



THERMAL ENERGY
INTERNATIONAL

5%
CO₂

0%
CO₂

5%
CO₂



**The Profitable Path
to Net Zero**

TSX-V: TMG | OTCQB: TMGEF

Investor Presentation | February 22, 2024

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.sedar.com. 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.



We provide energy efficiency and carbon emission reduction solutions to Fortune 500 and other large multinational companies.

We save our customers money while reducing their fuel use and carbon emissions.

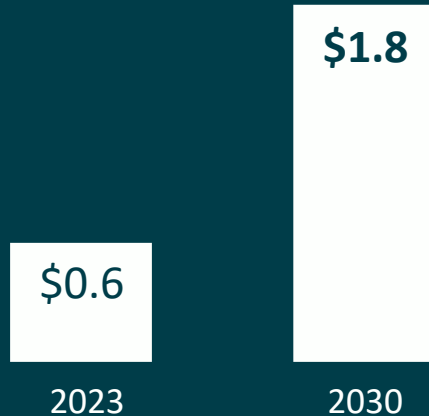
Investment Highlights

1. Energy efficiency is the **fastest, cheapest, and easiest** way to reduce carbon emissions
2. Unique solutions provide **high ROI** with short, **compelling payback**
3. **Significant repeat business** from F500 and other large multinational customers
4. Continue **track record of profitable growth**, both **organically** and through **accretive acquisitions**

Energy Efficiency is the Path to Net Zero

Global investment needed in energy efficiency²

(USD trillions)



2/3rds of energy used is wasted due to inefficiency¹

◀ **Investment needs to triple** to achieve net zero by 2050 (IEA)²

Energy efficiency is:

- the single largest measure to achieving net zero by 2050
- called the “**first fuel**” as it provides some of the quickest and most cost-effective CO₂ mitigation options while lowering energy bills

The Business Case

- ~**90%** of industrial energy use is thermal
- ~**50%** is lost as waste heat
- Higher, more volatile thermal energy costs
- Continually increasing cost of carbon (up 300% in EU)



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

Unique & Proprietary Solutions

- Suite of **complementary technologies** that improve thermal energy efficiency
- **Highly-engineered**, site-specific turnkey and custom delivery model
- **Recover up to 80% of energy lost** in typical boiler plant and steam system operations
- **High ROI** with short, **compelling payback**



FLU-ACE
*low to mid temperature, direct
contact air to water heat recovery*

GEM **STEAM TRAPS**
venturi orifice steam traps

 **HeatSponge
2STAGE**
*mid to high temperature, indirect
contact air to water heat recovery*

 **SIDEKICK
Economizer**
hot water boiler heat recovery

PERCOMAX
direct-contact water heater

LAUNREC RBT
waste water heat recovery

 **PERCO-HYBRID**
*combined direct contact water
heater and heat recovery*

 **EcoLoNOx**
*direct contact heat recovery
and NOx reduction*

DRY-REX
low temperature biomass dryer

PERCOTHERM
*mid temperature, direct contact
air to water heat recovery*

Repeat Business

Significant repeat business from Fortune 500 and other large multinationals

- Over the last 4 years, ~60% of orders have come from our top 10 key corporate accounts
- Partially penetrated about 100 of these 10 customers' sites in 15 different countries
- Combined, these 10 customers have about 1,000 sites worldwide (<5% penetration)



Proven Growth Strategy

Leverage existing high quality customer base

Increase portfolio of complementary products

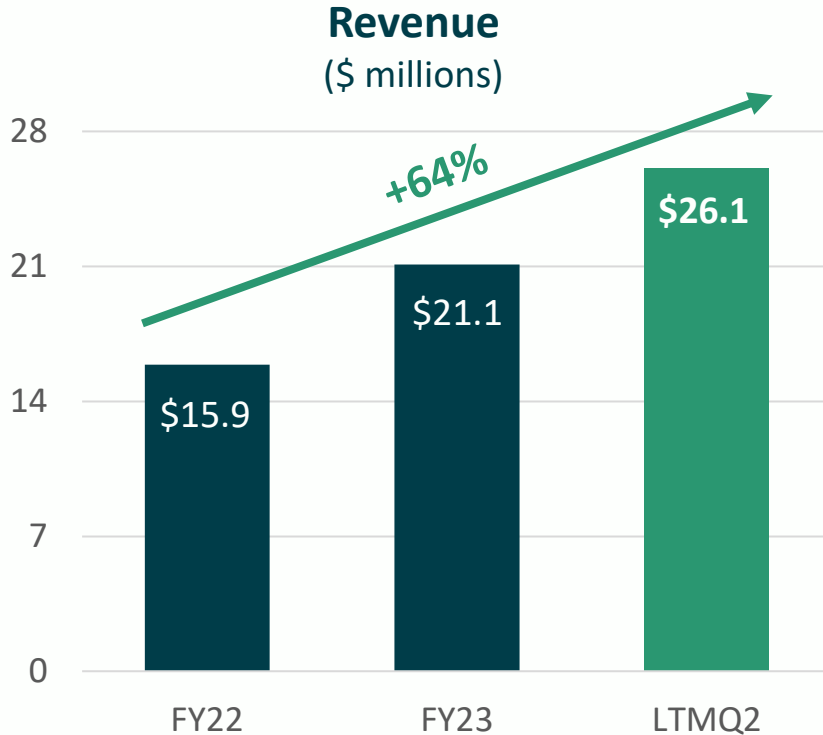
Grow team and global presence

Grow organically
and through
accretive acquisitions

Acquisition Criteria

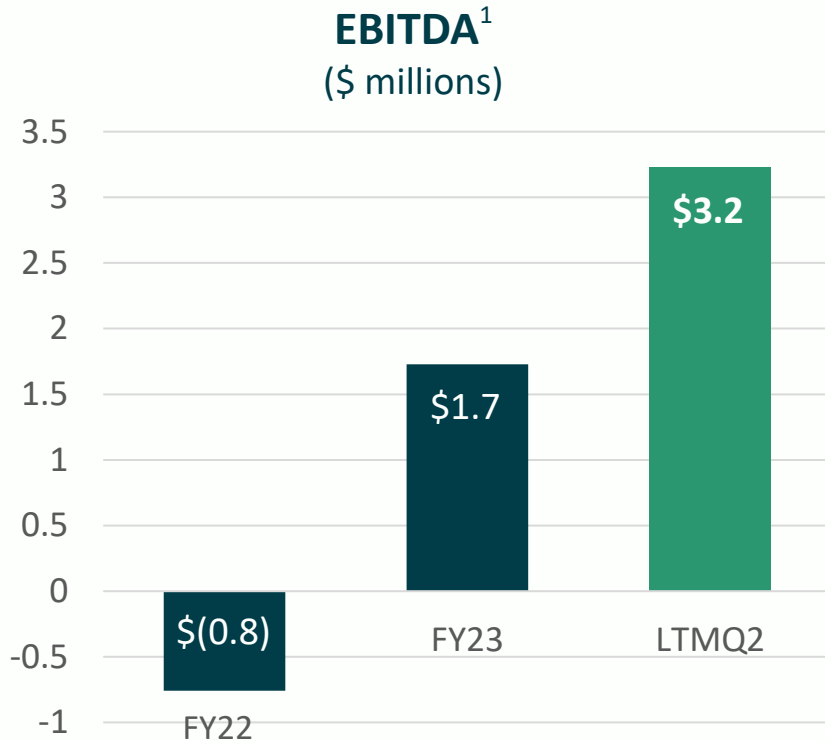
1. Accretive to bottom line
2. Companies with commercialized products with potential revenues between \$2M-\$20M
3. Companies or products with complementary market positioning or access (*i.e TEI products can be marketed through Targetco channels*)
4. Products that can be marketed through existing TEI channels

Strong, Profitable Growth – Q2 & LTM



- Q2 revenue of \$7.1 million, **up 71%** year-over-year
- LTM revenue of \$26.1, **highest ever**

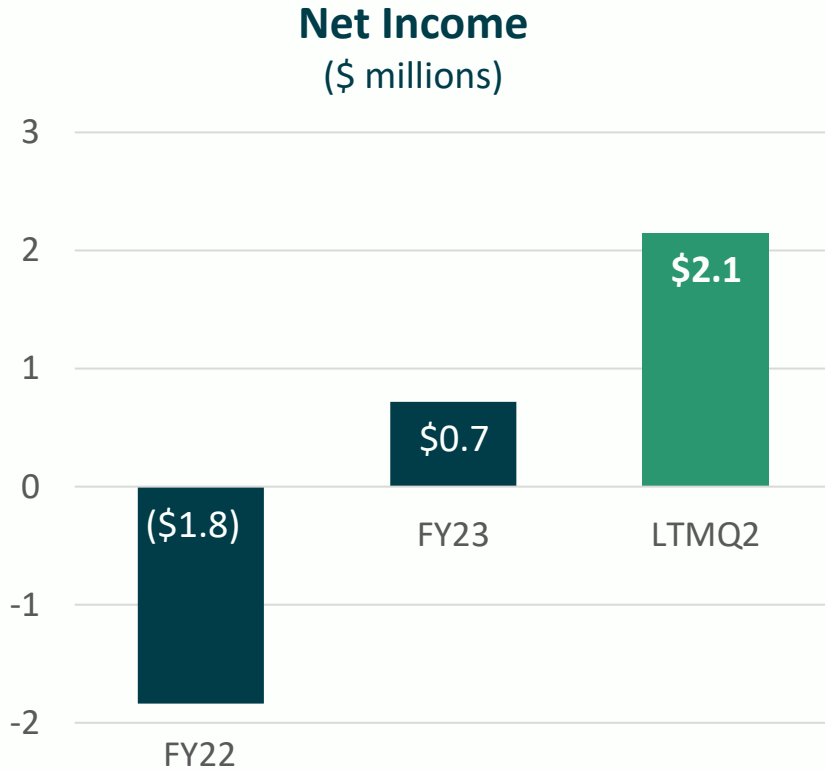
Strong, Profitable Growth – Q2 & LTM



- Q2 EBITDA of \$830k, **up \$858k** compared to a loss of \$58k in Q2 a year ago
- LTM EBITDA of \$3.2 million, **highest ever**

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

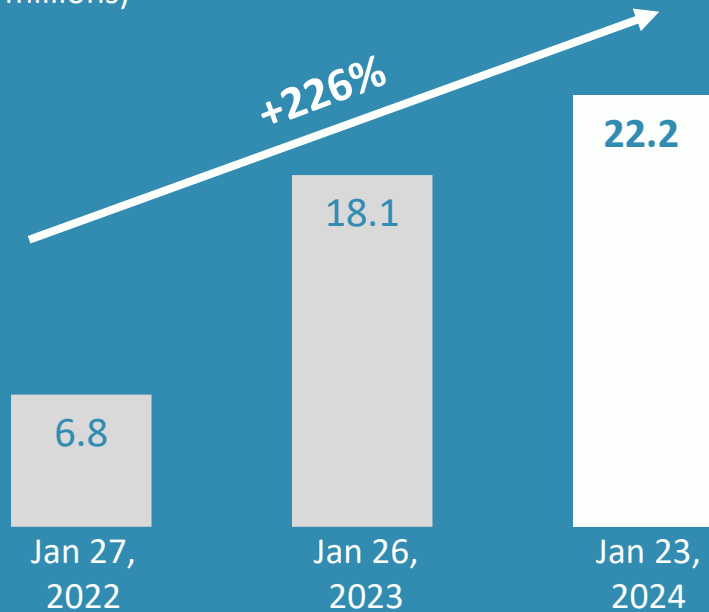
Strong, Profitable Growth – Q2 & LTM



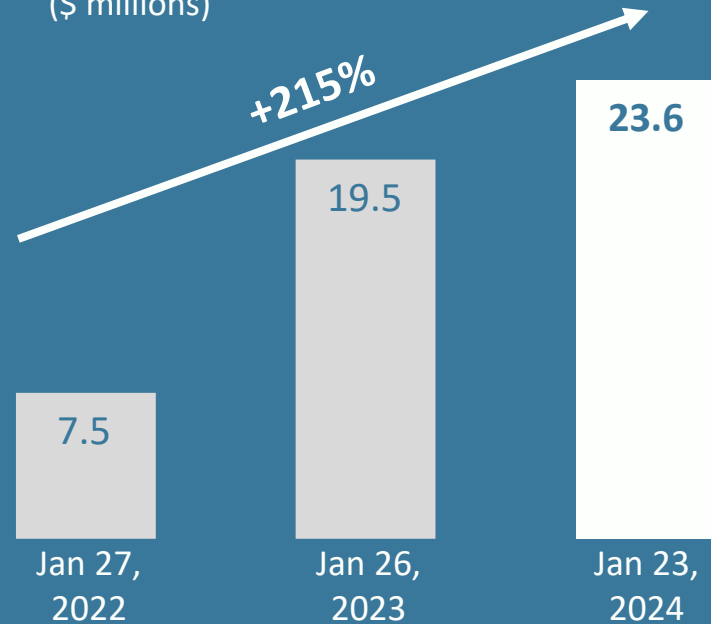
- Q2 Net Income of \$486k, **up \$752k** compared to a loss of \$266k in Q2 a year ago
- LTM Net Income of \$2.1 million is the **highest ever**

Continued Strong Momentum

Order intake (YTD¹) (\$ millions)



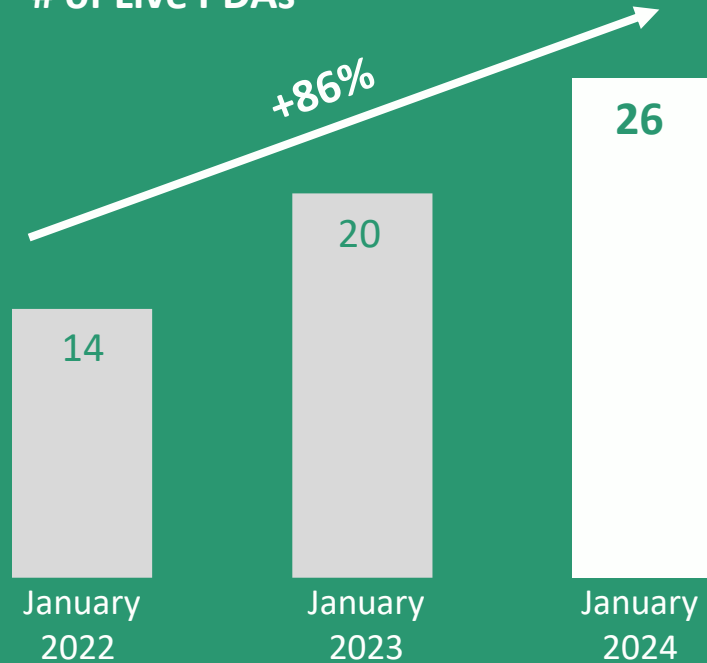
Order backlog² (YTD) (\$ millions)



¹ Fiscal year-to-date results as at Q2 reporting dates January 23, 2024 compared to January 26, 2023, and January 27, 2022; ² Represents any purchase orders that have been received by the Company but have not yet been reflected as revenue in the Company's published financial statements;

Growth in Project Development Agreements (“PDAs”)

of Live PDAs



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

One-Year Trading Performance (as at February 16, 2024)

TSX-V:	TMG
Price	\$0.30
Market Cap	\$51.0 million
52-Week Range	\$0.10 - \$0.325



Summary

1. Energy efficiency is the **fastest, cheapest, and easiest** way to reduce carbon emissions
2. Unique solutions provide **high ROI** with short, **compelling payback**
3. **Significant repeat business** from F500 and other large multinational customers
4. Continue **track record of profitable growth**, both **organically** and through **accretive acquisitions**





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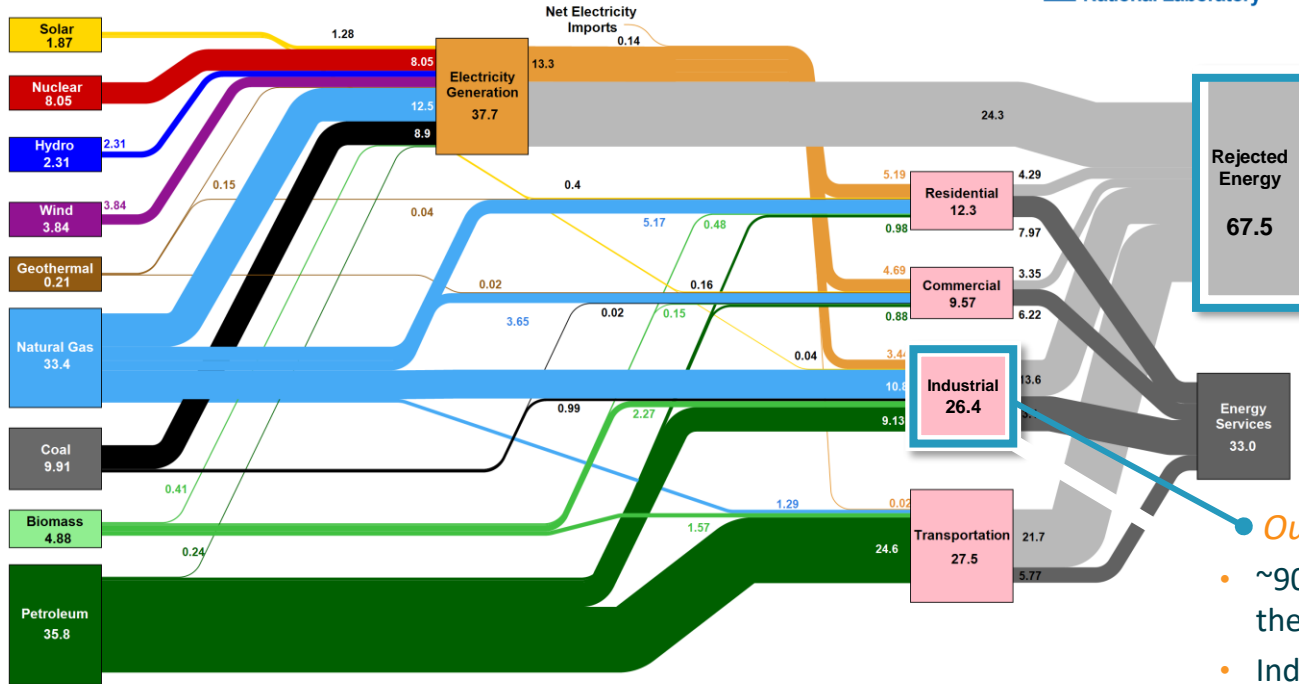
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www.thermalenergy.com

Appendices



Estimated U.S. Energy Consumption in 2022: 100.3 Quads

Lawrence Livermore
National Laboratory



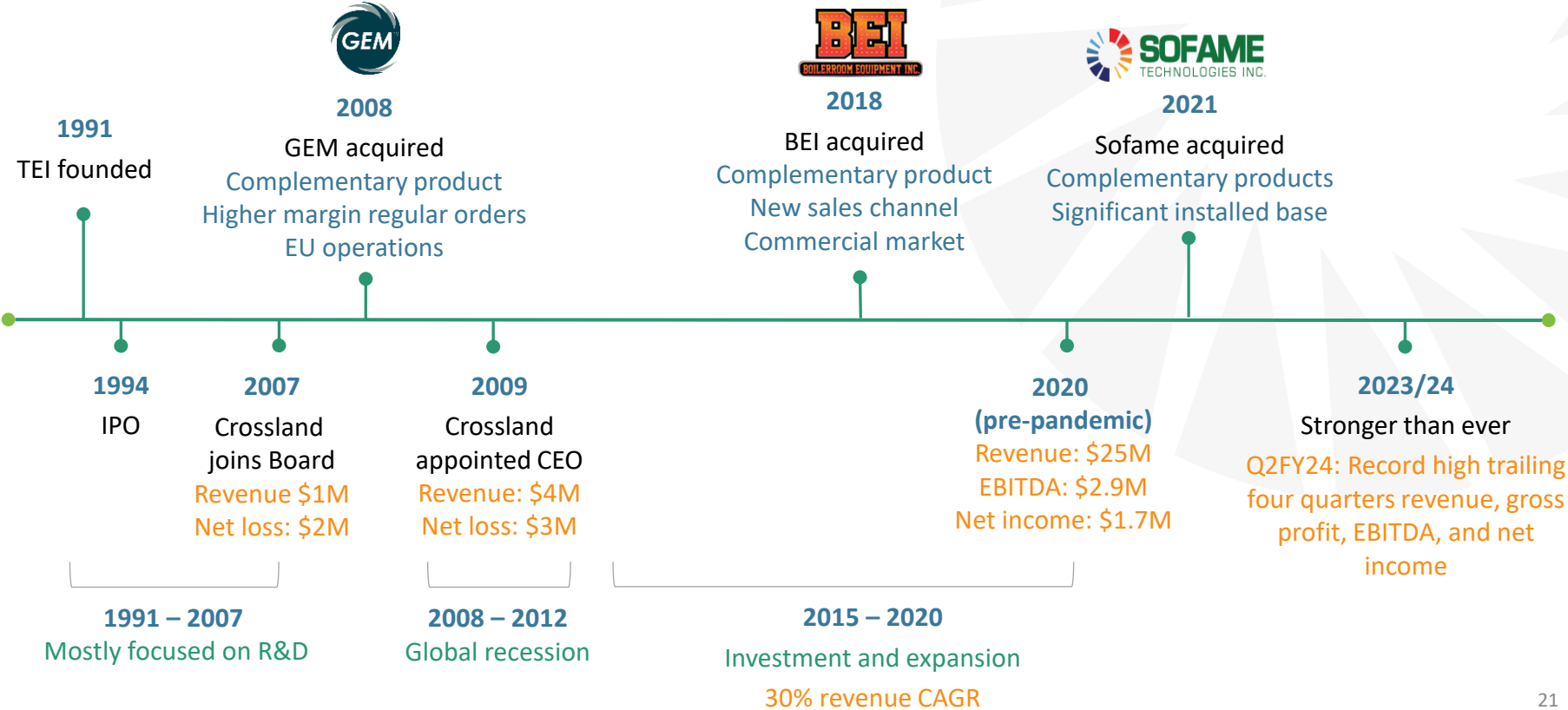
*“Energy Efficiency,
the world’s first fuel” – IEA*

- > 2/3rds of the energy is lost due to inefficiency
- Energy efficiency can have much greater impact than renewable energy
- Reduces emissions & saves money!

Our Focus:

- ~90% of industrial energy use is thermal
- Industrial energy efficiency < 50%
- Industrial thermal market is > 2x residential and commercial combined

Company Timeline

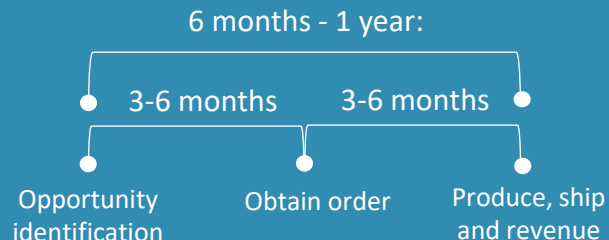


Two Delivery Models

1. Turn-key Projects



2. Custom Equipment



Turn-key Projects:

- Require significant customer collaboration, travel and on-site work
- Take 2-3 years to develop and close
- Project Development Agreements (“PDA”) - detailed engineering to develop the project, usually a precursor to the full Project order
- 12 months to execute project
- Most revenue in final 6 – 12 months

Custom Equipment:

- Far less customer collaboration, travel or on-site work
- Order to revenue between 3-6 months

Senior Management



William M. Crossland, B. Sc, MBA

President & CEO; Director

More than 25 years of experience delivering corporate growth, development, finance and M&A transactions to a broad range of industries with an emphasis on Cleantech, Alternative & Renewable Energy and Food & Beverage.



Robert Triebe, M.Sc., P.Eng. B. Sc.

COO

Recognized expert in environmental technologies, responsibilities have ranged from R&D to project design and implementation. Expert Reviewer with the Sustainable Development Technology Corporation (SDTC).



Julia Zhang, CPA CA

CFO

15 years of financial management and reporting experience across publicly traded companies, environmental engineering consultancies and multinational businesses.



Sam Mawby, M.Eng, MBA

Director of Business Development & Technology

Over 15 years of steam industry experience heading up the technical team and business development functions, spearheading large projects for Fortune 500 and multinationals.



Isobel Wales, B.Eng, MA

Director of Operations

Almost 15 years of engineering and management experience across manufacturing, quality, supply chain and export. Marketing and operations lead providing the link between technical, production and sales teams.



Vince Sands, P.E.

Founder & President, BEI

Founded Boilerroom Equipment Inc in 2005. Over 26 years of experience in the commercial and industrial boiler industry across sales, engineering, and senior management positions.

Board of Directors



William White, BSc (Eng)

Chairman

Past President of DuPont Canada following 30 year career with DuPont globally in progressive sales, operations and senior management roles. Currently Chairman of CHAR Technologies, COO Woodland Biofuels, Chair of advisory board for Schulich Center of Excellence for Responsible Business and Chair of the Sustainable Chemistry Alliance.



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David Spagnolo, BSc (Eng), PhD

Director

Senior Vice President, Oil & Gas of Ausenco., a global engineering, procurement, construction management, and operations service provider to the energy and resources sectors. Prior to this he was Founder, President of Reaction Consulting Inc. (sold to Ausenco 2014), and the President of Triumph-Effisyn Ltd.



Michael Williams, BSc (Eng), P.Eng,

MBA, CFA

Director

Portfolio Manager, Independent Accountant Investment Council Inc.; Sales Manager & Senior Account Executive, Honeywell Limited; Manager, Program Development in Eastern Canada, Johnson Controls.



William Ollerhead, BA, MBA

Director

Principal, Ollerhead Capital; CEO & Director Cuspis Capital Ltd. Since founding Ollerhead Capital in 1997 he has structured and arranged \$800 million of private debt financing. Previously worked in corporate finance and fixed income sales and trading for a major investment dealer and debt private placements for two institutional investors.