



THERMAL ENERGY INTERNATIONAL

The Profitable Path to Net Zero

Investor Presentation | June 2026

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The term "Adjusted EBITDA" used in this presentation is a non-IFRS measure, does not have a standardized meaning under IFRS, and may not be comparable to similar measures used by other companies. It is provided to supplement IFRS results by offering additional insight into operating performance from management's perspective and should not be viewed in isolation or as a substitute for IFRS financial information. Please refer to our MD&A for the applicable period for a reconciliation of Adjusted EBITDA to net income (loss), the closest IFRS measure.



Thermal Energy is the proven energy efficiency and carbon emission reduction partner of leading multinational companies.

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

TSX-V: **TMG** | OTCQB: **TMGEF**

Investment highlights

1. Energy efficiency **saves money** and is the **fastest, cheapest, and easiest** way to reduce carbon emissions

2. Proprietary solutions provide **high ROI** and **short payback**

3. Significant **repeat business** from blue chip multinational customers

4. Track record of **profitable growth** (organic + M&A)

90%

of industrial
energy use is
thermal

50%

is lost as
waste heat

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



We can recover
up to 80%
of thermal energy
lost at a typical
industrial site

High ROI with
compelling payback



How we do it

1. Recover and upgrade waste heat and convert it into usable energy
2. Minimize steam losses
3. Improve overall thermal energy efficiency



Unique & proprietary solutions

- Suite of complementary technologies that improve thermal energy efficiency
- Highly-engineered, site-specific
- Delivered as either:
 1. Full turnkey projects, or
 2. Custom equipment



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*

**RAINMAKER
Economizer**
hot water boiler heat recovery

PERCOMAX
direct-contact water heater

LAUNREC RBT
waste water heat recovery

HYBRID FLU-ACE
*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*

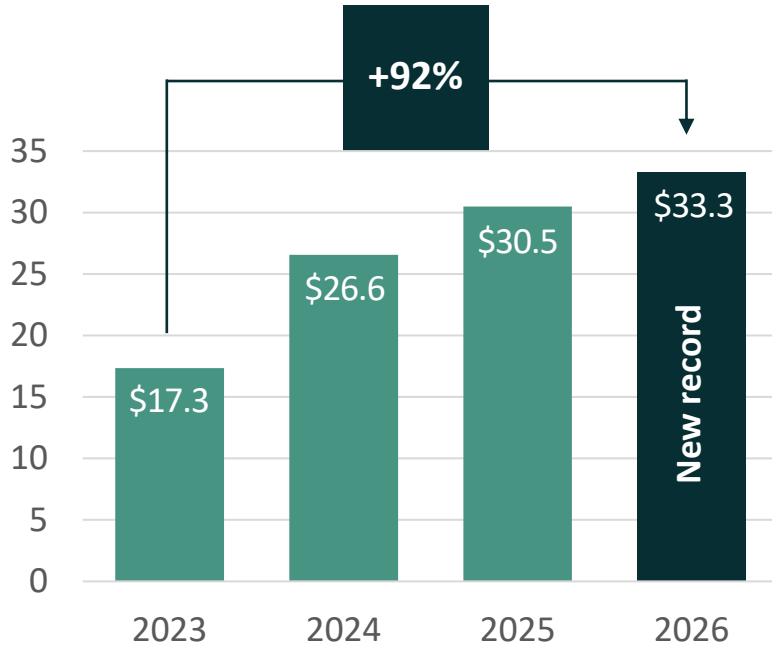
Significant repeat business

- Majority of orders come from top 10 key corporate accounts
- Combined, these 10 customers have ~1,000 sites worldwide
- Partially penetrated ~20% of these sites (total penetration <10%)



Revenue (\$ millions)

Last 4 quarters ended February 28



Record L4Q revenue fueled by last 2 quarters:

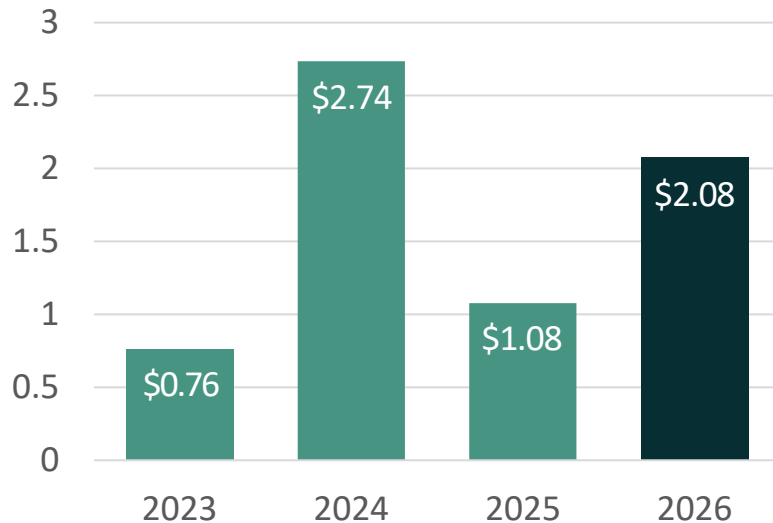
- Q2 2026 **+18%** YoY
- Q3 2026 **+62%** YoY

Notes:

- L4Q = Last four quarters
- Q2 period end is November 30
- Q3 period end is February 28
- Fiscal year end is May 31

Adjusted EBITDA¹ (\$ millions)

Last 4 quarters ended February 28

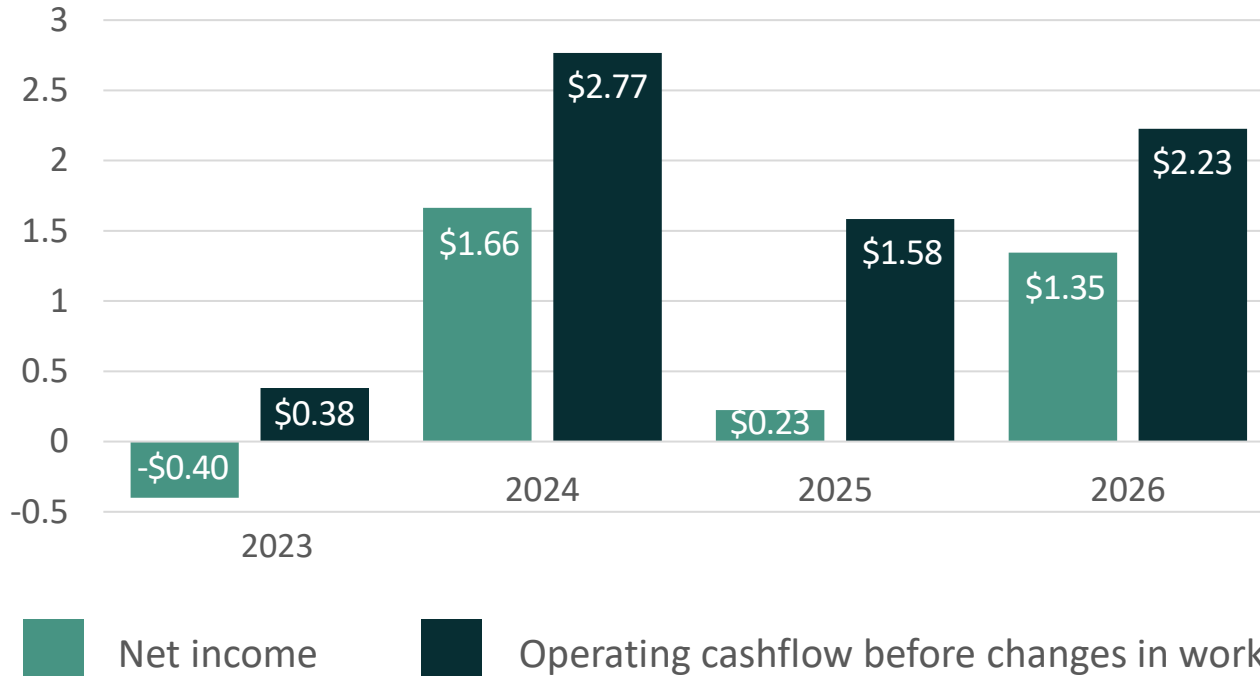


- Most recent 2 quarters, adjusted EBITDA **+\$1.2M** YoY
- L4Q 2025 profitability lowered by reinvestments for future growth

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

Net income vs operating cashflow (\$ millions)

Last 4 quarters ended February 28



- Profitable for the last 3 years with total net income of **\$3.2M**
- Operating cashflow over that time totaled **\$6.6M**

Strong balance sheet

(as at February 28, 2026)

Cash **\$4.0 M**

Working capital **\$3.7 M**

Bank debt **~\$0**

Repaid long-term debt:

- Repaid **\$3.9M** since May 2022
- Repaid **\$1.4M** over the last 4 quarters

Repurchased shares:

- Returned **\$0.5M** to shareholders over last 4 quarters

Strong order intake

(as at February 28, 2026)

Order intake (TTM):	\$31.3M +41.9%
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Order backlog:	\$14.7M -0.9%
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- Record TTM order intake
- Order backlog slightly lower due to executing faster; more efficiently converting orders to revenue

What's new?

Streamlined HeatSponge turnkey offering launched last summer

- Target larger, more strategic HeatSponge opportunities
- Simplified installation, no controls, no PDA required = quicker close, quicker revenue
- Higher margin for us, better ROI for customers



What's next?

- Establish HeatSponge manufacturing in Europe
- Develop indirect sales channels in North American and Europe
- Develop & promote standardized equipment packages



Summary

1. Energy efficiency is the fastest, cheapest, and easiest way to reduce carbon emissions
2. High ROI and short payback
3. Significant repeat business from blue chip multinationals
4. Track record of profitable growth





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Appendix



Proven growth strategy

1. Leverage existing blue chip customer base
2. Expand complementary product offering
3. 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

Develop indirect sales channels in both NA and EUR

- Develop / cultivate networks of Independent Manufacturers' Representative companies (“IMRs”) to focus on smaller, standardized equipment sales
- IMRs have relationships / provide ongoing service to end customers and have a “line card” of complementary products

Why?

- Opportunity for **more sales** (of smaller orders) **with less investment**
 - IMRs operate on a 100% success-based markup basis
- Frees up **internal sales team to focus on larger, more strategic opportunities**

Develop & promote standardized equipment packages

- Pre-engineered solutions sold from a line card
- Creates more opportunities for smaller projects

Why?

- **Reduces project development time** – no bespoke design required
- **Faster sales cycle** – projects quoted and sold directly from CREST survey data
- **Opens up smaller opportunities** ideal for IMRs

Establish HeatSponge manufacturing in Europe

- BEI to supply components for assembly & testing in Europe
- Move to contract fabrication shop as orders increase

Why?

- Largely untapped market for HeatSponge
- Shorter lead time and more cost effective

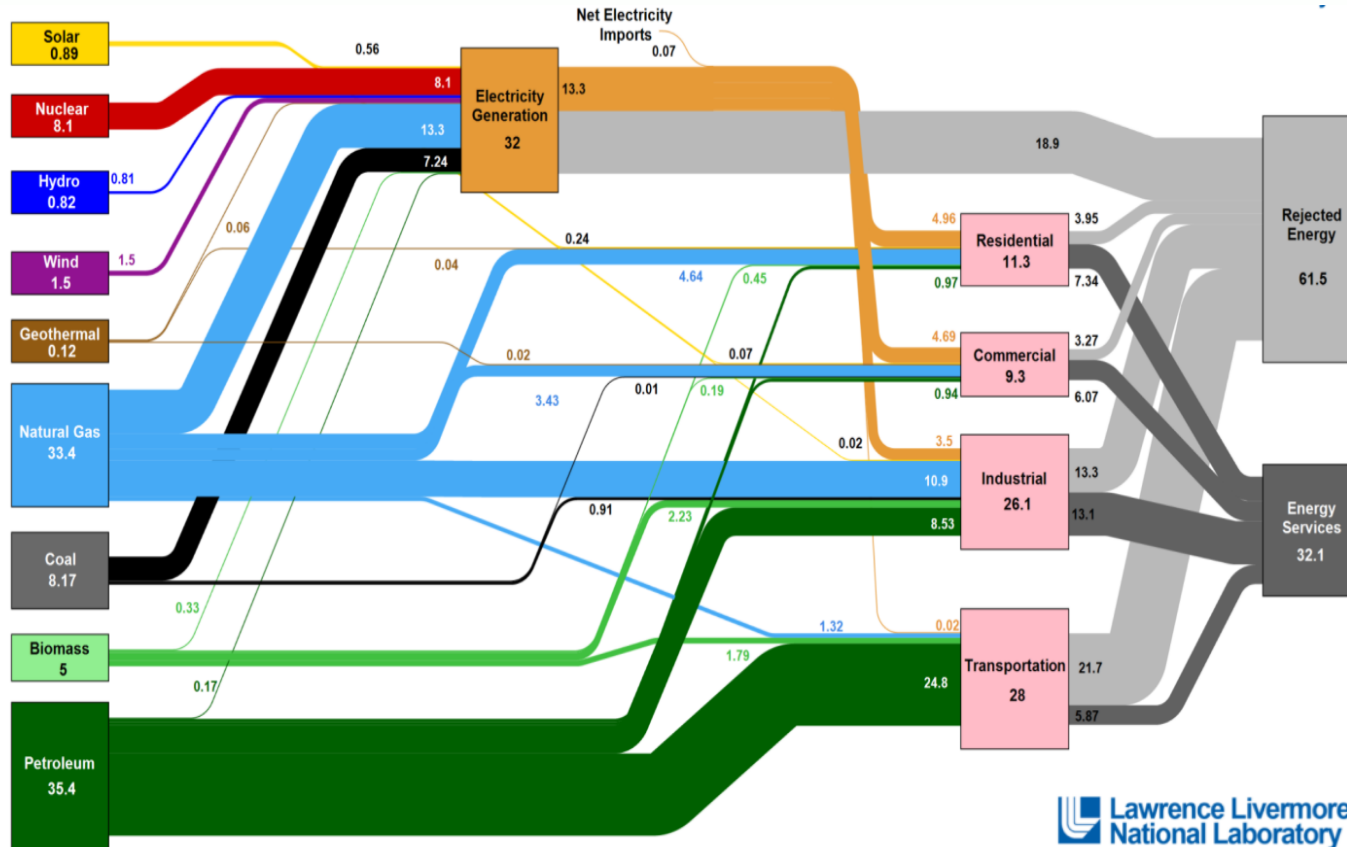


Carbon Reduction & Efficiency Scoping Tool (“CREST”)

- Quickly identifies energy savings and carbon reduction opportunities on site
- Catalyst for cross-selling; repeat business
- Speeds up overall sales cycle
- Reduces time needed for internal sales team and IMRs training and ramp up



Estimated U.S. Energy Consumption in 2023



*“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: Industrial

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