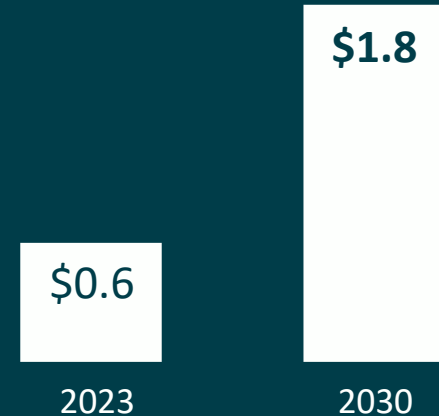


- PDAs - we are paid by the customer to complete detailed engineering to develop a Turn-key Project
- Usually precursor to the full project order
- Important indicator of momentum in our business and the strength of our business development pipeline

## Our outlook

- Continue to grow organically and through accretive acquisitions
- ~5% penetration with our top 10 corporate accounts (*which have ~1,000 sites worldwide*)
- Global investment in energy efficiency needs to triple by 2030 to achieve net zero by 2050 (IEA)\*

### Global investment needed in energy efficiency\* (USD trillions)



# Summary

- Record levels of revenue and profitability
- Invested more than \$1 million in future growth since May 2023
- Order intake, order backlog, and # of PDAs all at record levels





## 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.