

Thermal Energy International Inc.

Energy Efficiency Driving Sustainable Growth



An Innovative Technology Company Providing Sustainability Solutions

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Forward-looking Statements



This presentation includes “forward-looking information”. For example, statements about the opportunities for repeat business; the possibility or expectation of additional orders; growth in existing markets; entry into new markets; order backlog; introduction of new products and services; establishment and growth of new distribution channels; growth opportunities and strategies; conversion of existing orders into revenues; are all forward looking information. Such forward looking information reflects Thermal Energy International’s (“TEI”) current expectations with respect to future events and are based on information currently available to management. Forward-looking information involves significant known and unknown risks, uncertainties and assumptions. For example, existing and new customers may not place orders for any number of reasons; fulfilment of orders, installation of product and activation of product could all be delayed for a number of reasons, some of which are outside of TEI’s control, which would result in anticipated revenues from such projects being delayed or in the most serious cases eliminated; TEI may not be successful in identifying and developing new products and our new or existing products may not result in new orders or gain acceptance in new geographical or industrial markets; we may not be successful in establishing new distribution channels or such new channels may not be successful; our growth strategies may not be successful or result in the anticipated growth and orders received by TEI may not turn into revenue in the time frame anticipated, or at all, due to many factors, some of which are outside of TEI’s control, including but not limited to TEI’s ability to deliver products on time and in accordance with specifications and the continuing financial viability of the customer. Readers are also referred to the risk factors outlined in our management’s discussion and analysis available at www.SEDAR.com. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking information contained in this presentation.

Readers should not place undue reliance on forward-looking information. The forward-looking information is made as of the date of this presentation and TEI does not assume any obligation to update or revise it to reflect new events or circumstances, except as required by law.

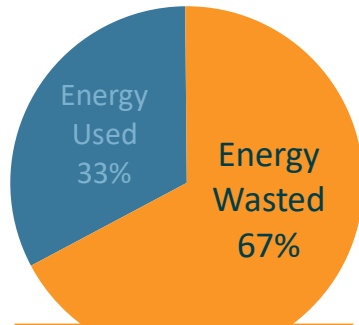
The term “EBITDA” as used in this presentation is not a recognized measure under IFRS, does not have a standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other companies. This measure is provided as additional information to complement 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.

Enormous Global Market - Strong Fundamentals

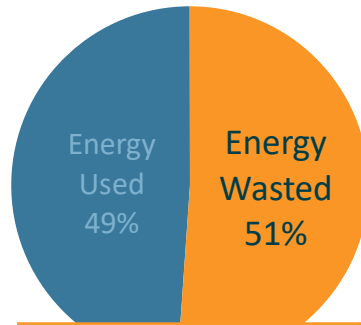


Why Energy Efficiency?

It is the fastest, cheapest, and most significant way to reduce carbon emissions - much > renewables



United States
Only 33% Efficient*



U.S. Industry
Only 49% Efficient*

*Source: Lawrence Livermore National Laboratory. Estimated U.S. Energy Consumption in 2019: 100.2 Quads

Our Focus: Industrial Thermal Energy

- Large, energy intensive sites
- 88% of industrial energy use is thermal energy
- 2X larger than residential & commercial markets combined

Significant customer benefits

- Reduces emissions & saves money
- Improves profitability & competitiveness

Global market for
TEI products
\$250B

Large, rapidly growing market - #BuildBackBetter

Exploiting the Global Market



Why Thermal Energy International?

1. We design, engineer and deliver:

- Innovative, turnkey thermal energy efficiency projects
- Using our suite of unique proprietary products
- Sustainability that pays for itself (2 – 5 year paybacks)

2. Through an established robust, proven global presence:

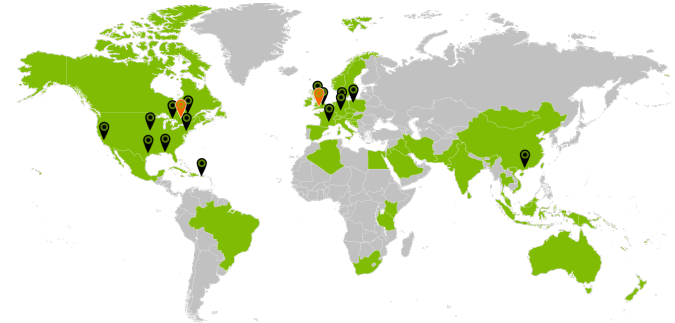
- Corporate offices in CAD, USA, & UK
- Sales offices in 7 countries
- 100's of projects completed across the globe
- Extensive list of leading multinational customers
- Wide range of industry sectors
- Over 10 years of successful operations and solid growth



HeatSponge

FLU-ACE®
HEAT RECOVERY SYSTEM

Dry-Rex™
LOW TEMP BIOMASS DRYING



Proven Success, Experience, and Profitability

Leading Multinational Company Customer Base



Large base of repeat customers

- Our customers each have 100s of sites worldwide
- Wide variety of sectors; 80% essential, non-cyclical food & beverage, hospitals, pharmaceutical
- Delivering real value to our customer; impressive paybacks & compelling IRRs

To date our customers have saved



\$434 million in energy costs



4.6 million tonnes of carbon emission reductions

Recent Projects										
Value	\$920K	\$1.5M	\$850K	\$1.4M	\$650K	\$1.5M	\$482K	\$2.3M	\$960K	\$2.4M
Payback	2.4 yrs	4 yrs	2.3 yrs	1.9 yrs	1.6 yrs	3.9 yrs	2.0 yrs	3.1 yrs	2.9 yrs	2.0 yrs
Location	Eur	Eur	NA	Eur	Eur	NA	Eur	Eur	Eur	NA

Just getting started - 1,000s of sites to go

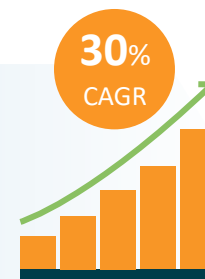
Strong & Proven Growth Story



Growth Strategy

- Leverage existing high quality customer base
- Increase product portfolio
- Grow team and global presence

Grow organically and through accretive acquisitions



Delivering impressive long term growth

(CAD '000s)	CAGR	LTM Q3 (Feb) 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Revenue	31% 5 yr.	\$24,600	\$21,083	\$17,408	\$13,192	\$12,402	\$6,800
EBITDA	55% 4 yr.	\$2,919	\$1,476 ¹	\$1,217 ¹	\$750	\$564	-\$2,049
Net Income	64% 4 yr.	\$1,656	-\$451	\$619	\$393	\$259	-\$2,155

¹FY 2018 and FY 2019 EBITDA excludes \$600k and \$1.3 million respectively in strategic expenses to drive future growth

Delivering long term growth of 30%+ CAGR

COVID-19 Global Pandemic Response



Travel restrictions, customer lockdowns, economic slowdown (March – June)

Making the best of a bad situation = Increased and enhanced staff training + immediately rolled out digital system upgrades



Office 365, Teams, and SharePoint rolled out

- Facilitates remote working collaboration and work sharing



TEI Intranet Portal (Virtual Office) built

- Centralized resources, activities and work-flows in one spot



New TEI Learning Centre (intranet training hub) created

- 75 live training sessions captured, over 120 hours of training



Enhanced systems and capabilities prepared us for a return to full capacity and the **new normal**

#BuildBackBetter!

Unprecedented Global Demand for Sustainability



“EU makes world's biggest 'green recovery' pledge”

Reuters, July 22, 2020

“A Green Recovery Is Best Way To Bounce Back From Covid-19”

Forbes, Oct 21, 2020

“Europe’s leaders agree to reduce greenhouse gas emissions 55 per cent by 2030”

The Globe and Mail, Dec 11, 2020

“Biden’s economic adviser says climate change at heart of job-creation agenda”

The Globe and Mail, Jan 13, 2021

“BlackRock (world's largest asset manager) Urges Companies to Disclose, Do More on Greenhouse-Gas Emissions”

Wall Street Journal, Jan 26, 2021

“Europe doubles down on a pandemic recovery plan that’s green to the core”

Fortune, Sep 16, 2020

“UK announces ‘ambitious’ plan to cut greenhouse gas emissions by 68%”

CNBC, Dec 4, 2020

“UN secretary general urges all countries to declare climate emergencies”

The Guardian, Dec 12, 2020

“The incoming White House team — represents the most robust climate-focused group assembled in the West Wing”

The Washington Post, Jan 14, 2021

“Bank of America, KPMG, Mastercard, and some 60 other top companies adopt new ESG metrics”

Business Insider, Jan 26, 2021


Strong Rebound in Orders & Activity



Q2 (Aug – Nov) activity and site visits resumed

- **Order Intake recovers:**
\$9.4M in orders since June
Up 66% compared to last year

#BuildBackBetter
+
Pent up demand
= Strong
order rebound
since June



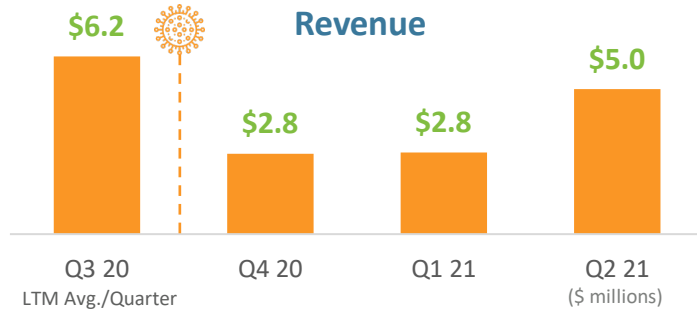
Jun 1 – Nov 30 Order Intake



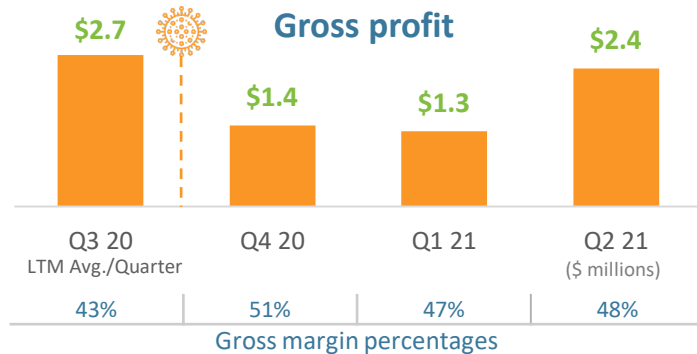
Back on track to continue strong growth

Q2 Financial Summary

Nov 30, 2020



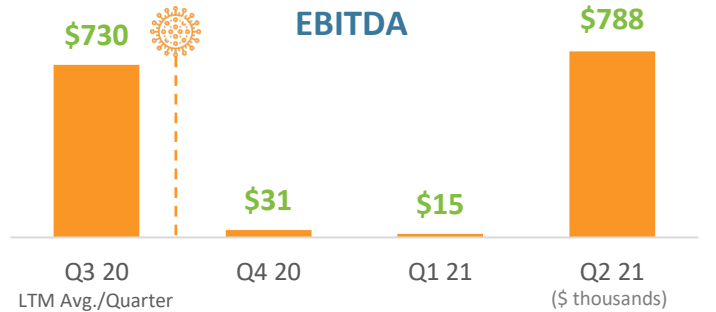
- Q2 Revenue up 78% compared to Q1 2021
- Q2 Gross profit up 84% compared to Q1 2021
- Back very close to pre-COVID-19 levels



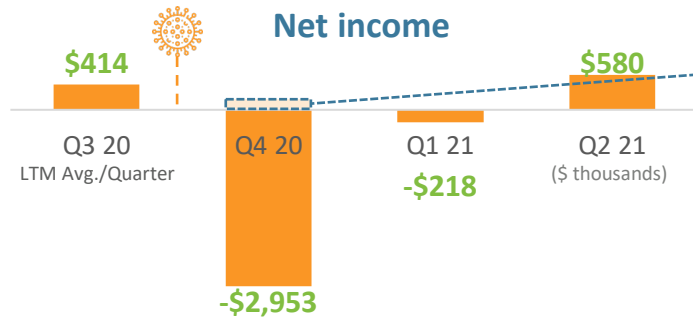
Rebounding revenue & profit

Q2 Financial Summary

Nov 30, 2020



- EBITDA up \$733K compared to Q1 2021
- Net income up \$798K compared to Q1 2021

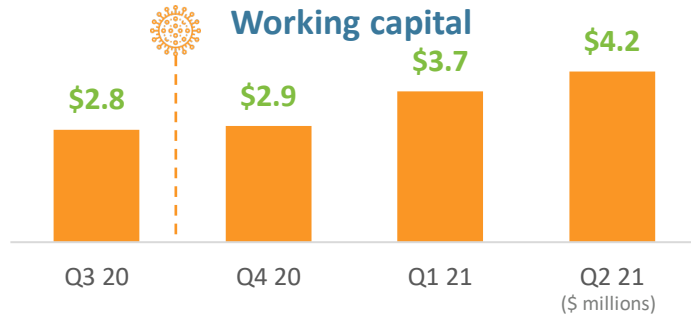


• \$3.1 million one-time non-cash write down of intangible assets

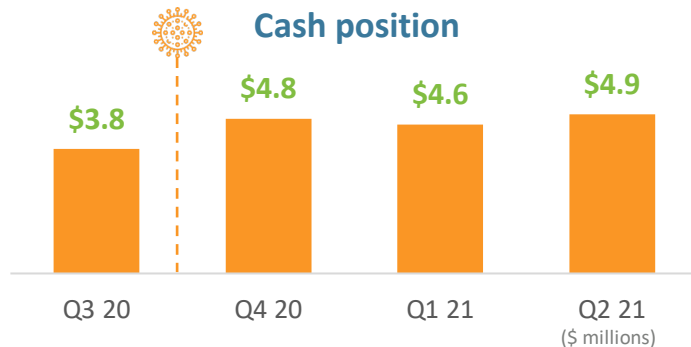
Rebounding revenue & profit

Q2 Financial Summary

Nov 30, 2020



- Working capital and cash position remain very strong



Strong working capital & cash position

Q2 Financial Summary

Nov 30, 2020



- \$9.4 million in orders received since June 1, 2020.
- 66% more orders than the same time last year
- Since quarter end received additional \$1.7M in new orders

Order intake exceeds pre-COVID levels




Compelling Investment Opportunity



	TSX-V: TMG
Recent Price:	\$0.205
52 Week Range:	\$0.05 - \$0.235
Market Cap:	\$32.8 million
Enterprise Value	\$31.5 million
Current Valuation (\$0.205) based on...	Pre-COVID Performance
EV to revenue	1.3
EV to EBITDA	10.9
PE (adjusted)	19.8

Shares data as of Jan 26, 2021. Balance sheet data as of Nov 30, 2020
Pre-COVID Performance = Q3 2020 LTM

Successful and profitable business:

-  Fast-growing global market with strong fundamentals
-  Growing portfolio of proprietary products
-  Leading multinational customers across many sectors

Continuing our strong track record of growth:

-  YTD orders up 66% compared to last year (pre-COVID)

Invest now

Thermal Energy's current valuation does not reflect:

- **Proven growth and profitability**
- Expected market improvements **#BuildBackBetter**

A strong growth story with compelling valuation

Proven, Profitable, Sustainable Growth

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