THERMAL ENERGY
INTERNATIONAL

Q1 2026 Earnings Call

October 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 “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

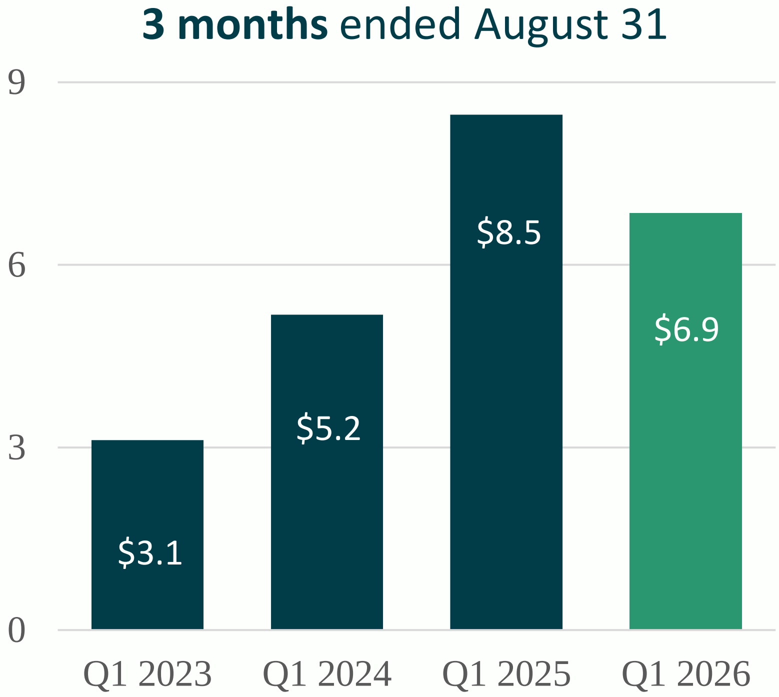
1. Second best Q1 revenue ever, down from last year but up significantly from 2 and 3 years ago

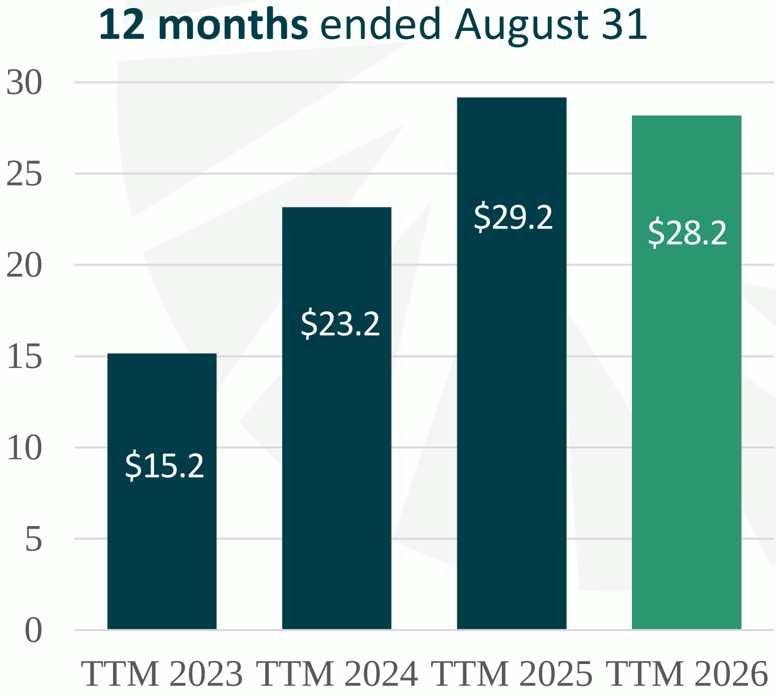
2. Record Q1 & TTM order intake and record Q1 order backlog

3. Strong inroads in pharma over the last 25 months

4. Continued to pay down debt (~$2 million in TTM)

Revenue ($ millions)

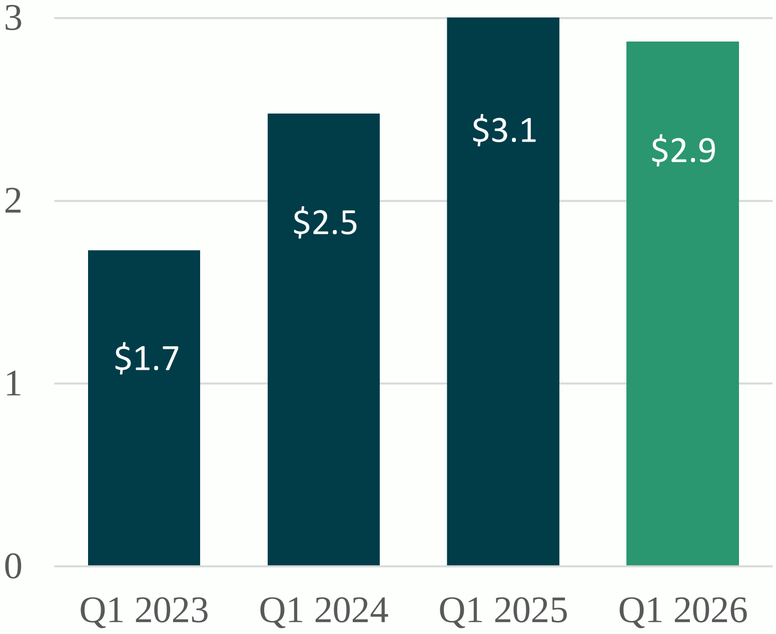




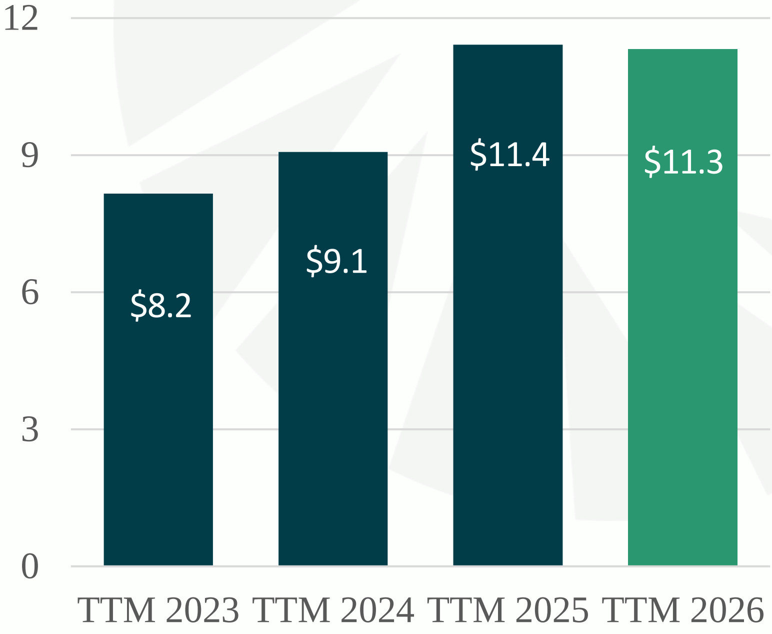
Q1 revenue up 114% over 3 years
TTM revenue up 86% over 3 years

Operating expenses ($ millions)

3 months ended August 31



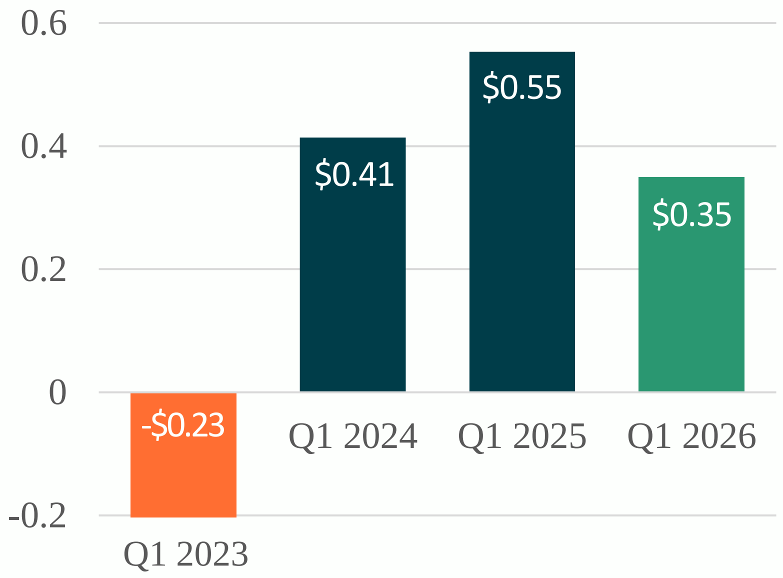
12 months ended August 31



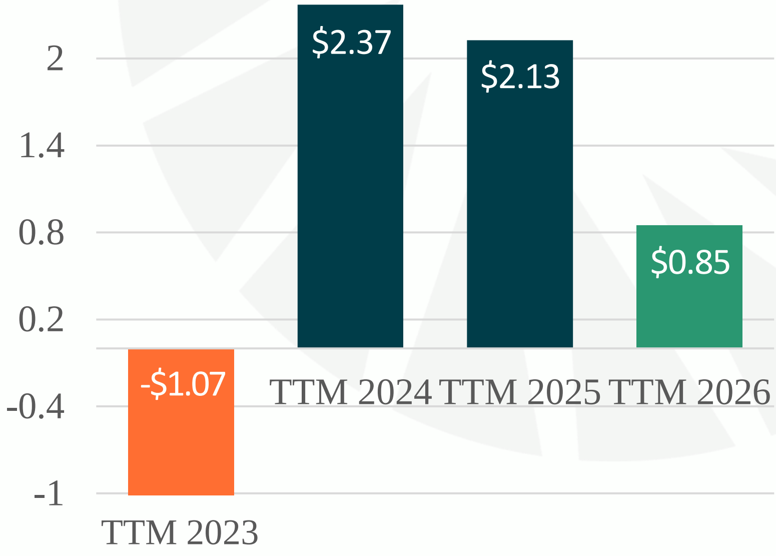
With the past growth investments complete operating expenses are stable

Adjusted EBITDA[1] ($ millions)

3 months ended August 31



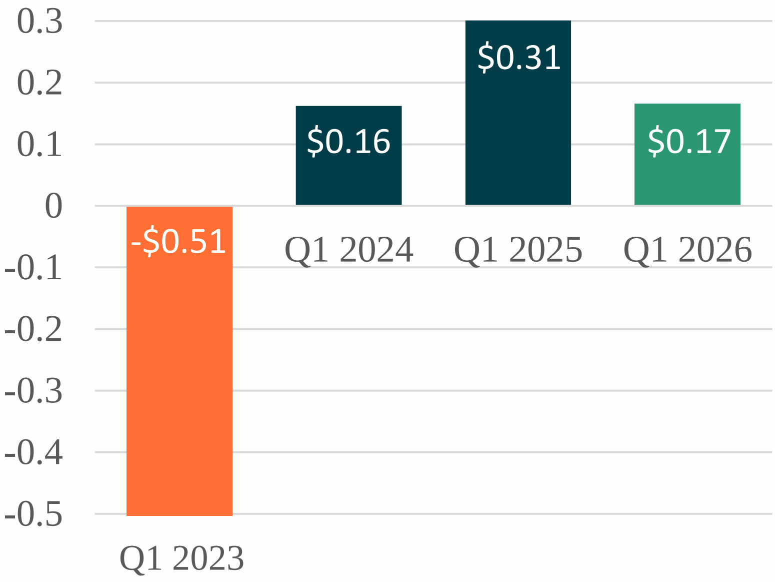
12 months ended August 31



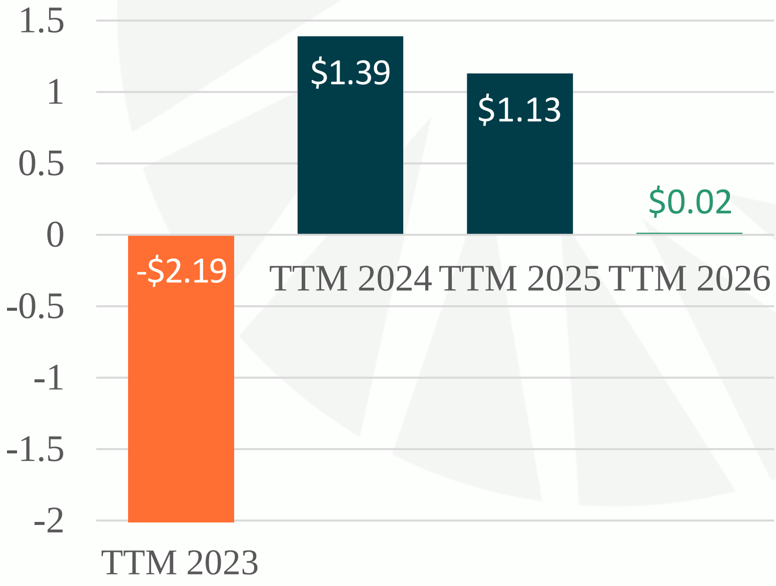
[1] *Adjusted BITDA is a non-IFRS financial measure that represents earnings before interest, taxation, depreciation, amortization, and share-based compensation expense.*

Net income ($ millions)

3 months ended August 31

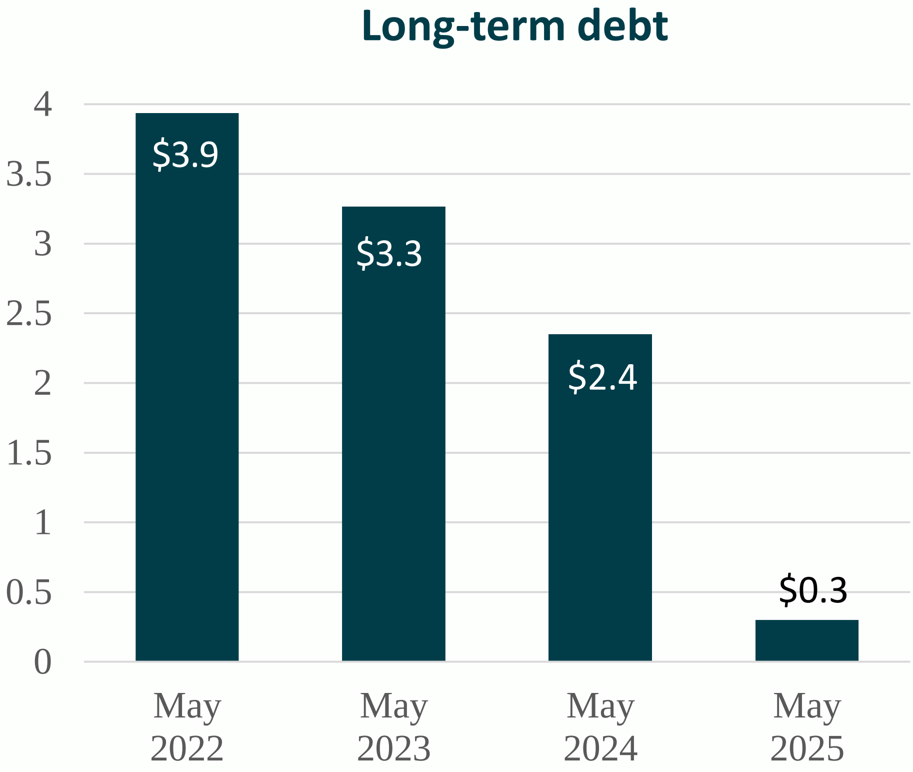


12 months ended August 31



Operating cashflow: TTM = **$1.1M**, Approx. **$5M** over last 3 years
(before changes in working capital items)

Strong balance sheet



As at August 31, 2025

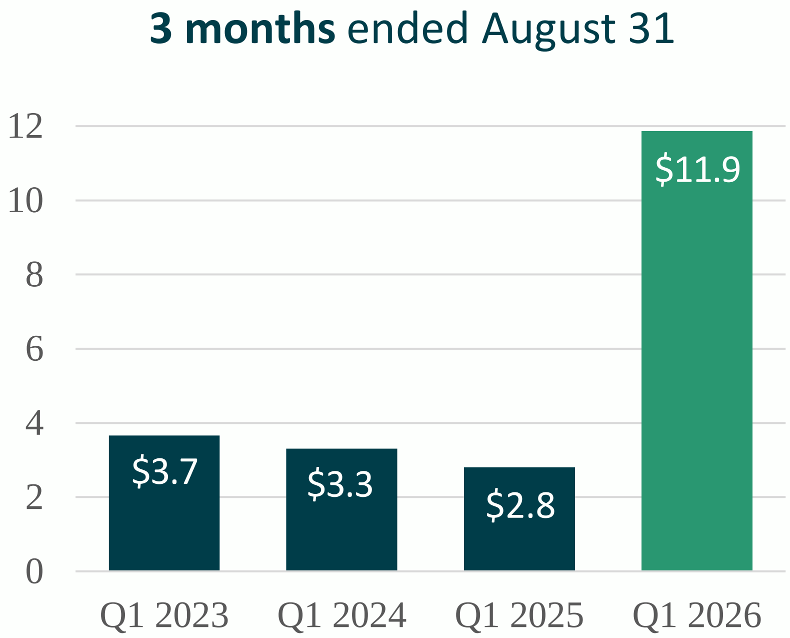
Cash
$4.3 million

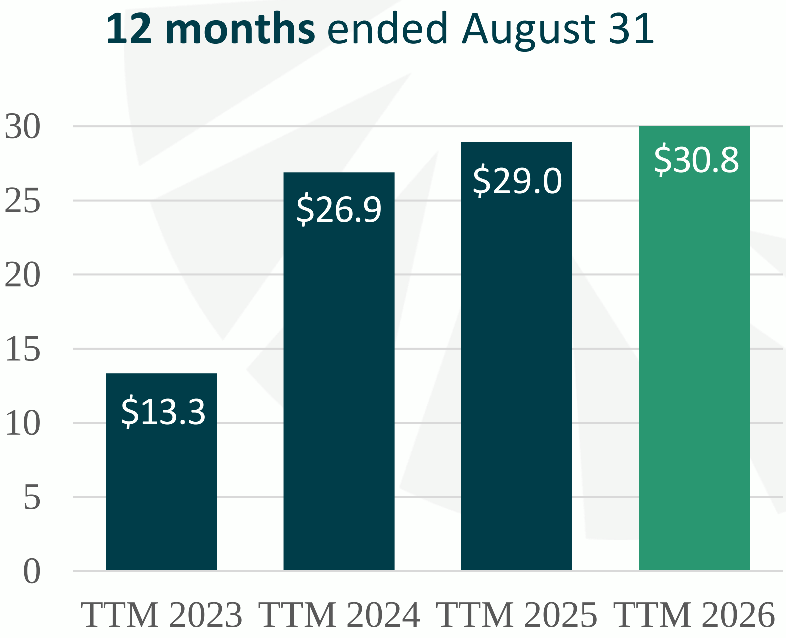
Working Capital
$2.7 million

Long-term debt down to
$0.2 million

$3.7M repaid in bank debt since May 2022

Record Q1 & TTM order intake





Q1 2026:

Received **$5.1M** in orders from a leading global pharmaceutical company

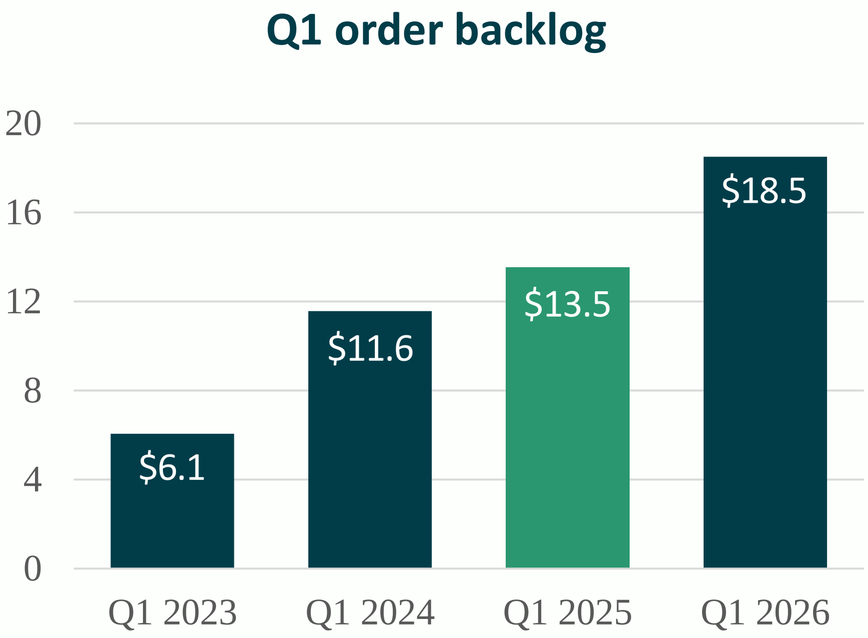
Pharmaceutical inroads

Sep 2023 - received first pharma heat recovery project order

Since then, 3 more pharma heat recovery project orders

Over the past 2 years we have received orders for 4 heat recovery projects from two multinational pharmaceutical companies

Record Q1 order backlog



$18.5M order backlog at quarter end was our highest Q1 order backlog ever

- **+37%** compared to Q1 2025
- **+60%** compared to Q1 2024
- **+206%** compared to Q1 2023

Summary

- Second best Q1 revenue ever, down from last year but up significantly from 2 and 3 years ago
- Strong balance sheet and virtually no bank debt
- Record Q1 and TTM order intake and record Q1 order backlog positions us for strong second half of fiscal 2026
- Strong inroads in pharma over the last 25 months

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.