



**Q3 2023 Overview
Investor Presentation**

Disclaimer

IMPORTANT: YOU MUST READ THE FOLLOWING BEFORE CONTINUING. The information contained in this presentation has been prepared by Tantalus Systems Holding Inc. (the “Company”) for information purposes only. References to “Tantalus” or the Company for periods prior to January 29, 2021 refer to the Company’s predecessor entities. This presentation does not constitute or form part of any advertisement of securities, any offer or invitation to sell or issue or any solicitation of any offer to purchase or subscribe for, any securities of the Company in any jurisdiction, nor shall the presentation or any part of it, nor the fact of its communication or distribution form the basis of, or be relied on in connection with, any contract or investment decision. No representation or warranty, express or implied, is given by the Company, its affiliates or any of their respective advisers, officers, employees or agents, as to the accuracy, completeness or fairness of the information or for any loss howsoever arising, directly or indirectly, from any use of the presentation or its contents. The merit and suitability of any investment in the securities of the Company should be independently evaluated and any entity or person considering such an investment is advised to obtain independent legal, tax, accounting, financial, credit and or any other related advice prior to making an investment.

FORWARD LOOKING INFORMATION. Certain statements in this presentation (including, without limitation, the strategic growth initiatives and the investment thesis information cited within this presentation) may constitute “forward-looking information” within the meaning of applicable securities laws that involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements or industry results to be materially different from any future results, performance or achievements or industry results expressed or implied by such forward-looking information. Forward-looking information is identified by the use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “will”, “would”, and similar terms and phrases, including references to assumptions. Such information may involve, but is not limited to, comments with respect to strategies, expectations, planned operations or future actions. Forward-looking information in this presentation includes, without limitation, statements with respect to: anticipated financial results, new product introductions, the expansion of partnerships, estimates regarding the growth of utility customers, the conversion of backlog and the continuing impact of secular drivers on Tantalus’ industry.

The forecasts and projections that make up the forward-looking information in this presentation are based on management’s expectations and assumptions regarding historical trends, current conditions and expected future developments. The forward-looking information in this presentation is subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. The factors which could cause results to differ from current expectations include, but are not limited to: economic and political uncertainty, especially due to the COVID-19 pandemic; risks involved in developing products and integrating them with third-party products and services; market acceptance of the Company’s products and services; technological change; lengthy sales cycle; management of growth and expansion; dependence upon key personnel and hiring; competition; the Company not adequately protecting its intellectual property; risks related to product defects and product liability; and, currency exchange rate risk.

Although Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended, including those risks and uncertainties discussed in the Company’s materials filed with the Canadian securities regulatory authorities from time to time, available under the Company’s profile on SEDAR+ at www.sedarplus.ca. Also, many of the factors are beyond the control of the Company. Accordingly, readers should not place undue reliance on forward-looking information. The forward-looking information is made as of the date of this presentation, and the Company assumes no obligation to publicly update or revise such forward-looking information to reflect new information, subsequent or otherwise, except as may be required by applicable securities law. The forward-looking information contained in this presentation is expressly qualified in its entirety by this cautionary statement.

GAAP and U.S. GAAP. The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles (“GAAP”) applicable to publicly accountable enterprises (which are International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS)). Financial information of the Company in respect of periods prior to 2017 are prepared in accordance with U.S. generally accepted accounting principles, which differs in certain material respects from GAAP.

NON-GAAP MEASURES. This presentation makes reference to certain non-GAAP financial measures. These non- GAAP financial measures are not recognized measures under GAAP, do not have a standardized meaning prescribed by GAAP, and are therefore unlikely to be comparable to similar measures presented by other publicly traded companies, and should not be construed as an alternative to other financial measures determined in accordance with GAAP. Rather, these financial measures are provided as additional information to complement GAAP financial measures by providing further understanding of operations of the Company from management’s perspective. Accordingly, non-GAAP financial measures should never be considered in isolation nor as a substitute to using net income as a measure of profitability or as an alternative to the GAAP statements. Management presents non-GAAP financial measures, specifically EBITDA and EBITDA Margin, as it believes these supplementary disclosures provide useful additional information related to the operating results and financial condition of the Company and uses these measures of financial performance and financial condition as a supplement to the consolidated statements of income and statements of financial position of the Company. The definitions of the non-GAAP measures contained in this presentation are as follows: (i) “EBITDA” means earnings before interest, taxes, depreciation and amortization with adjustments for stock based compensation expense and non-recurring non-core business expenses; and (ii) “EBITDA Margin” means EBITDA as a percentage of revenue. Please refer to the Company’s Management’s Discussion and Analysis for the years ended December 31, 2022 for reconciliations of such non-GAAP measures to GAAP measures.

THIRD PARTY INFORMATION. Certain information contained in this presentation includes market and industry data that has been obtained from or is based upon estimates derived from third party sources, including industry publications, reports and websites. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance or guarantee as to the accuracy or completeness of included data. Although the data is believed to be reliable, neither the Company nor its agents have independently verified the accuracy, currency or completeness of any of the information from third party sources referred to in this presentation or ascertained from the underlying economic assumptions relied upon by such sources. The Company and its agents hereby disclaim any responsibility or liability whatsoever in respect of any third-party sources of market and industry data or information.

CURRENCY. References in this presentation to “US\$” and “C\$” are to United States dollars and Canadian dollars, respectively. The Company presents its financial statements in US\$.

Why Invest in Tantalus?

Strong Market



Large and Growing Market Opportunity

- \$5.8 billion TAM across current market with existing solutions
- Additional \$10+ billion TAM associated with the TRUSense™ Gateway (new offering)
- Strong secular growth drivers that are not subject to cyclical trends

Competitive Advantage



Competitive Advantage, Differentiated Technology

- Supporting 280+ utilities across the United States, Canada and the Caribbean Basin
- 99% retention rate of the utilities with high barriers to entry
- First to market with new TRUSense Gateway to integrate EVs, solar, storage and breakers

Business Model



Scalable Business Model

- Annual Recurring Revenue of \$11M (as of 9/30/23) and growing at ~20% CAGR
- Software & services represents 30%+ of revenue
- Sufficient balance sheet to support the growth of the business

Experienced Management



Highly Experienced, Credible Team

- Independent Board with substantial industry and public company governance expertise
- Experienced management team with over 200+ years of industry experience
- Experienced investor relations support + ITG as our market maker

Tantalus Overview: Modernizing the Electric Grid

Substantive business with strong fundamentals and a defined path to accelerate growth

Purpose

- Helping utilities modernize the grid
- Improving resiliency & reliability
- Preparing for the energy transition
- Integrating solar, storage and EVs

Commercial Scale

- 285 utility customers
- 3.3M connected devices shipped
- 30+B data points / year collected
- 99.4% customer retention rate

Financial (Q3 '23)

- US\$10.1M of revenue in Q3'23
- US\$31.8M of revenue YTD'23
- ARR of approximately US\$11M
- US\$43.9M of revenue TTM
- US\$4.2M of cash

Growth Paths

- Existing deployments (~ \$150M)
- TRUSense Gateway (\$1B TAM)
- Stimulus funding (\$400+ billion)

Capitalization

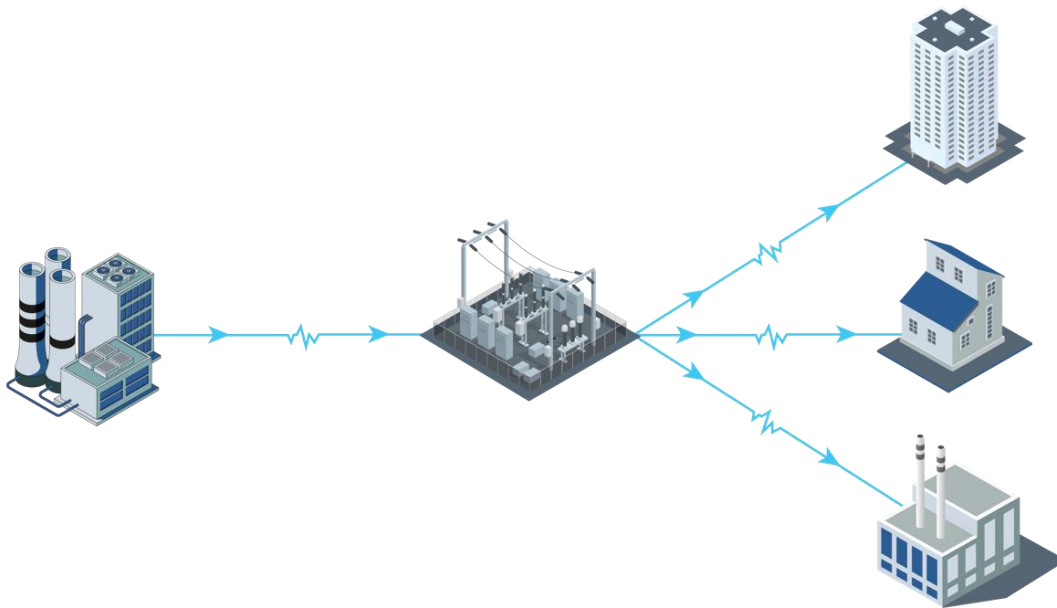
- Market Cap of ~CND\$37.5M
- 44.6M shares outstanding
- Institutional ownership of ~75%
- Directors / Officers own ~7%
- Analysts' consensus of C\$2.34

The Problem: An Antiquated and Aging Distribution Grid

Existing grids are not compatible with current and long-term needs of consumers

Legacy Power Grid

One-way power flow
No intelligence at the edge



Major Catalysts for Investments

Extreme weather events
Aging infrastructure + workforce
Decarbonization / Electrification

- Grids designed for centralized sources of power
- Distribution transformers are at or near end of life
- Many utilities still rely on manual meter reading
- 1st generation automated reading is being upgraded
- Limited visibility into outages or power quality
- Limited preparation to support distributed energy resources (DERs) and EV charging

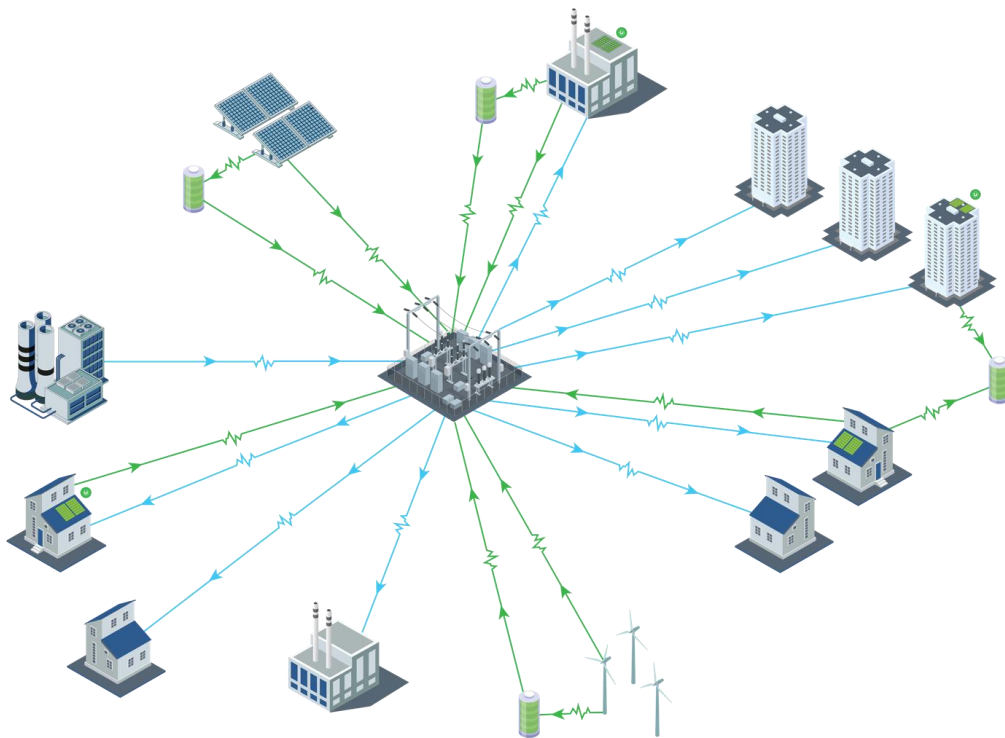
The Solution: Interoperable and Compatible Data

Managing data across devices and systems is mission critical for grid modernization

Integrated Smart Grid

Multi-directional power flow

Digital connections to intelligent endpoints



Modernizing the Grid

Delivering Visibility, Command & Control

- Utilities must have connectivity to intelligent devices through an IoT capable communications network
- Provide interoperability of data that is compatible with existing operational systems
- Leverage AI-enabled data analytics to proactively manage infrastructure and avoid events tied to asset failures

Modernizing the Grid Leads to a Sizeable Market Opportunity

Substantial Investment Being Made to Automate Distribution Grid Infrastructure



Electric utilities spent \$40 billion in the US on the distribution grid in 2020

Source: EEI Industry Capital Expenditures with Functional Detail Report (December 2020)

% of Utility Executives in the US Acknowledging the Need to Continue to Invest in the Grid



90%

Source: Accenture Study, May 13, 2020

Operating Segment (Figures in USD)

US TAM (\$B)

Connected Devices

Public Power + Cooperative

\$3.7B

Utility Applications + Analytics

\$1.0B

Congruitive Data Management Software

\$1.0B

TRUSense Gateway (new offering)

\$10.1B

Estimated TAM

\$15.8B

Solution Overview

Comprehensive platform to enable grid modernization

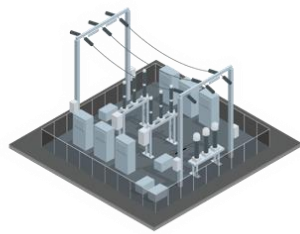


Existing Solutions Continue to Gain Market Share

Differentiated hardware and software solutions leads to multi-decade relationships with utilities

SUBSTATION-TO-METER

Existing capabilities include edge computing, software and predictive analytics (powered by AI)



SUBSTATION

- Substation Automation
- SCADA-as-a-Service



DISTRIBUTION FEEDER

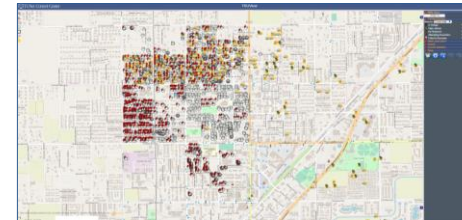
- DA Integration
- Power Quality Analytics
- Transformer Analytics



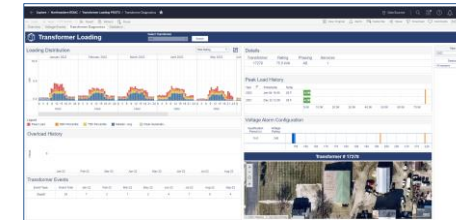
METER

- AMI 2.0
- ERT Migration

Power Outage / Restoration



Power Quality & Distribution Transformer Analytics



AMI Management + Customer Engagement



Developing Next-Generation Solution to Expand Our TAM

Developing a first-to-market, next-generation capability to address the immediate and long-term challenges of integrating EVs and DERs

BEHIND-THE-METER

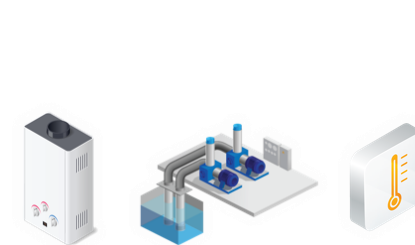
The power of going from EV Chargers and DERs directly to SCADA and mission-critical systems

TRUSense Gateway

- Sits between existing meters and meter sockets
- Delivers AMI 2.0 capabilities with existing meters
- Integrates DERs that are deployed behind the meter
- Provides advanced power quality measurement
- Supports demand-side management / load management
- Powers and supports broadband services



WATER HEATER, POOL PUMP, THERMOSTAT



SOLAR PANELS, POWER WALLS, EV CHARGER (DERs)



TRUSense Gateway Models

- Fiber (TFG) (currently in field trial)
- Ethernet (TEG) (field trials planned for Q1 '24)
- Cellular (TCG) (field trials planned for Q2 '24)

The Historical Approach for Utilities to Manage Grid Data Must Change

DATA DESTINATIONS: Utility Centralized Systems

SCADA

ADMS

DERMS

FLISR

VVC

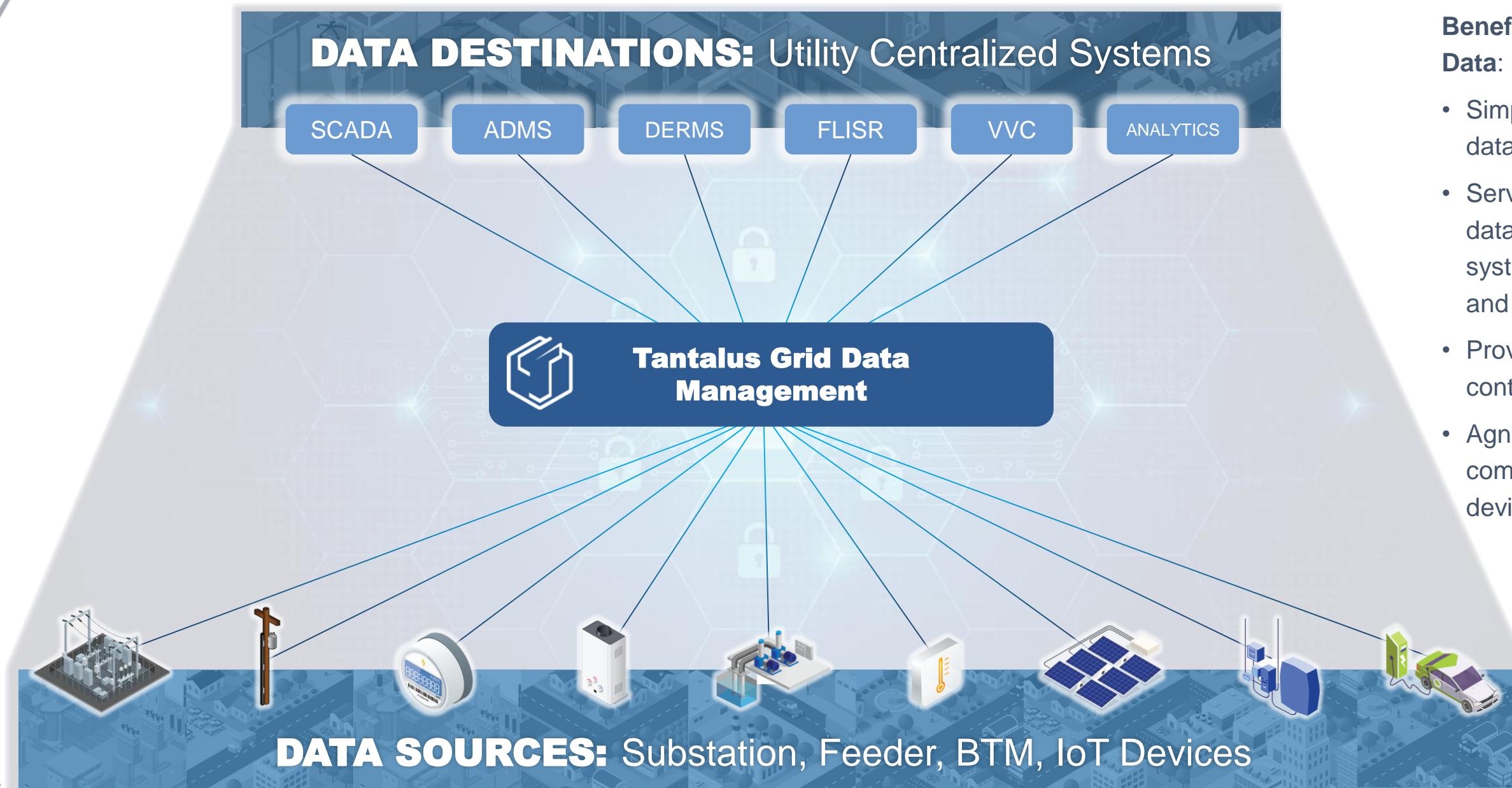
ANALYTICS

Challenges associated with this approach:

- Multiple parallel data connections to each device
- The same data is transported multiple times
- Reduced throughput
- Much higher cost associated with integration
- Inherently insecure
- Not scalable to IoT proportions

DATA SOURCES: Substation, Feeder, BTM, IoT Devices

A New Path for Utilities to Benefit from Interoperability of Data



Benefits of Unifying Data:

- Simplify and streamline data acquisition
- Serve the acquired data to the appropriate system at the right time and in the right protocol
- Provide a path for control commands
- Agnostic approach for communications, devices and systems

A Unified Platform to Improve Overall System Planning & Performance

Combining existing and new capabilities to deliver a next-generation platform to support comprehensive distribution grid management

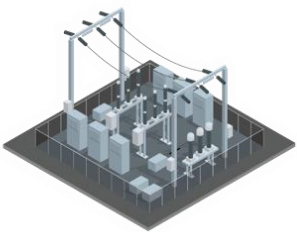
SUBSTATION-TO-METER

(Traditional Areas of Focus for Utilities)

BEHIND-THE-METER

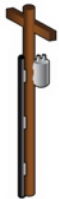
(Extending the “Grid Edge” to Improve Resiliency and Efficiency)

GRID
EDGE



SUBSTATION

Improve system planning at the circuit and feeder level



DISTRIBUTION FEEDER

Protect transformers from premature failure

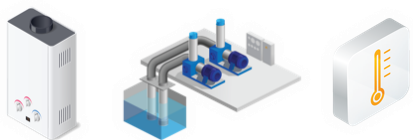


METER

Deliver AMI 2.0 capabilities while leveraging existing infrastructure



Integrate and control devices located behind the meter



WATER HEATER, POOL PUMP, THERMOSTAT

Mitigate imbalances between supply & demand
Integrate DERs and EVs as grid resources
Granular power quality sensing and analysis
Enable broadband services via fiber



SOLAR PANELS, POWER WALLS, EV CHARGER (DERs)

Tantalus Grid Data Management

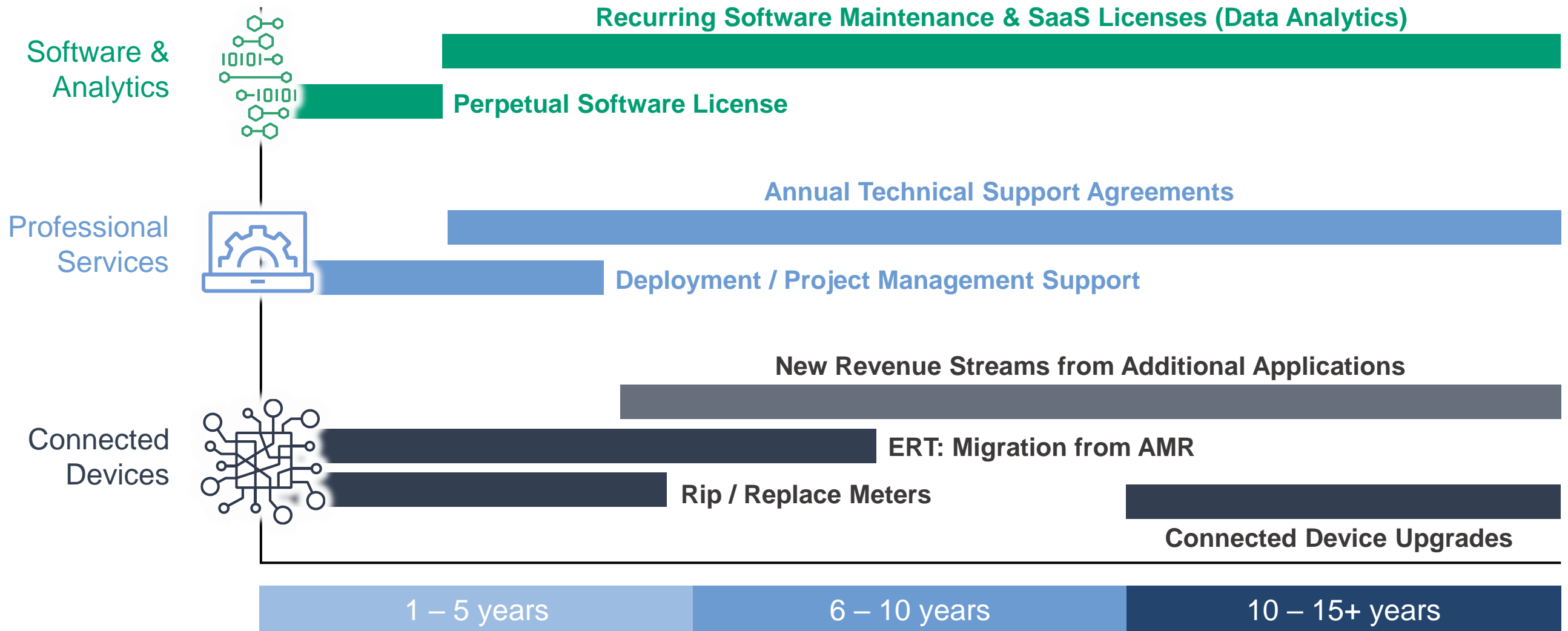
Delivers interoperability and security with AI-enabled analytics & grid optimization tools

Financial Overview

Strong fundamentals with ability to scale

How Tantalus Generates Revenue

Expanding recurring and repeatable revenue contributions from software and services



Key Milestones Delivered Through Q3 '23

Achieved several financial, operational and R&D milestones during the first nine months of 2023



Financial

- Revenue growth of 12% over prior year period & 25% on a TTM basis
- Set a milestone for revenue generated during 1st nine months of a year
- Maintained strong Gross Profit Margin @ 53% in Q3
- Delivered positive Adjusted EBITDA in Q3
- Balance sheet remains sufficient to support ongoing operations



Operational

- Converted 14 utilities YTD, expanding our user community to 285 utilities
- Set a milestone for orders converted during the first nine-months of a year at \$27.6M
- Continue to witness growing interest in the TRUSense Gateway and C.IQ capabilities

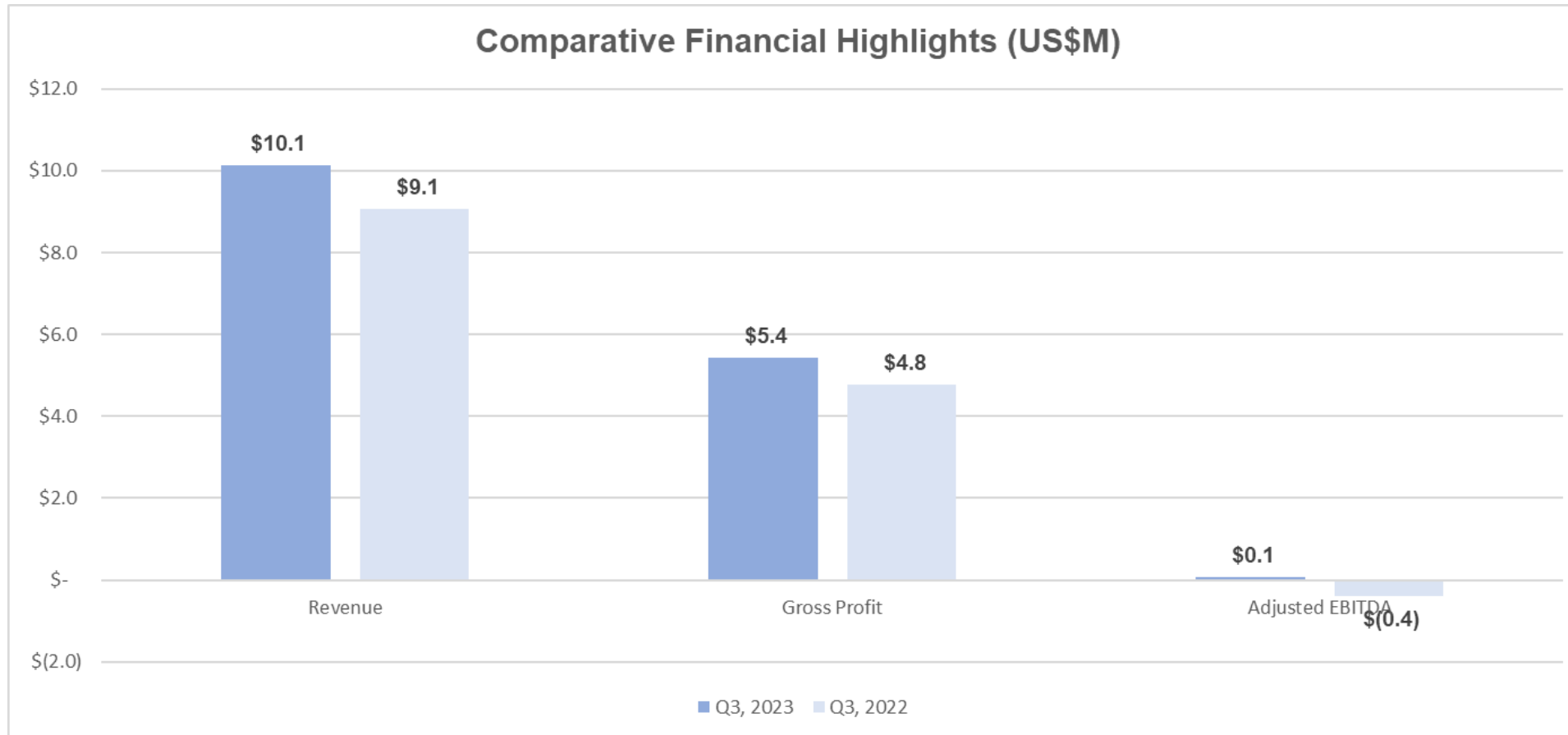


R&D

- Expanded field trials of the TRUSense™ Fiber Gateway while awaiting UL Certification
- Secured contracts / orders from 18 utilities for our Analytics offerings (~\$300k ARR)
- Continue to make good progress on key pilots and pursuits for Congruitive's software

Q3 Income Statement Summary

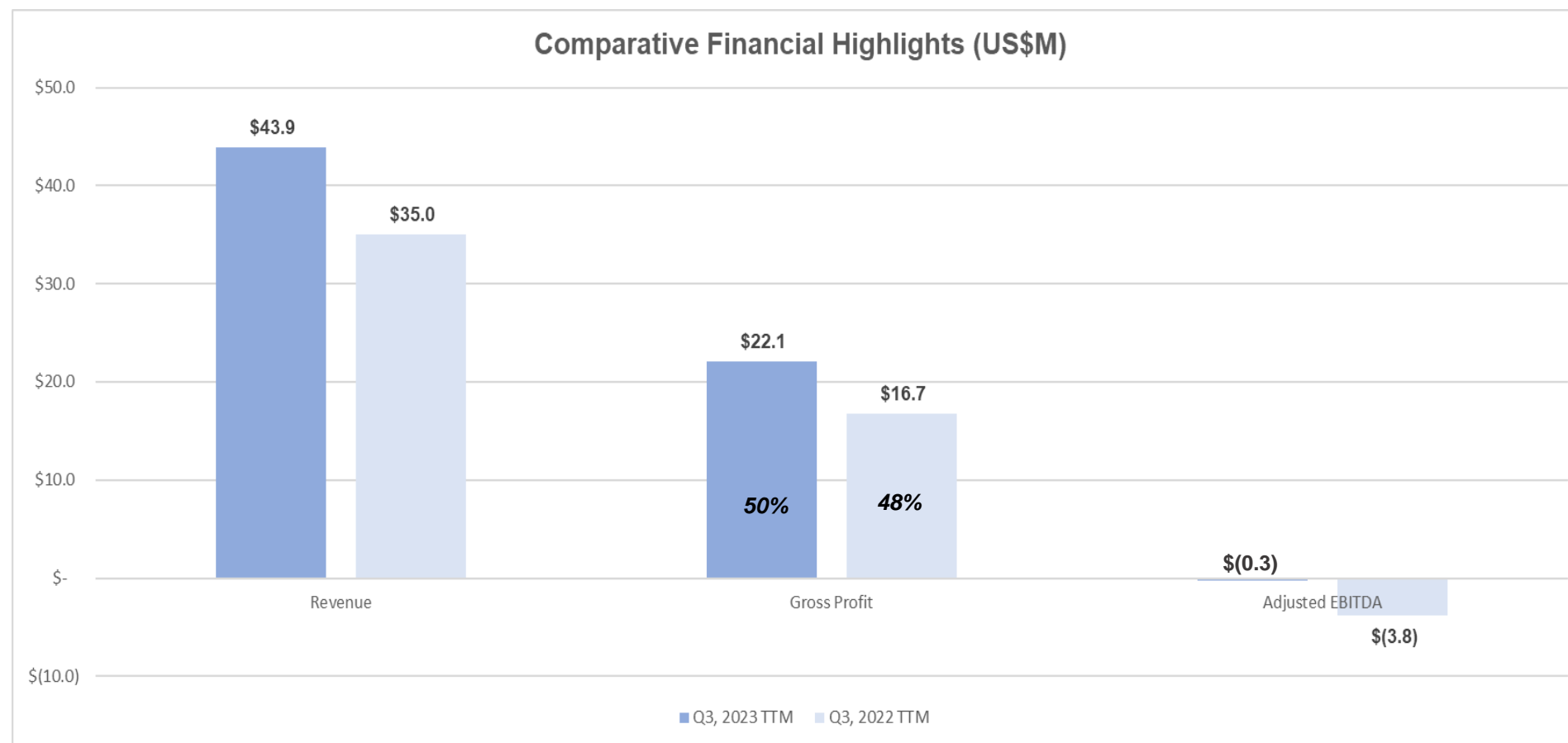
Continued annual revenue growth



- Revenue growth of 12% over prior year period
- Revenue from Software & Services represented 37% of total revenue in the quarter over the prior year period
- Recurring revenue represented 25% of total revenue in the quarter with 18% growth over prior year period
- ARR stands at approximately \$11M as of 9/30/23

Trailing Twelve-Months (TTM) Income Statement Summary

Strong financial performance over the last 4 quarters



Note: Percentages expressed as Gross Profit Margin percentage.

- Revenue growth of 25% over the prior TTM period
- Software & Services revenue of \$15.0M with contribution of 34%
- Recurring revenue contributed 23% of total revenue with 22% growth over prior TTM period
- Delivered 50% Gross Profit Margin over prior TTM period
- Improved Adjusted EBITDA while investing in the TRUSense Gateway, Congruitive software platform and our data analytics capabilities

Balance Sheet & Working Capital Management

Maintaining adequate balance sheet flexibility to support our growth trajectory

ARR

- Majority of ARR collected in Q1 to support working capital
- Historically witness low-point for cash in Q3 due to timing of deferred revenue

Cash Management

- Majority of accounts receivable insured by EDC
- Days sales outstanding (DSO) target of 50 days

Inventory Management

- Contract manufacturer funds majority of product/component working capital until shipment date
- Inventory turnover ratio target of 3.0x
- Days payable outstanding (DPO) target 90 days

Comerica Debt Facility

- Annual revolver in place since 2012 (renewals in February)
- US\$8.5M subject to borrowing base calculation
- Interest of US Prime plus 2%

EDC Term Loan

- Secured six-year term loan in June 2023, interest only for first 18 months
- US\$7.0M loan
- No dilutive securities / warrants
- Interest of US Prime plus 5%

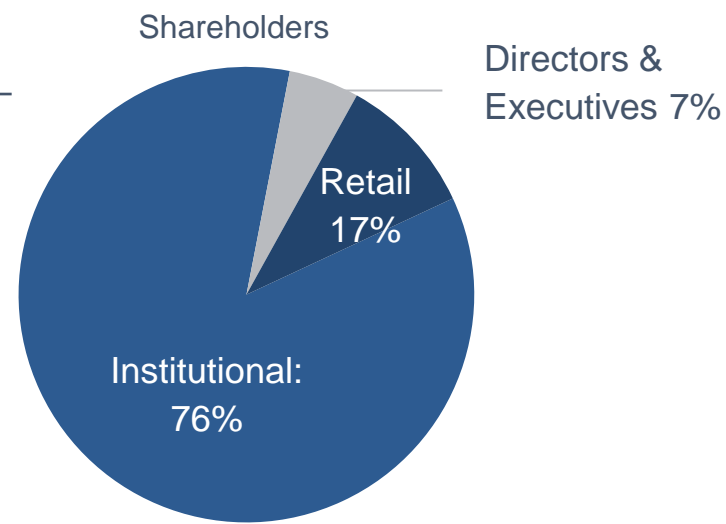
Capitalization Overview



TSX-Listed, Symbol: GRID

Share Price*	C\$0.84	Debt	US\$10.4M
Market Cap	C\$37.4M	Analyst Coverage	<ul style="list-style-type: none">Beacon Securities: Gabriel LeungCanaccord Genuity: Yuri LynkCormark Securities: Jesse PytlakParadigm Capital: Daniel Rosenberg
52 Week H/L	C\$1.29/C\$0.68		
Shares Outstanding	44.6M		
Fully Diluted	52.2M		
Cash (as of 09/30/23)	US\$4.2M	Consensus Analyst Target Price	C\$2.34

*As of November 22, 2023



Investment Highlights

Solid foundation that provides ample flexibility to accelerate growth initiatives while maintaining core operations



**Substantive business
with differentiated
solutions and favorable
macro drivers**



**Significant user
community + sales
channel to gain
market share and
scale revenue**



**TRUSense Gateway
and Grid Data
Management provides a
substantial growth
opportunity**



Tantalus

Transforming Utilities and Communities.

Q&A



www.tantalus.com



Deborah@adcap.ca



TSX: GRID

Building Momentum Across the Business

Long-standing relationships with expanding user community of utilities leads to solid visibility into our annual revenue profile

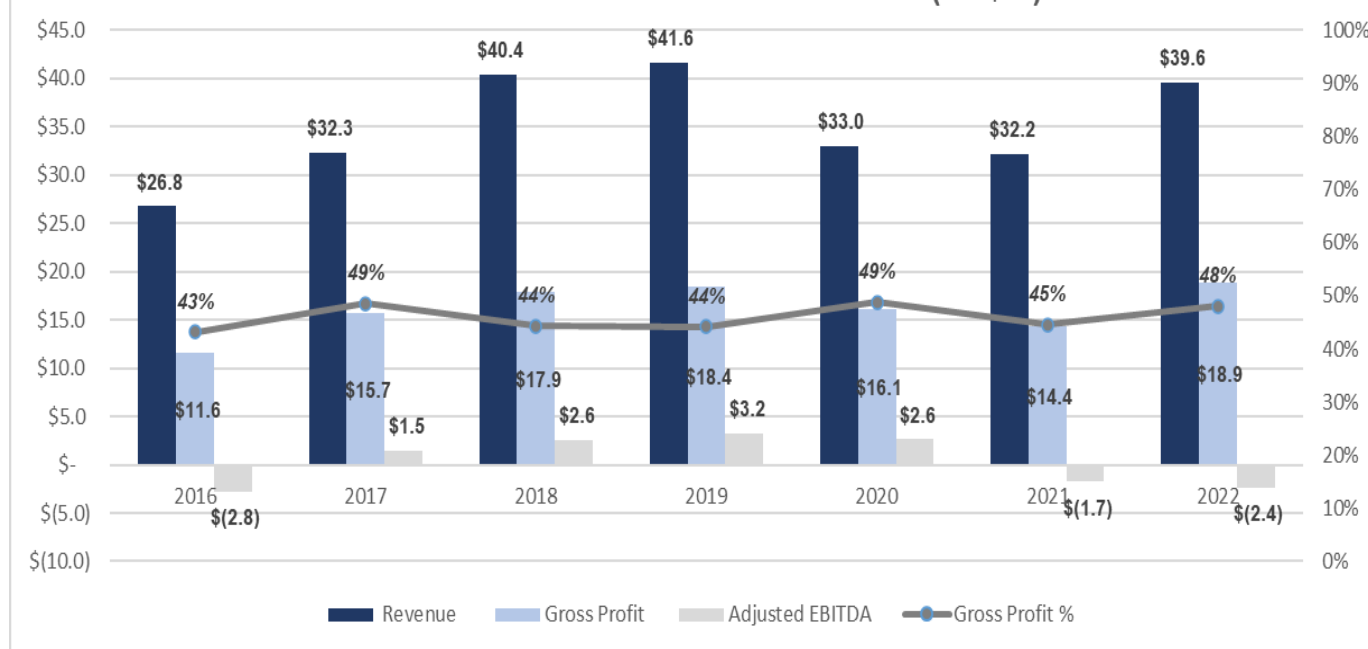
Annual Revenue Trend

- 2016 – 2019: Grew revenue organically by scaling our user community and driving additional software & services revenue (began witnessing the impact of COVID-19 in China on our supply chain (Q4 '19))
- 2020 – 2021: Impacted by COVID-19 and subsequent supply chain disruptions of electronic components / semiconductors
- 2022: Generated 23% revenue growth with a record Q4

Financial Summary

- Delivered Positive EBITDA for 18 consecutive quarters from Q1 '17 – Q2 '21 prior to initiating the TRUSense Gateway R&D effort & acquiring Congruitive (software capability for the TRUSense Gateway)
- 2021 OPEX impacted by public company expenses, loss of SR&ED and increased R&D + Sales/Marketing for the TRUSense Gateway
- 2022 OPEX impacted by the acquisition of Congruitive and ongoing R&D + Sales/Marketing for the TRUSense Gateway
- Strong Gross Profit Margin leads to operating leverage
- ARR @ \$10.5M as of 6/30/23

Annual Financial Performance (US\$M)



Increasing Annual Recurring Revenue Growth

Utility retention rate exceeds 99% across multi-decade deployments

Annual Recurring Revenue (ARR)

- Comprised of SaaS subscriptions, term-based software licenses, software maintenance, technical support and hosting services
- ARR is a subset of total software & services revenue at point of time at approximately \$11M as of 9/30/23

