The background of the slide is a close-up of a circular gauge. The gauge has a white face with black tick marks. Large green text on the gauge indicates "5% CO2" at the top left, "0% CO2" in the center right, and "5% CO2" at the bottom right. A green arrow with a black outline points towards the "0% CO2" mark. The gauge is mounted on a silver-colored metal base with a green cap.

Q3 2025 Earnings Call

April 29, 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

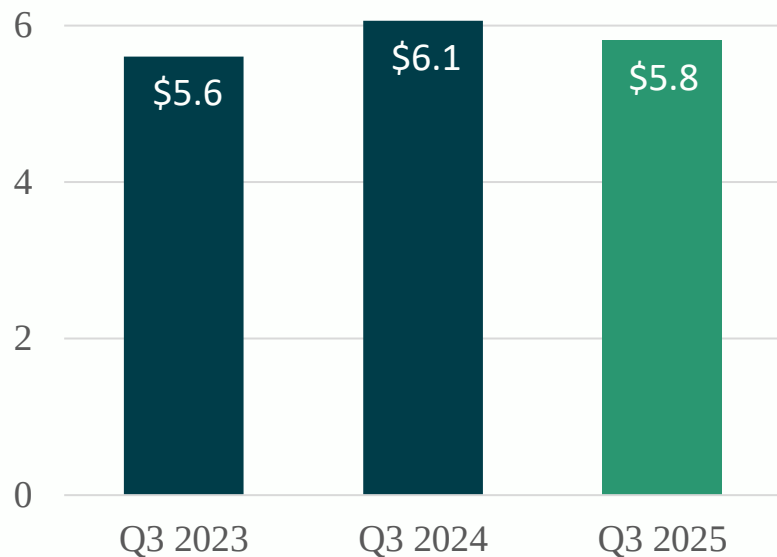
- Record YTD¹ revenue despite softer revenue in the quarter
- Lower margins on heat recovery projects impacted profitability
- Business development pipeline remains strong
- Well-positioned for growth

¹ Nine months ended February 28, 2025.

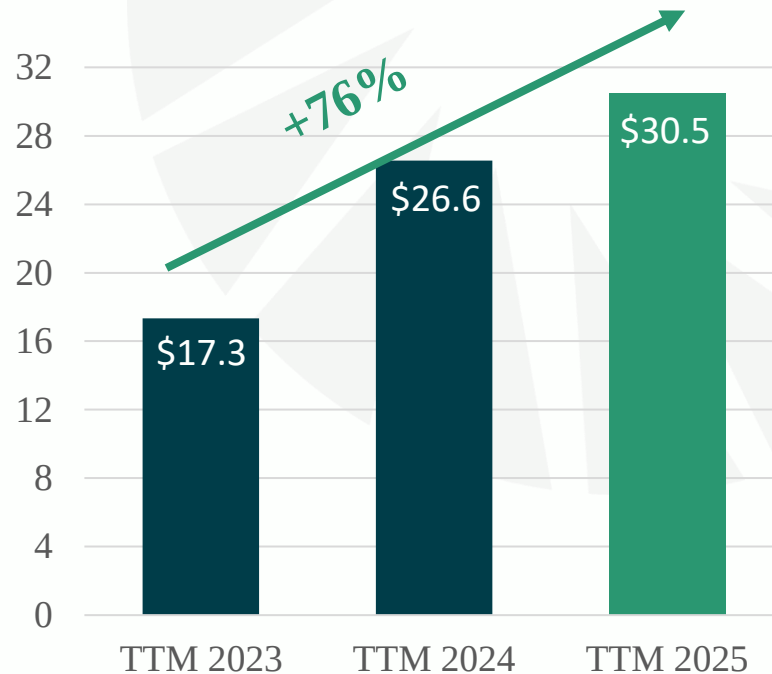


Revenue (\$ millions)

3 months ended February 28

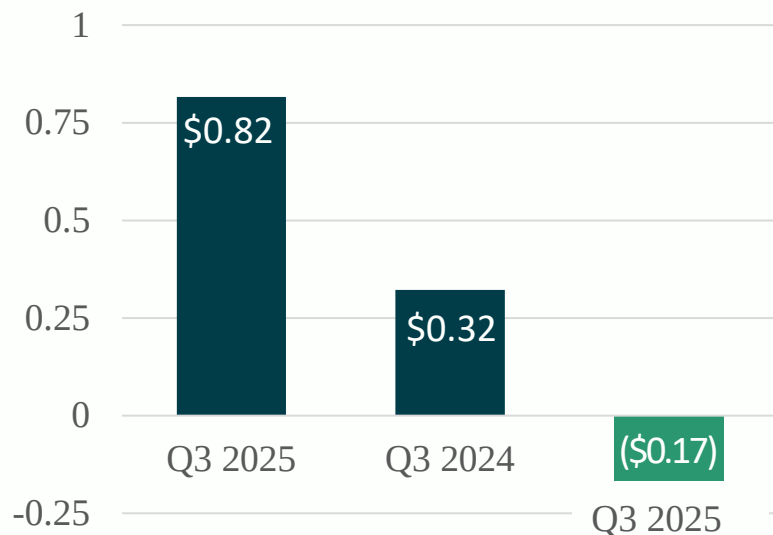


12 months ended February 28

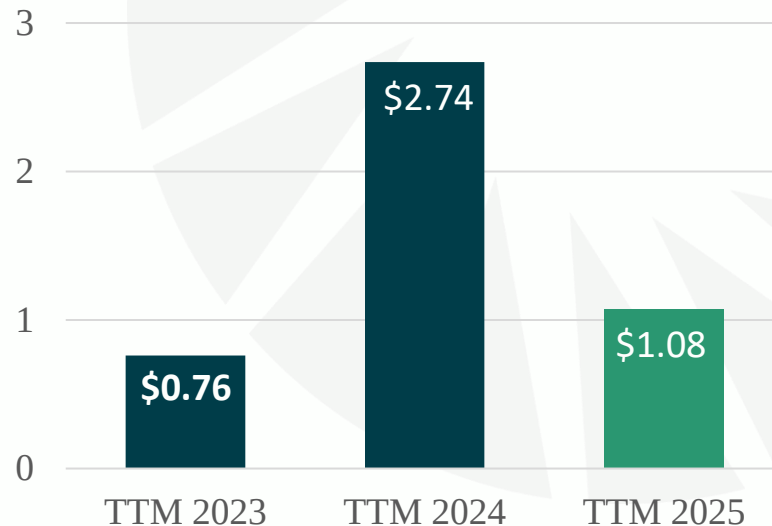


EBITDA¹ (\$ millions)

3 months ended February 28



12 months ended February 28

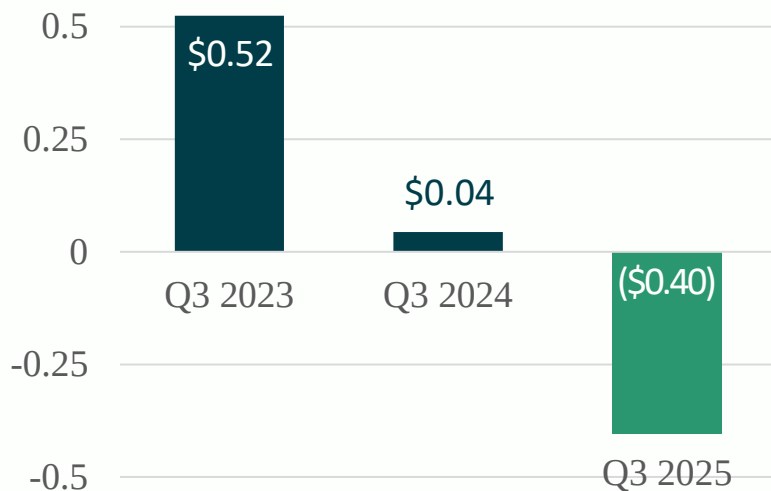


Expenses over the past two years includes \$2.5 million in growth-oriented investments – but most of the benefits are still to be realized

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 February 28



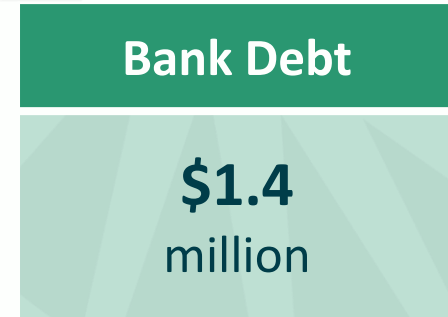
12 months ended February 28



Expenses over the past two years includes \$2.5 million in growth-oriented investments – but most of the benefits are still to be realized

Strong balance sheet

As at February 28, 2025



- Over the last two years debt has been reduced by ~\$2.1 million and net working capital increased by ~\$0.6 million from internally generated cash flow

Diverse & adaptable supply chain



Most of our manufacturing is outsourced

Manufacturing partners usually in the same countries as our projects

BEI provides established presence in the US

Order intake and backlog¹

\$17M

Order intake
9 months ended
Feb. 28, 2025

\$14.8M

Order backlog
as at quarter ending
Feb. 28, 2025

\$2.3M

Order intake
subsequent to
quarter end

\$17.1M

Order backlog
as at reporting date,
April 28, 2025

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.

Largest engineering contract to date

In February, we signed a \$500K engineering contract with a multinational pharmaceutical company

- Customer signed as project development agreement last year and wanted more extensive engineering completed
- Customer's carbon emission reduction targets aligned with UN's Race to Zero



\$1M heat recovery expansion project

Expansion project at one of our top customer's American sites

- To date, we have completed 11 heat recovery projects at 10 of this customer's sites and installed 4,000 GEM traps across 60 sites
- Many more opportunities at more than 200 of their sites around the world



Summary

- Record YTD revenue despite softer revenue in the quarter
- Lower margins on heat recovery projects impacted profitability
- Business development pipeline remains very strong
- 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.