

The background of the slide is a close-up of a circular gauge. The gauge has a white face with black tick marks. A green arrow points to the "0% CO2" mark. Other visible marks include "5% CO2" and "CO2 5%".

Q2 2026 Earnings Call

January 27, 2026

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 "Adjusted 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 Adjusted EBITDA to Net income (loss), the closest IFRS measure.

Overview

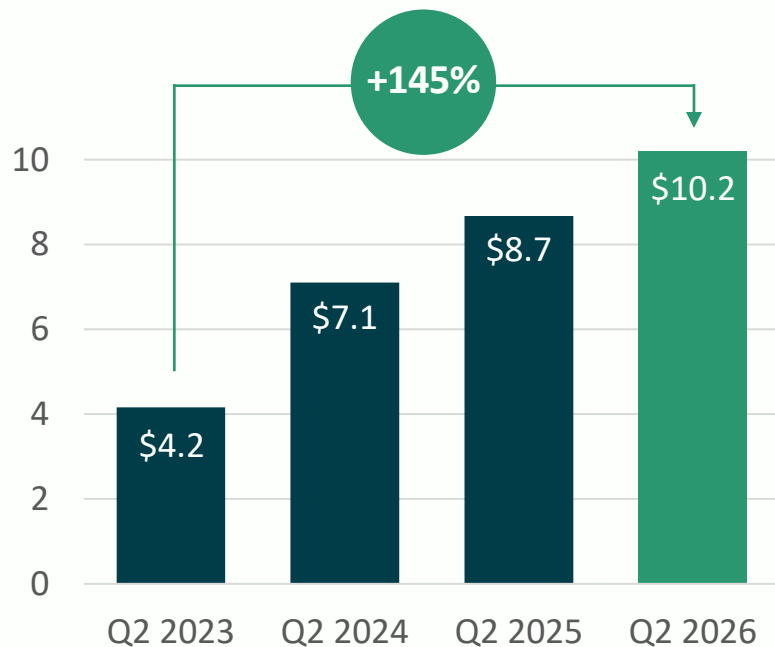
1. Revenue up 18% to record \$10.2 million
2. Adjusted EBITDA¹ +202% to \$814 thousand
3. Net income +2,133% to \$618 thousand
4. Strong balance sheet; essentially no debt
5. Record HeatSponge order intake helping fuel larger order backlog



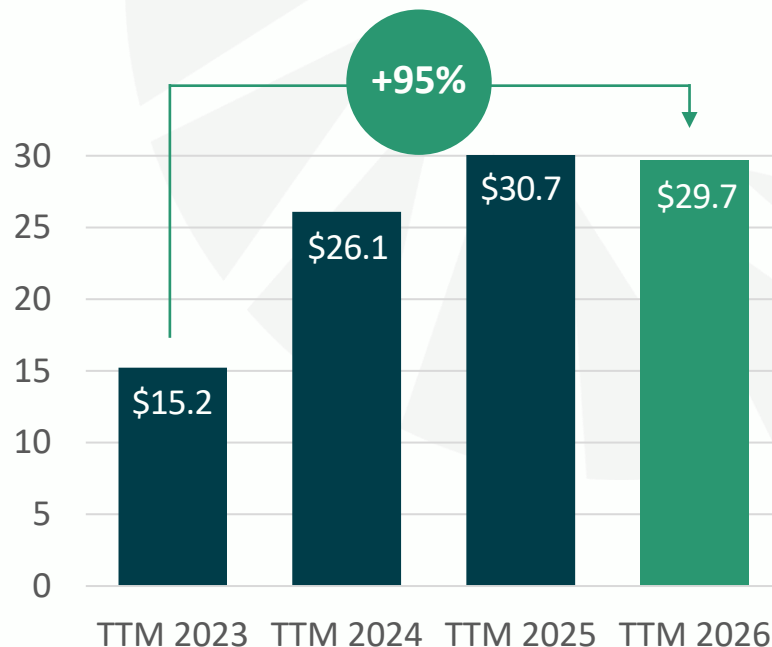
¹ Adjusted BITDA is a non-IFRS financial measure that represents earnings before interest, taxation, depreciation, amortization, and share-based compensation expense.

Revenue (\$ millions)

3 months ended November 30

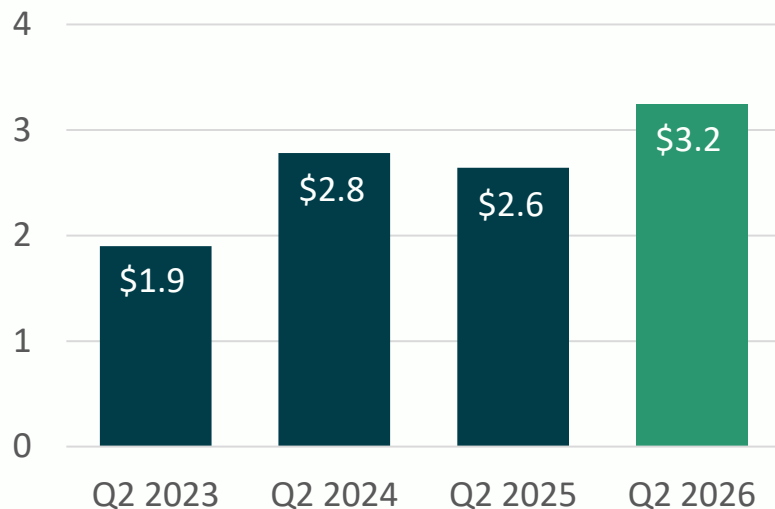


12 months ended November 30

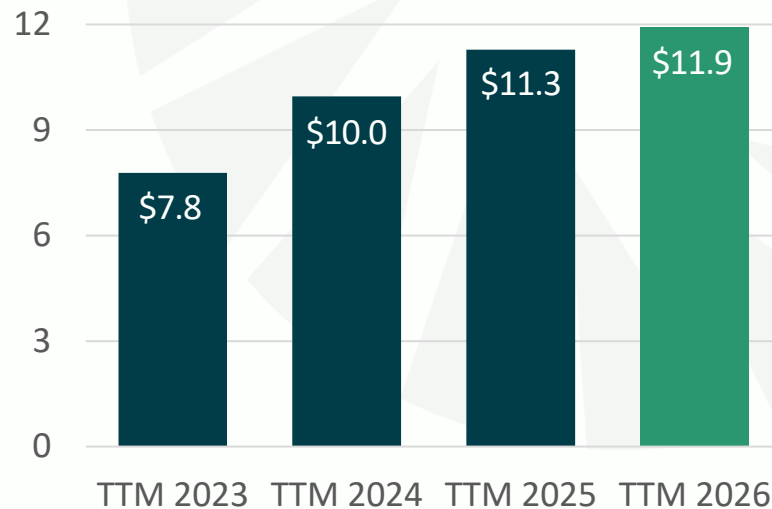


Operating expenses (\$ millions)

3 months ended November 30



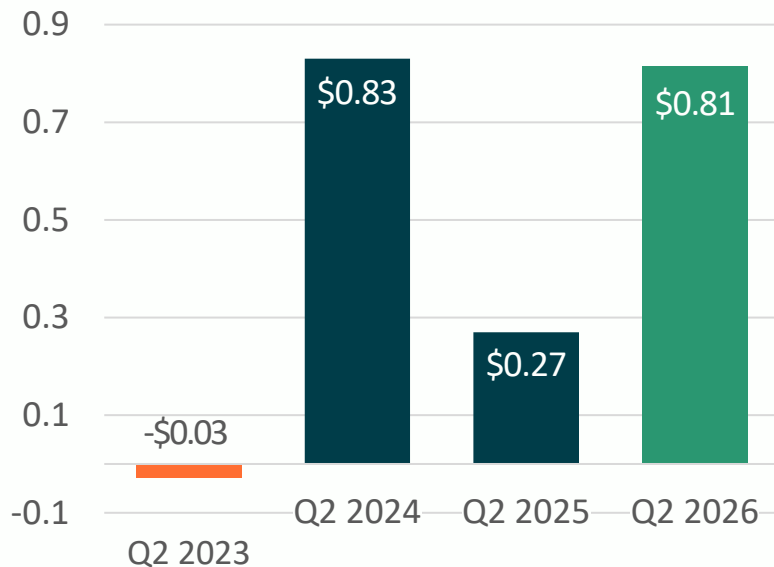
12 months ended November 30



Q2 2026 included one-time costs totalling ~\$0.4M

Adjusted EBITDA¹ (\$ millions)

3 months ended November 30



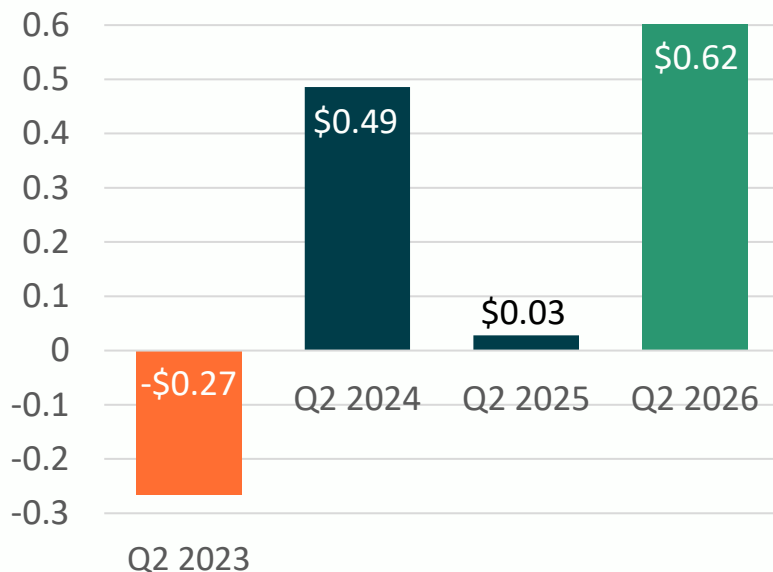
12 months ended November 30



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

Net income/loss (\$ millions)

3 months ended November 30



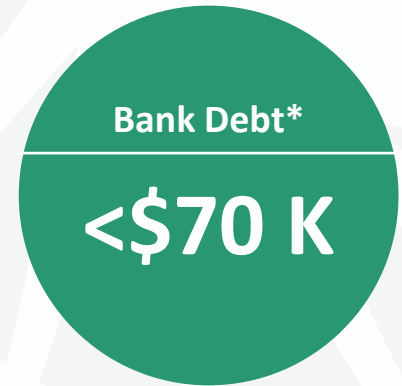
12 months ended November 30



TTM Operating cashflow of \$1.6M
(before changes in working capital items)

Strong balance sheet

As at November 30, 2025



* Repaid **>\$3.8 million** in long-term bank debt since May 2022, including **~\$1.9million** in the TTM ending November 30, 2025.

Strong order intake and order backlog



Order intake

YTD¹ Nov. 30, 2025



Order backlog

as at Nov. 30, 2025



Order backlog

as at Jan. 26, 2026

¹ For the six months ended November 30, 2025.

Record HeatSponge order intake

\$3.7 M

+127%

Order intake

YTD¹ Nov. 30, 2025



Streamlined HeatSponge turnkey offering

Strategy implemented last summer

- Internal sales team targeting larger, more strategic HeatSponge opportunities
- Simplified installation, no controls, no PDA required = quicker close, quicker revenue
- Higher margin, lower risk
- Better ROI for customers



Streamlined HeatSponge turnkey offering

Internal sales team having early success with new streamlined offering

- \$1.5M order from global nutrition company announced November 5, 2025
- \$2.5M in orders from multinational building materials company announced December 17, 2025, and July 15, 2025



Summary

- Record Q2 revenue with improved profitability
- Strong balance sheet and virtually no bank debt
- Order backlog of \$21.5 million as at January 26, 2026
- Early traction with streamlined HeatSponge turnkey offering





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.