



Tantalus

HARNESS THE POWER OF DATA

Investor Presentation
TSX:GRID

March 27, 2024

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Well-Positioned to Modernize the Distribution Grid

Helping utilities Harness the Power of Data



PURPOSE

285+

utilities within a
growing user
community

125+

Dedicated
employees
across Canada &
US

20+

channel partners
to support sales
growth

3.5M

connected
devices deployed



SCALABILITY

US\$42M

revenue as of
12/31/23

35%

revenue from
software &
services

US\$11.5M

annual recurring
revenue

50%+

gross profit margin



RELATIONSHIPS



The Grid Modernization Mandate is Massive

60%

of the North American
electrical grid past its 50-year
life expectancy

\$2T

utilities will spend
between now and 2030 to
address the challenge

\$500B

Already allocated through
stimulus programs that
cover Tantalus solutions



Elements of the Grid Modernization Initiative (GMI)

The **MODERN GRID** must have:

Greater **RESILIENCY**
to hazards of all types

Improved **RELIABILITY**
for everyday operations

Enhanced **SECURITY**
from an increasing and
evolving number of threats

Additional **AFFORDABILITY**
to maintain our economic prosperity

Superior **FLEXIBILITY**
to respond to variability and
uncertain conditions

Increased **SUSTAINABILITY**
through energy-efficient and
renewable resources



The real problem

You can't modernize the grid
without truly interoperable data

A Technology Platform that Delivers Interoperability



Tantalus Grid Modernization Platform™

Analytics

TRUGrid™ Automation family of analytics solutions
(including TRUGrid™ Transformer and TRUGrid™ Reliability)

Applications

Applications that target specific outcomes, including
restoration, voltage reduction, wildfire mitigation, and more

Grid Data Management System

TRUSync™, which automates grid data integration
across *any* device, system or vendor

Communications Network

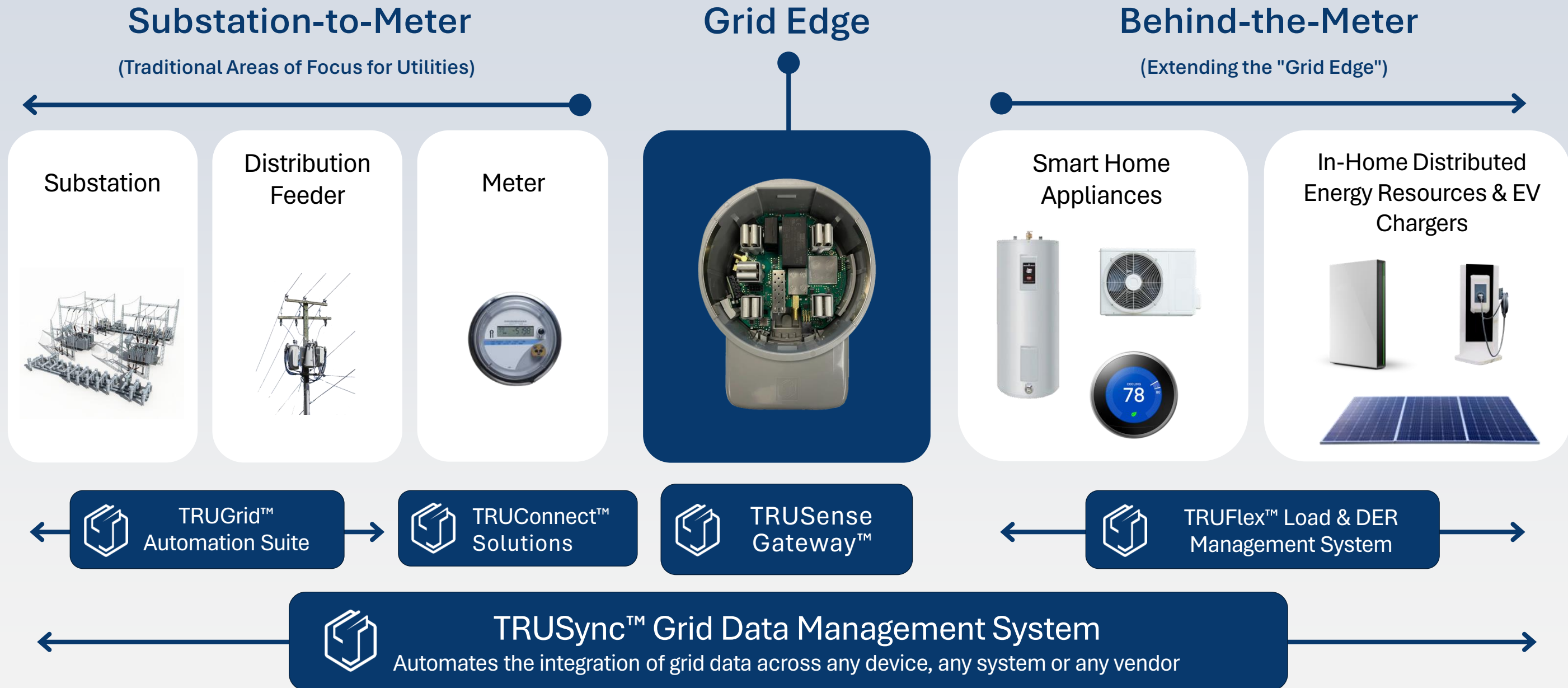
TRUConnect™ Network (formerly TUNet)

Connected Devices

TRUConnect™ family of endpoint devices
(includes TRUSense Gateway™ and TRUEdge™ devices)



A Unified Set of Solutions to Accelerate Modernization



TRUSense Gateway: Extending the Edge of the Grid

First-Mover Advantage

Combines four high-value use cases
Market-leading sensing capabilities
Extends the edge of the grid
Designed by utilities for utilities

Use Cases

Advanced Metering Infrastructure 2.0
Advanced power quality measurement
Integration of EVs/DERs located behind-the-meter
Supports broadband initiatives



Major Milestones

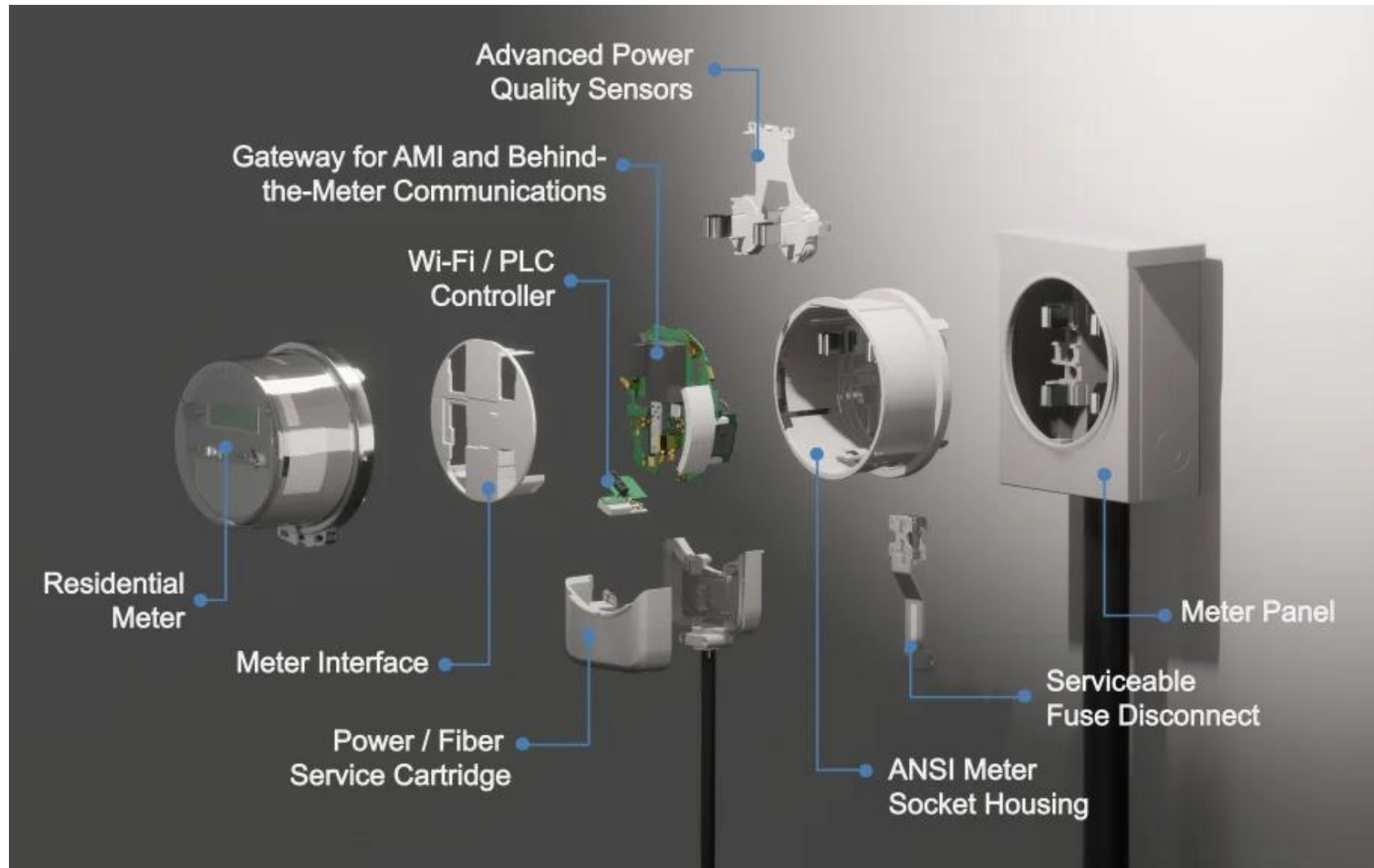
Fiber Gateway – complete UL Certification
Ethernet Gateway – complete ETL Certification
Cellular Gateway – complete FCC Certification

Available for Sale

Fiber – expected to be in the market during Q1 '24
Ethernet – expected to be in the market during Q2 '24
Cellular – expected to be in the market during Q2 '24



TRUSense Gateway Components



Summary

- TRUSense Gateway is referred to as a meter socket-based device
- Retrofits into any existing residential meter socket (ANSI-based)
- Supports any existing ANSI electric meter
- Enables utilities to accelerate grid modernization with existing infrastructure
- Conforming to UL-2745 standards



Extending the Edge of the Grid

Protecting transformers and delivering unparalleled demand-side flexibility



Rooftop Solar



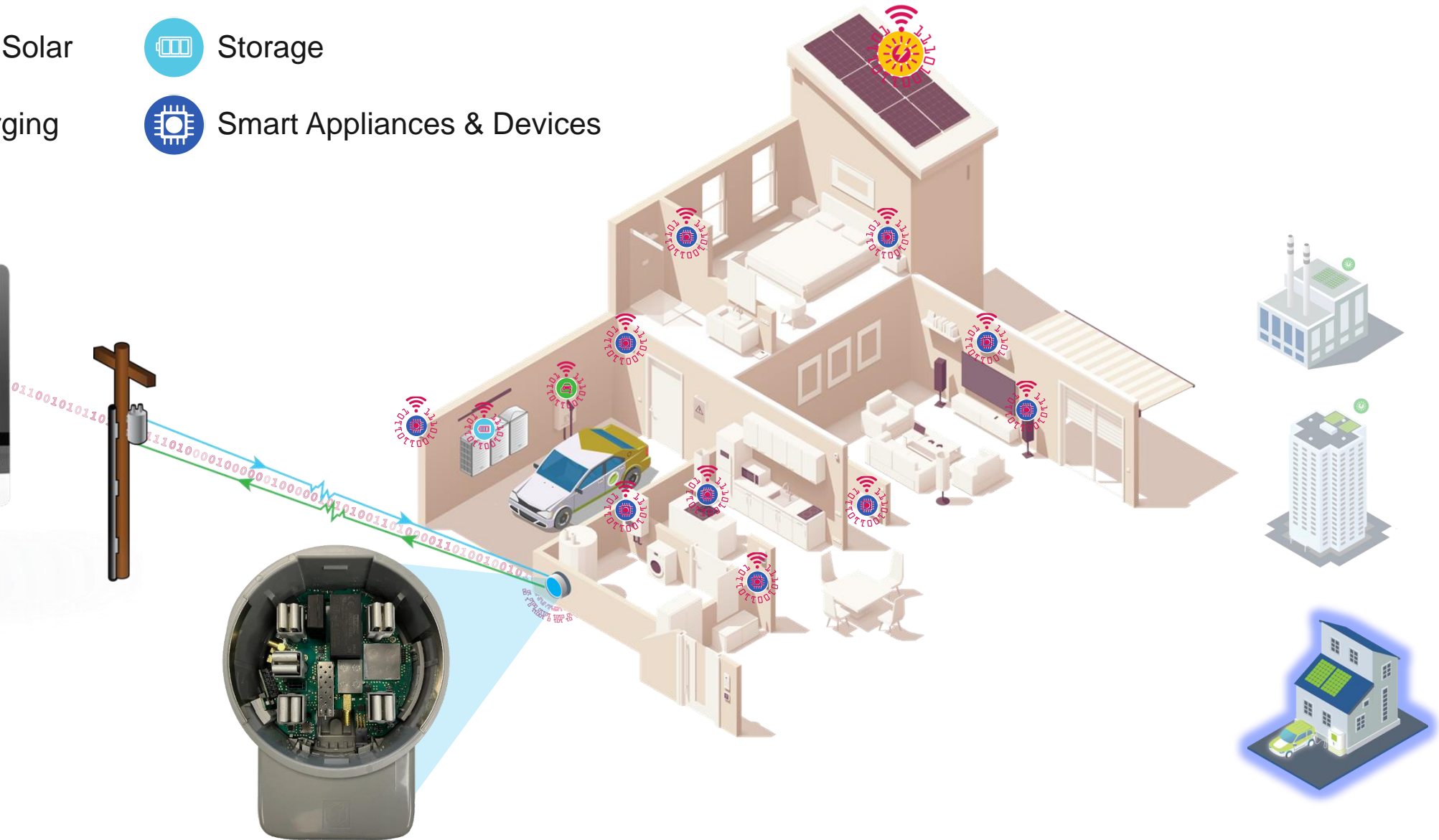
Storage



EV Charging



Smart Appliances & Devices



TRUSense Gateway: Massive Growth Catalyst



\$150M

identified incremental
revenue over next 5-7 years

\$1B

approximate
broader pipeline

\$10B

Total Addressable Market

10-15%

growth rate of existing
Tantalus business



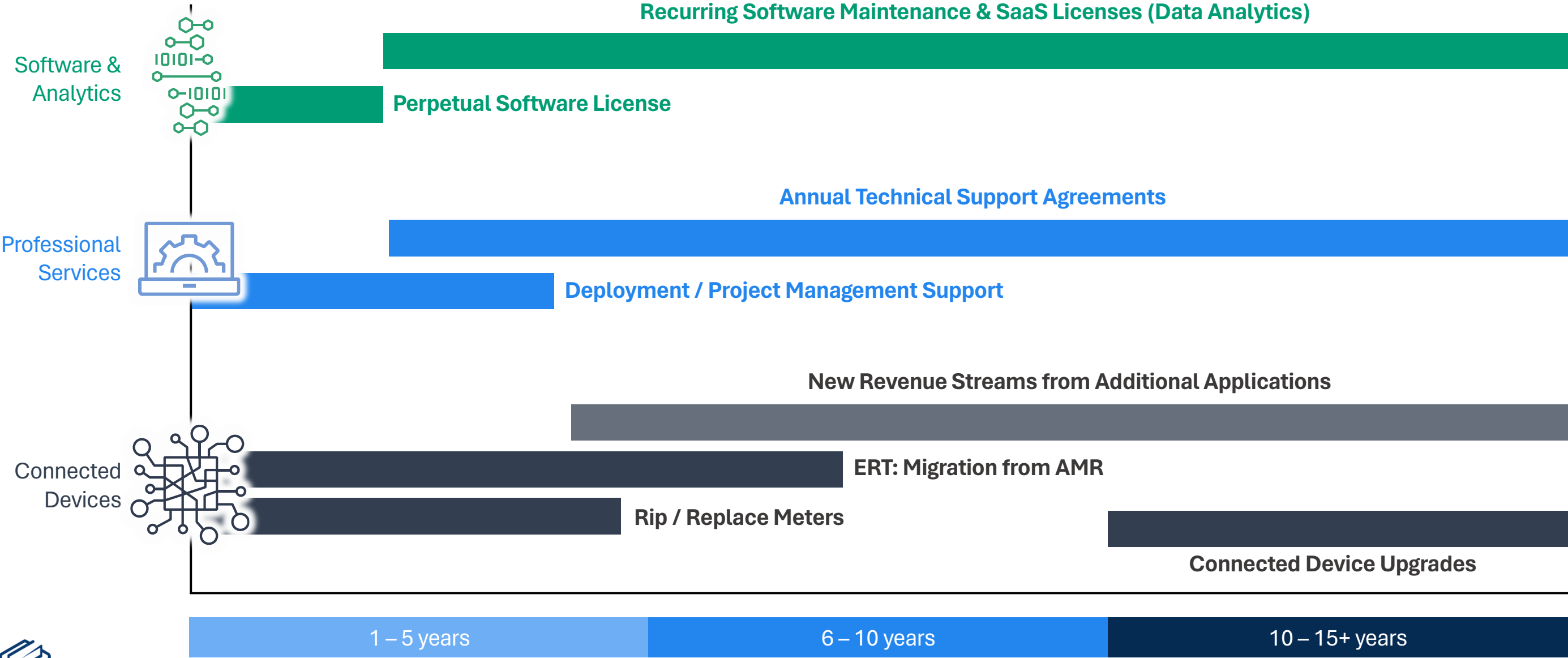


Financial Summary Through September 30, 2023



How Tantalus Generates Revenue

Connected devices lead to recurring revenue over 12 – 15 years



Key Milestones Delivered 2023

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



Financial

- Delivered highest amount of revenue in a calendar year at \$42M
- Achieved milestones for:
 - Software & Services @ 35% of revenue
 - Recurring revenue @ 24% of revenue
 - Gross Profit Margin % @ 52%
- Entering 2024 with US\$11.5M in annual recurring revenue (ARR)
- Delivered positive Adj. EBITDA in Q4 & neutral Adjusted EBITDA for 2023
- Maintained sufficient Balance Sheet flexibility to scale the business



Commercial

- Converted 17 utilities, expanding our user community to 288 utilities
- Converted \$35M+ of orders from our sales pipeline with robust visibility into opportunities for 2024
- Actively pursuing stimulus dollars with utilities to accelerate grid modernization initiatives



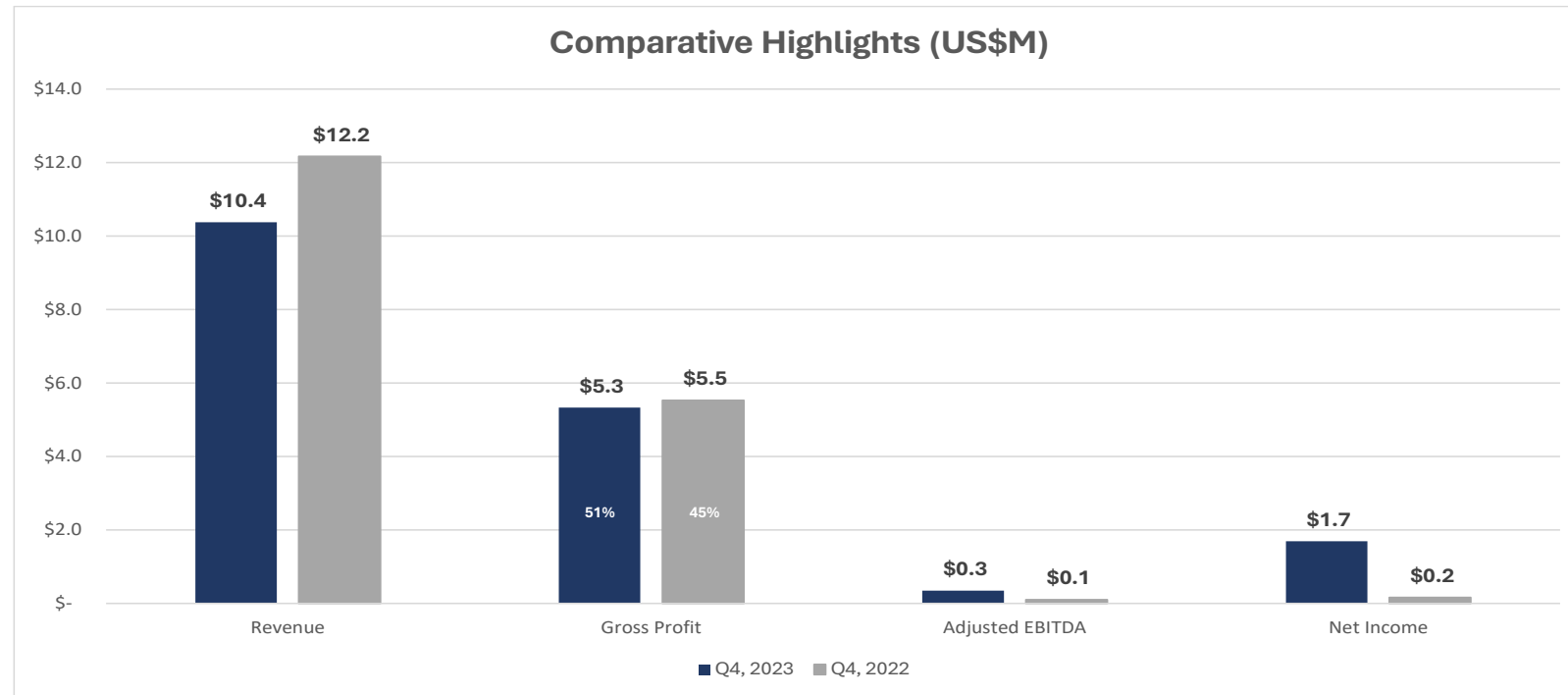
R&D

- Finalized and passed all test for the TRUSense Fiber Gateway and awaiting final documentation and letter of certification from UL
- Activated first commercial deployment of our TRUSync Grid Data Management software with one of the largest IOUs in the United States



Q4 Income Statement Summary

Higher contribution for software & services led to improved results



Note: Gross Profit Margin reflected as a % of revenue.

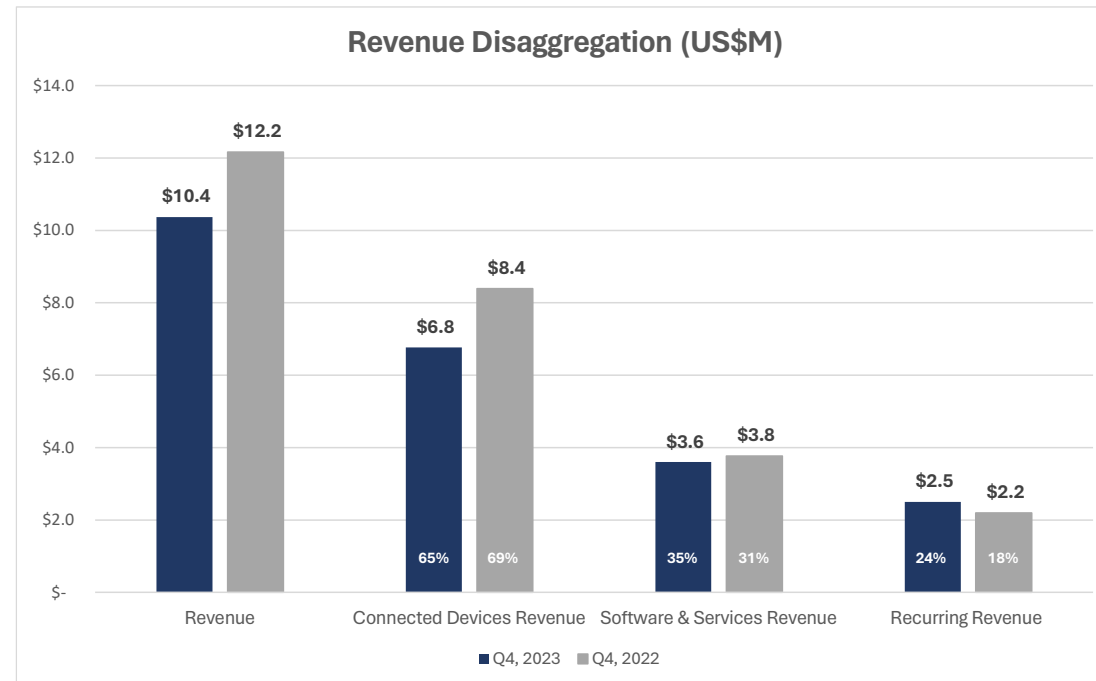
Highlights

- Revenue declined from the prior year period due to capacity constraints with metering partners and the timing of order fulfillments
- Gross Profit Margin increased to 51% for the quarter to help offset revenue shortfall
- Delivered positive Adjusted EBITDA for the third consecutive quarter
- Positive Net Income is tied to the release of accruals for the contingent consideration associated with the Congruitive acquisition

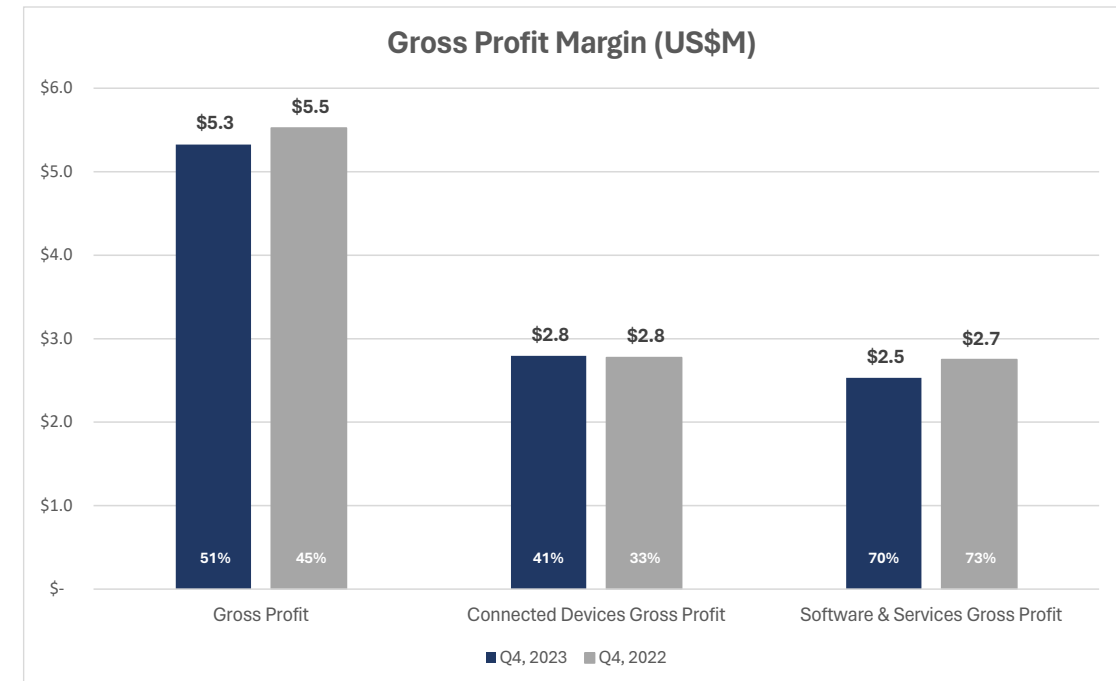


Q4 '23 Revenue Contribution & Gross Profit Summary

Higher contributions from software & services leads to improving GPM%



Note: Reflects percentage contribution of total revenue.



Note: Gross Profit Margin reflected as a % of total revenue.

Revenue Highlights

- Revenue contributions from software & services increased year-over-year as we continue to expand our analytics and software capabilities
- Recurring revenue grew 12% year-over-year

Gross Profit Margin Highlights

- Increase in Gross Profit Margin from Connected Devices resulting from prudent supply chain management, the benefits of previous price increases and normalizing logistics costs
- Gross Profit Margin for our Software and Services segment remained strong at 70% in the quarter

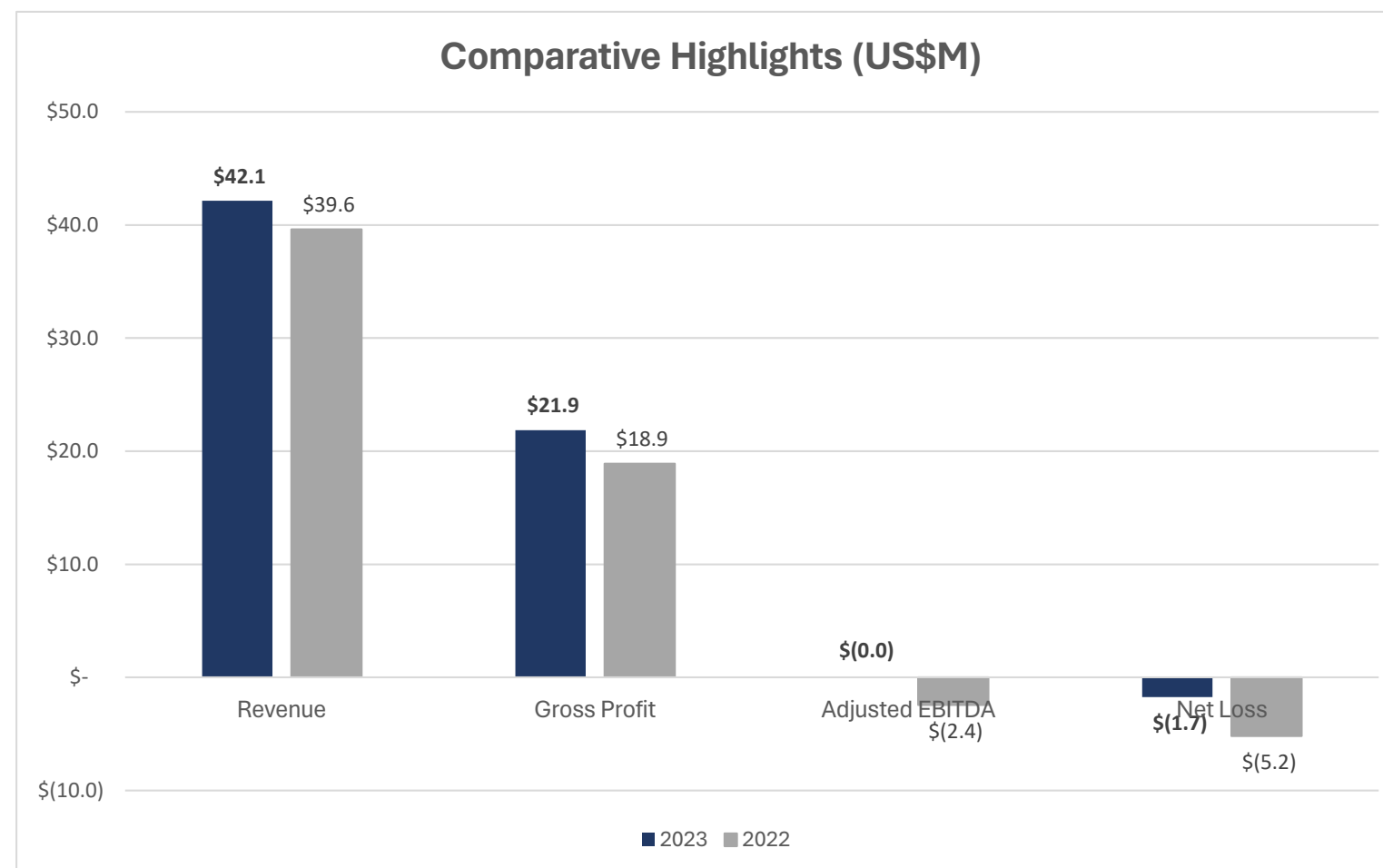


FY '23 Income Statement Summary

Achieved several key milestones

Highlights

- Delivered the highest amount of revenue generated during a calendar year with growth of 6% over the prior year
- Delivered the highest Gross Profit Margin during a calendar year at 52%, reflecting a major milestone and a path to drive operating leverage as the business scales
- Reverted to neutral Adj. EBITDA while investing heavily throughout the year in the TRUSense Gateway™ and TRUSync™ Grid Data Management software
- Migrating to positive Net Income by making material improvements year-over-year

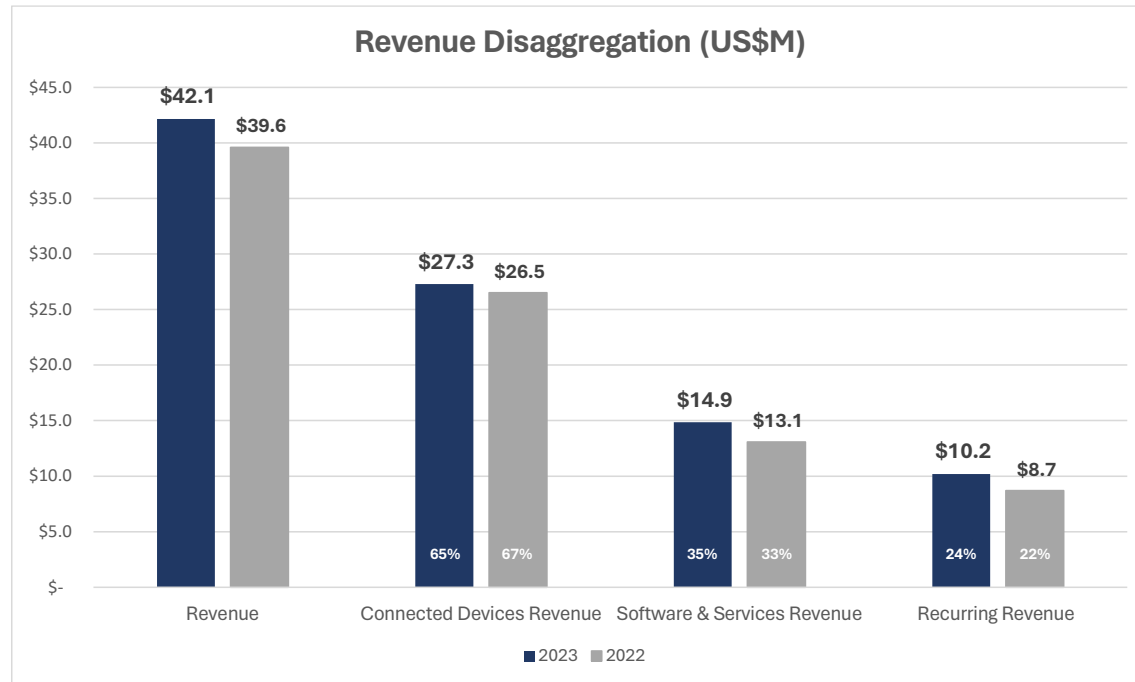


Note: Gross Profit Margin reflected as a % of revenue.



FY '23 Revenue Contribution & Gross Profit Summary

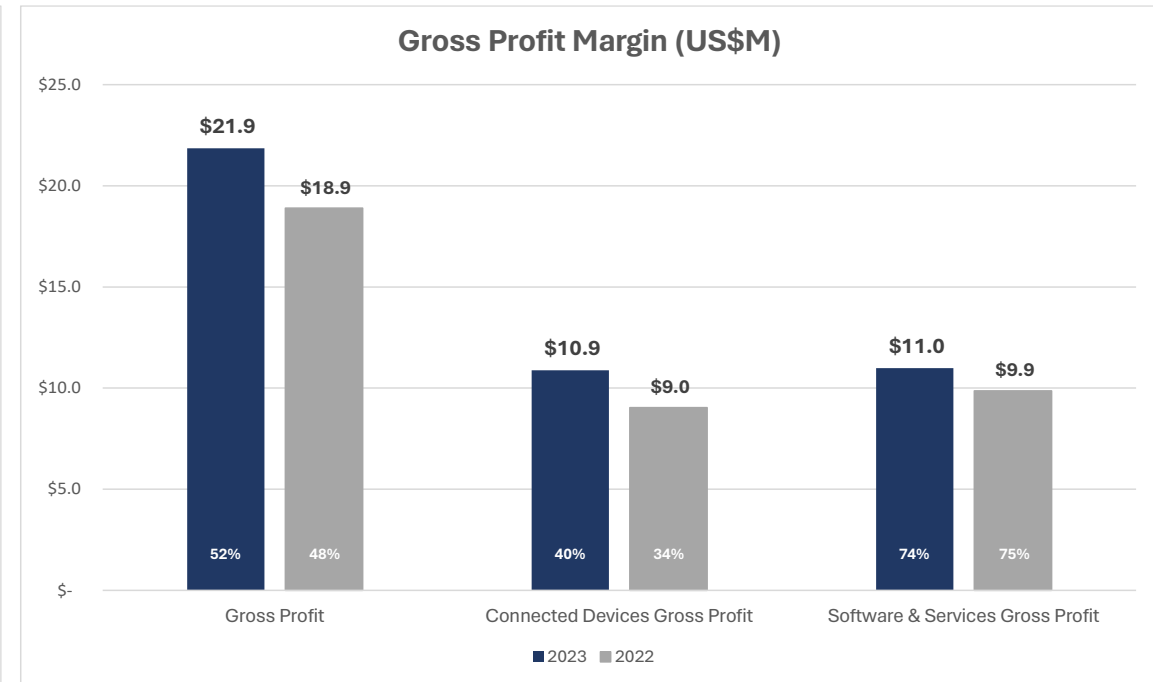
Increasing contributions from software & services is driving Gross Profit Margin %



Note: Reflects percentage contribution of total revenue.

Revenue Highlights

- Highest amount of revenue from Software & Services in our Company's history
- Recurring revenue grew 18% year-over-year and hit the highest level in our Company's history



Note: Gross Profit Margin reflected as a % of total revenue.

Gross Profit Margin Highlights

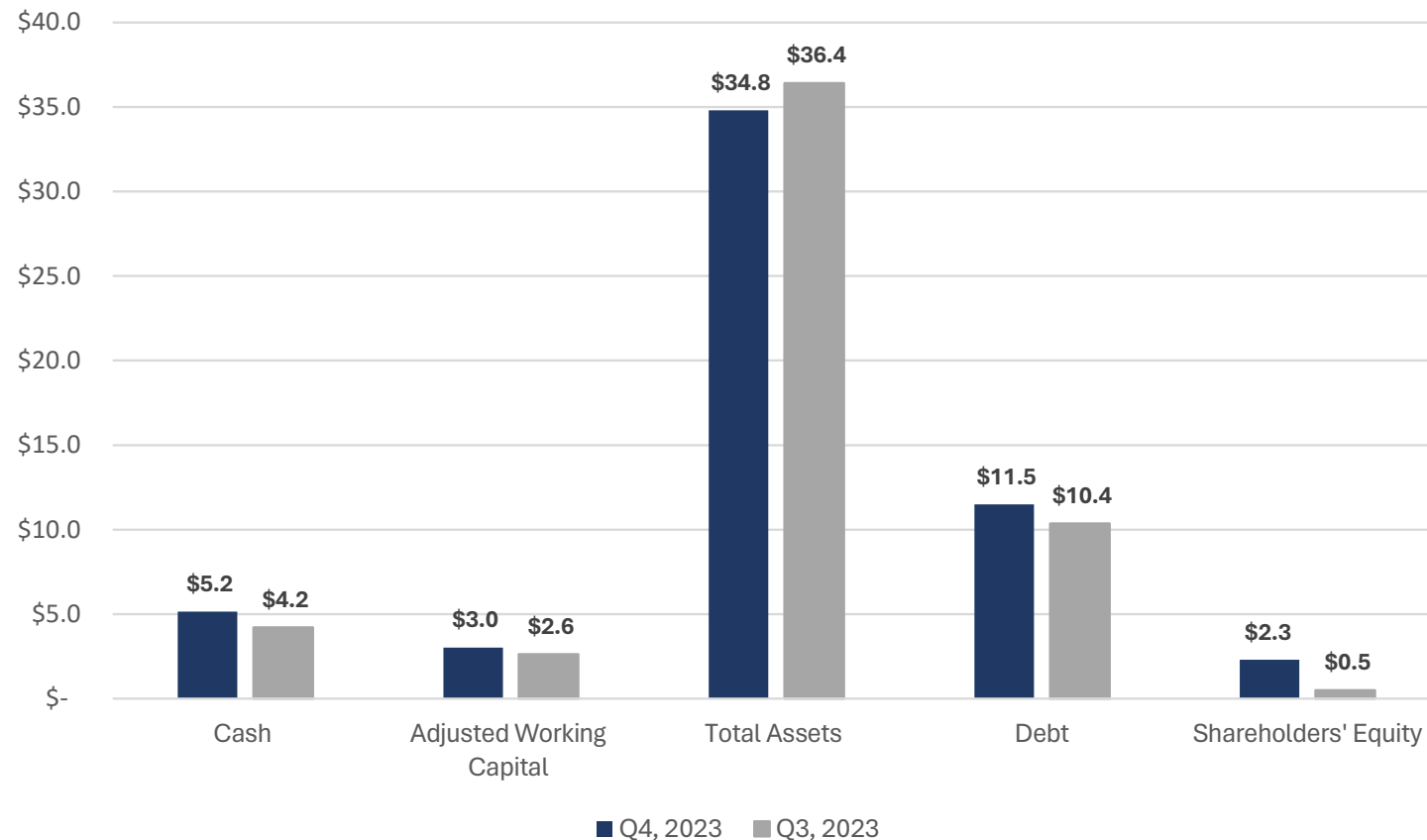
- Strong growth of our Gross Profit Margin from Connected Devices tied to prudent management of supply chain and previously implemented price increases
- Gross Profit Margin for Software & Services remained strong year-over-year



Q4 / Year-End Balance Sheet Summary

Maintaining adequate flexibility to support growth initiatives in 2024

Comparative Highlights (US\$M)



Highlights

- Balance Sheet remains sufficient to support ongoing operations and the anticipated launch of the TRUSense Gateway
 - Entered the year with \$5.2M of cash
 - Majority of \$11.5M ARR collected in Q1
 - Access to an additional \$4.0M of cash from the EDC Loan
 - Prudent management of working capital
 - Recouped approximately \$0.7M of restricted cash tied to a performance bond (released during Q1 '24)



Key Initiatives in 2024

Working to maintain momentum and accelerate growth through the TRUSense Gateway



Financial

- Entered 2024 with favorable visibility into revenue growth year-over-year
- Anticipate negative Adj. EBITDA early in the year due to ongoing R&D investment to commercialize the TRUSense Gateway, but anticipate delivering positive Adj. EBITDA for the full year
- Balance sheet remains sufficiently capitalized to support the launch of the TRUSense Gateway and ongoing operations



Commercial

- Sales activity remains robust with strong tailwinds tied to grid modernization efforts
- Anticipate initial conversions from the sales pipeline for the TRUSense Gateway during 1H
- Working with several utilities and partners to pursue GRIP funding opportunities
- Continuing to witness capacity constraints and extending lead times with metering partners
- Recently established a strategic partnership with GE Appliances to deliver behind the meter control through the TRUSense Gateway



R&D

- Remain on track to secure UL Certification and Available for Sale of TRUSense Fiber Gateway in Q1
- Recently converted 18 utilities for our Transformer Analytics tool, representing approximately \$300k of additional ARR on a full-year basis
- Gaining traction with the TRUSync Grid Data Management software as utilities seek to manage an increasing volume of data



Capitalization Overview

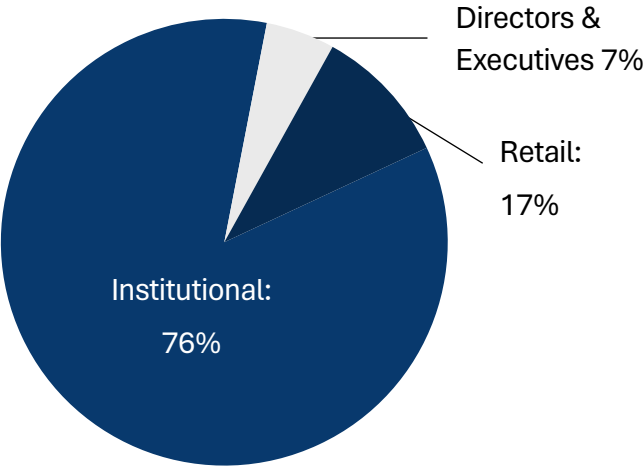


TSX-Listed, Symbol: GRID

Share Price*	C\$1.61	Debt (as of 12/31/23)	US\$11.5M
Market Cap	C\$71.8M		
52 Week H/L	C\$1.72/C\$0.68	Analyst Coverage	<ul style="list-style-type: none">Beacon Securities: Gabriel LeungCanaccord Genuity: Yuri LynkCormark Securities: Jesse PytlakHaywood Securities: Gianluca TucciParadigm Capital: Daniel Rosenberg
Shares Outstanding	44.6M		
Fully Diluted	51.8M		
Cash (as of 12/31/23)	US\$5.2M	Consensus Analyst Target Price	C\$2.70

*As of March 27, 2024

Shareholders



Experienced Leadership Team with a Successful Track Record

Management

Peter Londa

CEO & Board Member



George Reznik

CFO



Michael Julian

CRO



Doug Campbell

CSO



Michael Grandis

General Counsel



Tom Allen

EVP Product Development



Board

Laura Formusa

Chair



Dr. Francis Harvey

Board Member



John McEwen

Board Member



Tom Liston

Board Member



Greg Williams

Board Member



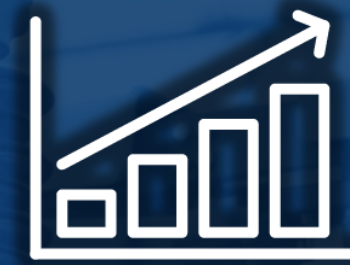
Why Invest in Tantalus?



Substantive business with favorable macro drivers that support long-term growth trajectory



Significant user community + with differentiated solutions that are driving ARR



TRUSense Gateway provides a substantial growth opportunity





Questions?



tantalus.com



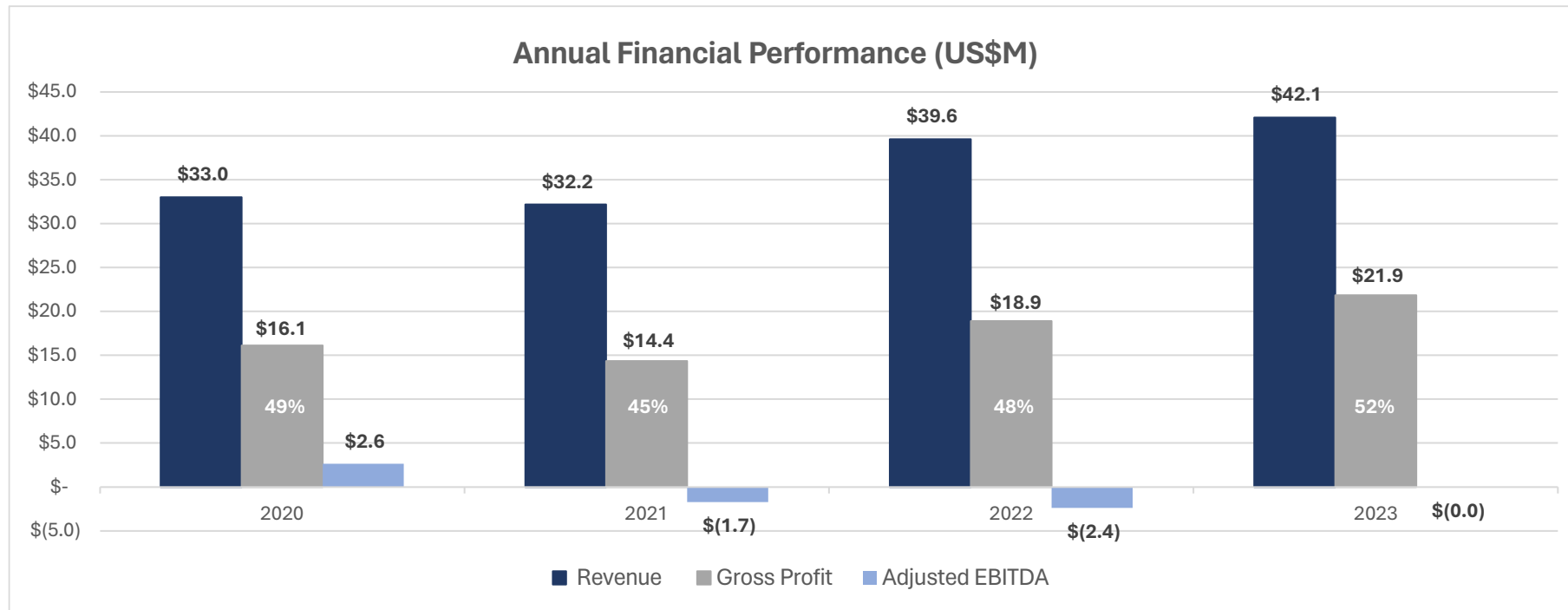
Deborah@adcap.ca



TSX: GRID

Building Momentum for GRID

User community leads to solid visibility into our annual revenue profile

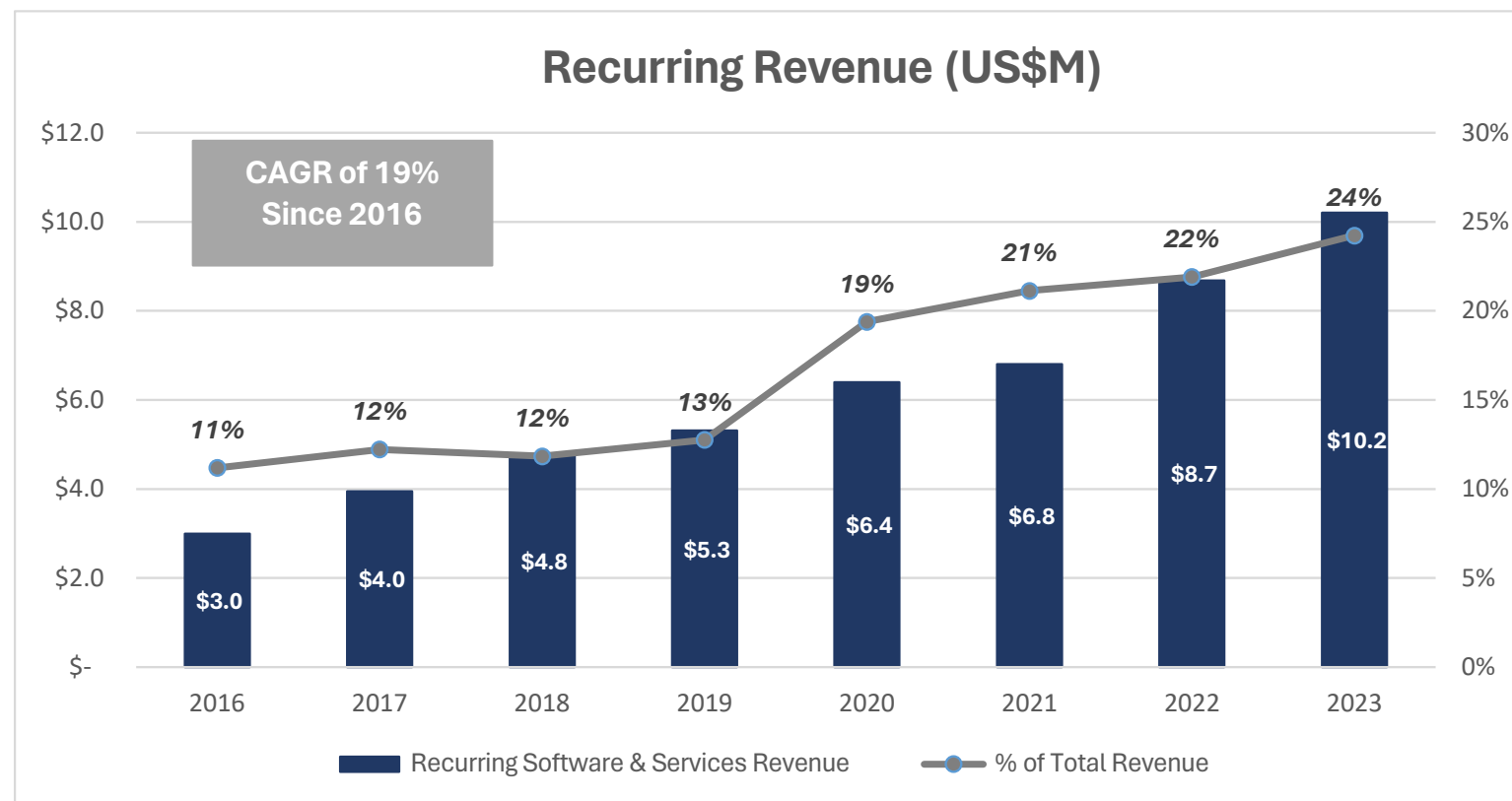


Note: Gross Profit Margin percentage is reflected as a % of total revenue.



Increasing Annual Recurring Revenue

CAGR of approximately 20%



Highlights

- Recurring revenue comprised of SaaS subscriptions, term-based software licenses, software maintenance, technical support and hosting services
- Growth stems from expanding our user community, commercializing data analytics tools, maintaining annual service agreements and deploying additional connected devices
- ARR is a subset of total software & services revenue and represents a rolling twelve-month revenue estimate at point of time
- Entering 2024 with approximately \$11.5M of ARR as of 12/31/23



Balance Sheet & Working Capital Management

Annual Recurring Revenue

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

Cash Management

- Majority of accounts receivable insured by EDC
- Managing days sales outstanding (DSO) at approximately 50 days
- Managing days payable outstanding (DPO) at approximately 90 days

Inventory Management

- Suppliers and vendors fund the products / components working capital until shipment date
- Inventory turnover ratio target of 3.0x

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 (\$4M available as of 12/31/24)
- No dilutive securities / warrants
- Interest of US Prime plus 5%

