



Fiscal 2018 year end financial review and update

TSX-V: TMG | November 2018

Forward-looking statements



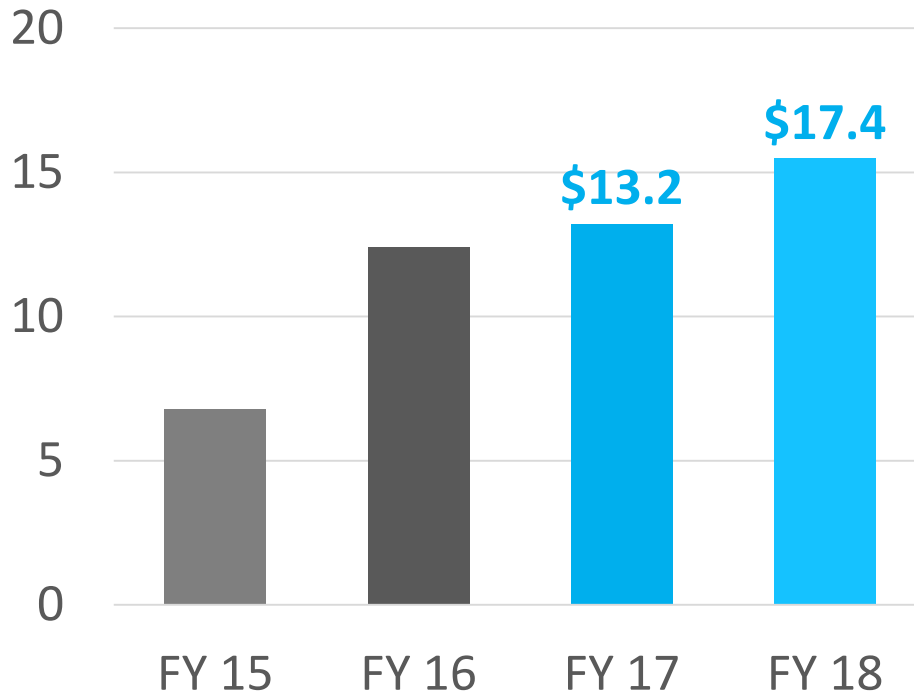
This presentation includes “forward-looking information”. For example, statements about the opportunities for repeat business, additional orders, entry into new markets and growth of recurring revenue streams; order backlog; introduction of new products and services and growth opportunities and strategies 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. 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.

Year end revenue



(\$ millions)



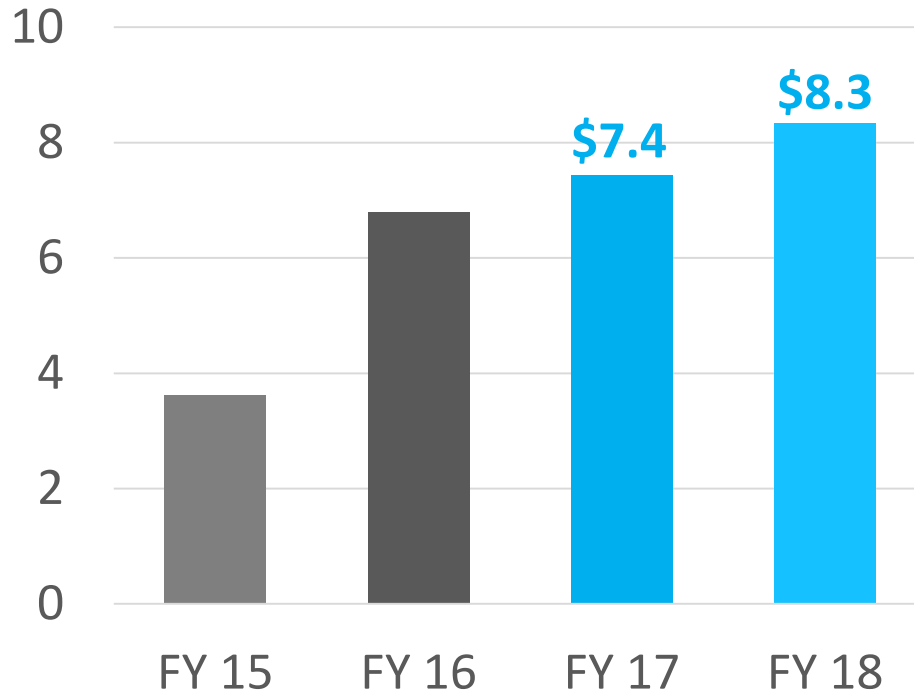
FY 2018 highlights:

- Record revenue - the strongest in the Company's history
- Up 32 % over FY 2017
- 3-year CAGR of 37%

Year end gross profit



(\$ millions)



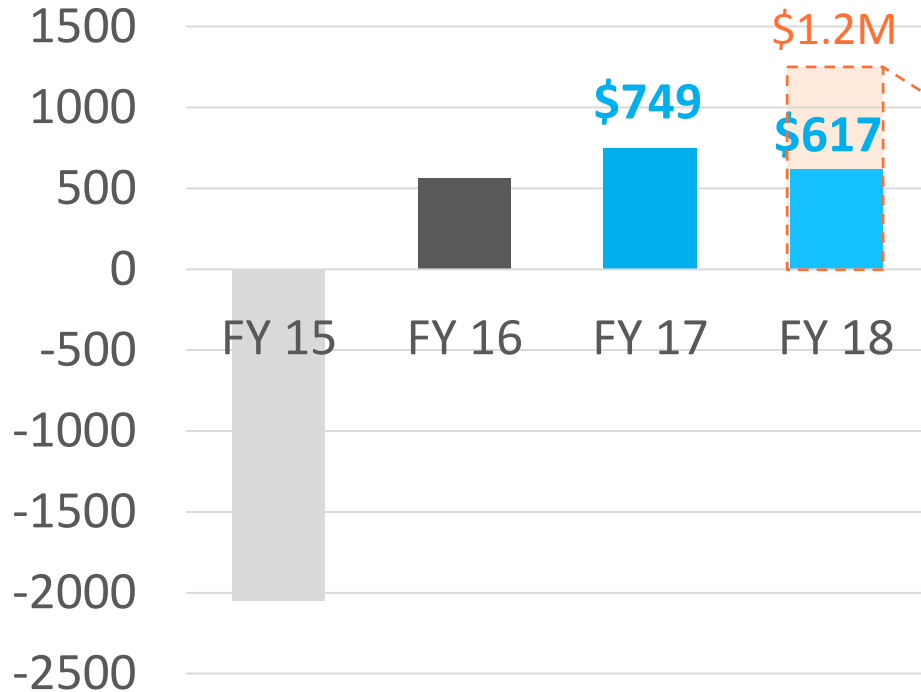
FY 2018 highlights:

- Record gross profit
- Up 12% over FY 2017
- Gross margin decreased due to product mix (higher proportion of heat recovery revenue)

Year end EBITDAS



(\$ thousands)



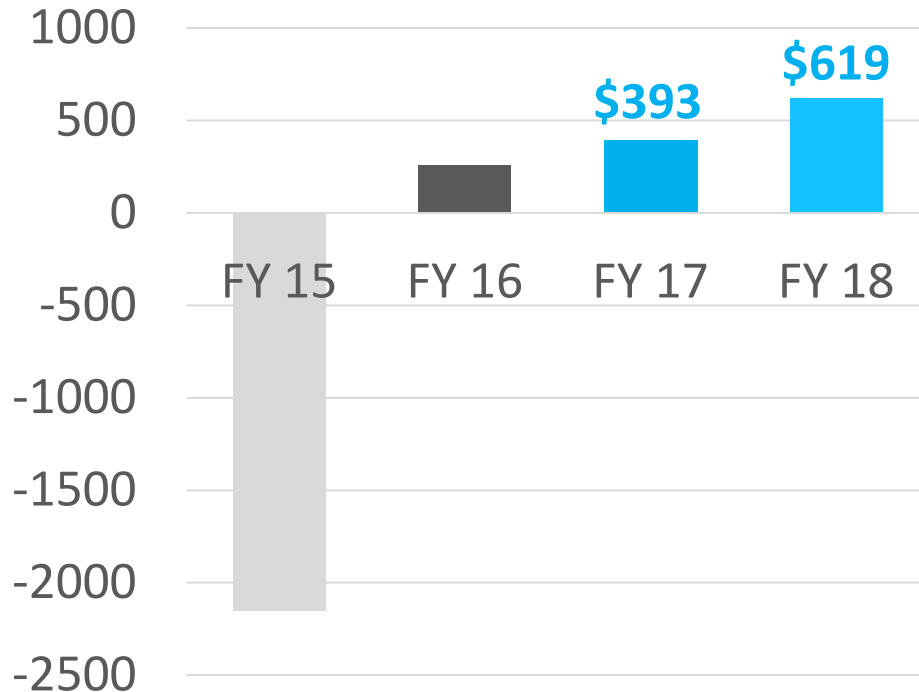
FY 2018 highlights:

- Decreased 17% to \$617K
- Would have been up **64%** to **\$1.2M** excluding \$389K in strategic investments in future growth and \$224K in one-time BEI acquisition costs

Year end net income



(\$ thousands)



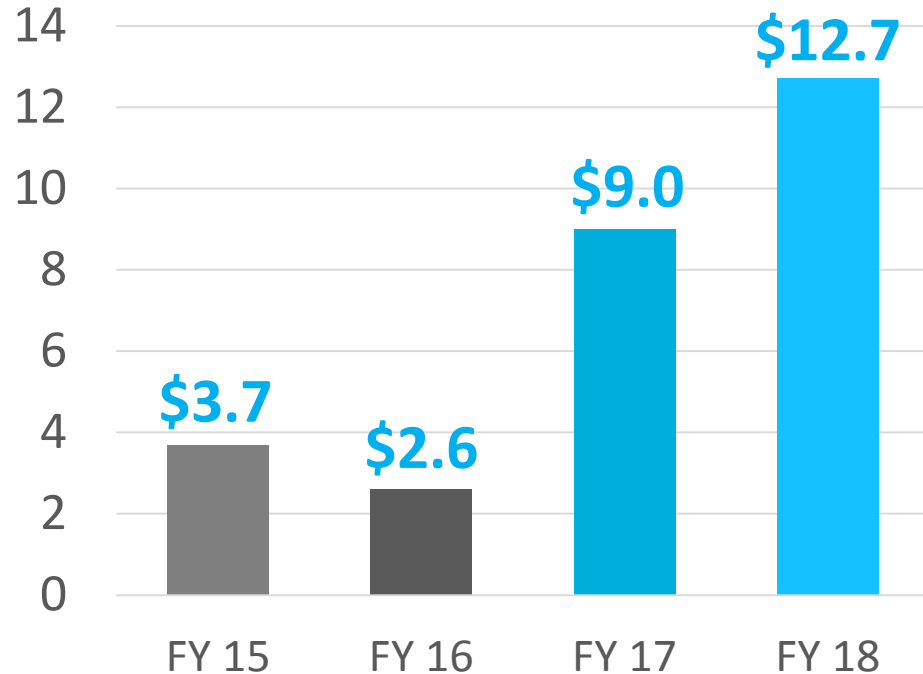
FY 2018 highlights:

- Increased **58%** to \$619K
- Includes \$613k of expenses related to strategic investments in future growth and one-time acquisition costs

Year end order backlog



(\$ millions)



- Company had an order backlog of \$12.7M as of Sept.26/18
- Increased **40%** compared to \$9M as of Sept.22/17
- **Order backlog:** The value of projects in respect of which purchase orders have been received but have not yet been reflected as revenue in the Company's published quarterly financial statements.

Recent key projects: Food & beverage



June 2018

- **\$1.2M** order from a leading Fortune 500 food & beverage leader for a 3rd turn-key FLU-ACE[®] heat recovery system
- Expected to provide \$245,000 in annual utility savings
- Reducing GHG by 2,085 tonnes per year



Recent key projects: Teaching hospital



March 2018

- **\$820K** Teaching Hospital heat recovery project
- FLU-ACE system expected to provide **\$220K/year** in savings
- Reducing GHG emissions by **1,007 tonnes/year**.



Recent key projects: Pulp & paper mill



December 2017

- \$11M Pulp and Paper customer major energy efficiency improvement and GHG reduction project
- Expected to provide annual natural gas savings of **more than 35%**
- Reducing GHG emissions by 20 % or **43,000 tonnes/year**.

Recent key projects: Food & beverage



August 2017

- **\$1.46M** Super-Efficient Cogeneration heat recovery project for Fortune 500 food & beverage customer
- Expected to reduce coal-generated power by 23 million kWh per year
- GHG reduction of 14,500 tonnes per year

Strong market fundamentals,
enormous growth potential

Growing productivity

- Sales tools & support
- Enhanced marketing & branding
- Corporate accounts

Expanding the business

- Growing our team & global presence
- New products

**Grow organically
and/or through
accretive
acquisitions**

Growing our team & global presence



Added:

- Quebec (2014)
- Midwest US (2014)
- Southeast UK (2014)
- Latin America (2016)
- Ontario / CoGen (2016)
- South Germany (2017)
- EU Sales Director (July 2017)
- Senior engineer (Oct. 2017)
- EU marketing manager (Jan. 2018)
- Texas sales person (Feb. 2018)
- North Germany sales person (Apr. 2018)
- Poland sales person (July 2018)

Planned:

- 2 junior engineers
- Production Technician
- Northwestern North America (2018)
- France
- Eastern Europe

Growing our offering, reach and channels



- Acquisition of BEI in June
 - Expanded offering of complementary products
 - Direct access to new sales channels
 - Added a strong US base of operations



Investment highlights



1. Enormous, fast-growing market
2. Experienced and established North American and European sales platform
3. Proprietary products sold to leading companies in many sectors and geographies
4. Growing team, global presence and product offerings
5. Poised to continue strong track record of growth



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