

An aerial view of a city at dusk or dawn, overlaid with a network of glowing blue lines and nodes, representing a data network or smart grid.

MODERNIZE THE GRID BY HARNESSING THE POWER OF DATA

● INVESTOR PRESENTATION
TSX : GRID

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Well-Positioned to Modernize the Distribution Grid

Helping Utilities Harness the Power of Data

 **PURPOSE**

 **SCALABILITY**

 **RELATIONSHIPS**

290+
utilities within a
growing user
community

125+
dedicated
employees across
Canada & US

20+
channel partners
to support sales
growth

3.5M
connected
devices
deployed

US\$42M+
revenue
as of
12/31/23

35%
revenue from
software &
services

US\$11.6M+
annual
recurring
revenue

50%+
gross
profit
margin

The Grid Modernization Mandate is Massive



60%

of the North American electrical grid is past its life expectancy



\$2T

will be spent by utilities 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



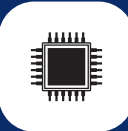
Grid Data Management System

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



Communications Network

TRUConnect™ Network provides flexibility



Connected Devices

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

A Unified Set of Solutions to Accelerate Modernization

Substation-to-Meter

(Traditional Areas of Focus for Utilities)

Substation



Distribution Feeder



Meter



Grid Edge



Smart Home Appliances



In-Home Distributed Energy Resources & EV Chargers



 TRUGrid™
Automation Suite

 TRUConnect™
Solutions

 TRUSense
Gateway™

 TRUFlex™ Load & DER
Management System



TRUSync™ Grid Data Management System

Automates the integration of grid data across any device, any system or any vendor

Building Momentum Through the TRUSense Gateway

At the intersection of the electrification of everything & grid modernization

First-Mover Advantage

- Combines four high-value use cases
- Market-leading sensing capabilities
- Leverages existing infrastructure
- 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



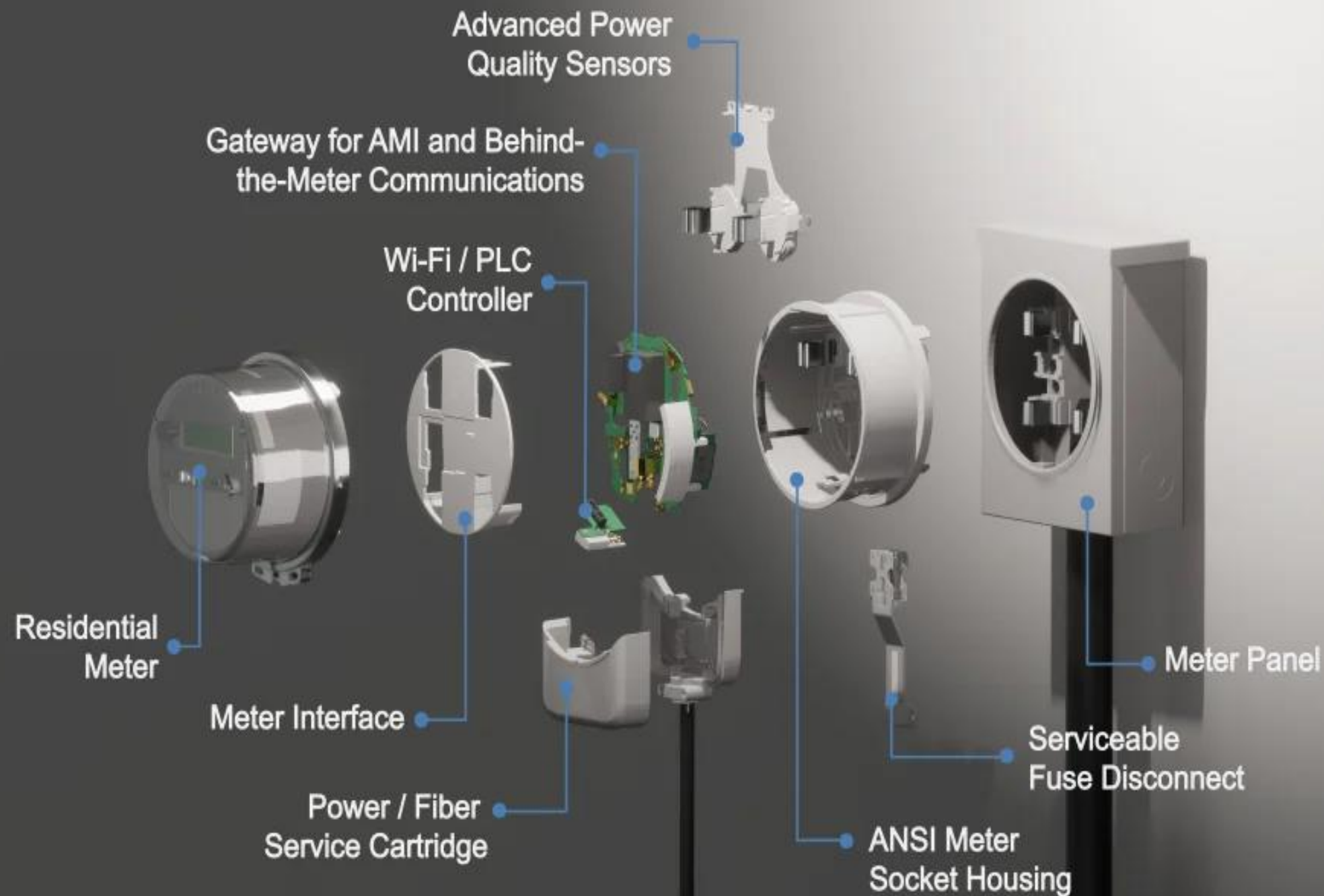
Major Milestones / Timelines

- Fiber – UL Certification received
- Ethernet – ETL Certification and AFS expected end of Q2 '24
- Cellular – FCC Certification and AFS expected end of Q2 '24

Commercialization

- Activated six field trials and secured initial orders from 12 utilities
- Working to convert approximately \$500M of identified opportunities (including Advisory Committee deployments)
- Contract manufacturer can produce up to 155k units per year

TRUSense Gateway: Extending the Edge of the Grid



Summary

TRUSense Gateway is referred to as a meter socket device

Retrofits into any existing residential electric meter socket (ANSI-based)

Supports any existing ANSI electric meter

Versatile to help utilities accelerate grid modernization with existing infrastructure

Conforming to UL-2745 safety standards

Extending the Edge of the Grid

Protecting transformers and delivering unparalleled demand-side flexibility



Rooftop Solar



EV Charging



Storage



Smart Appliances & Devices

TRUSense Gateway Provides a Compelling Growth Catalyst



\$150M

potential revenue opportunity from our Advisory Committee

\$350M

approximate revenue opportunity in our qualified pipeline

\$10B

total addressable market

10-15%

growth rate of existing Tantalus business



FINANCIAL SUMMARY

Through March 31, 2024

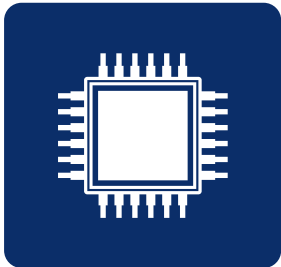
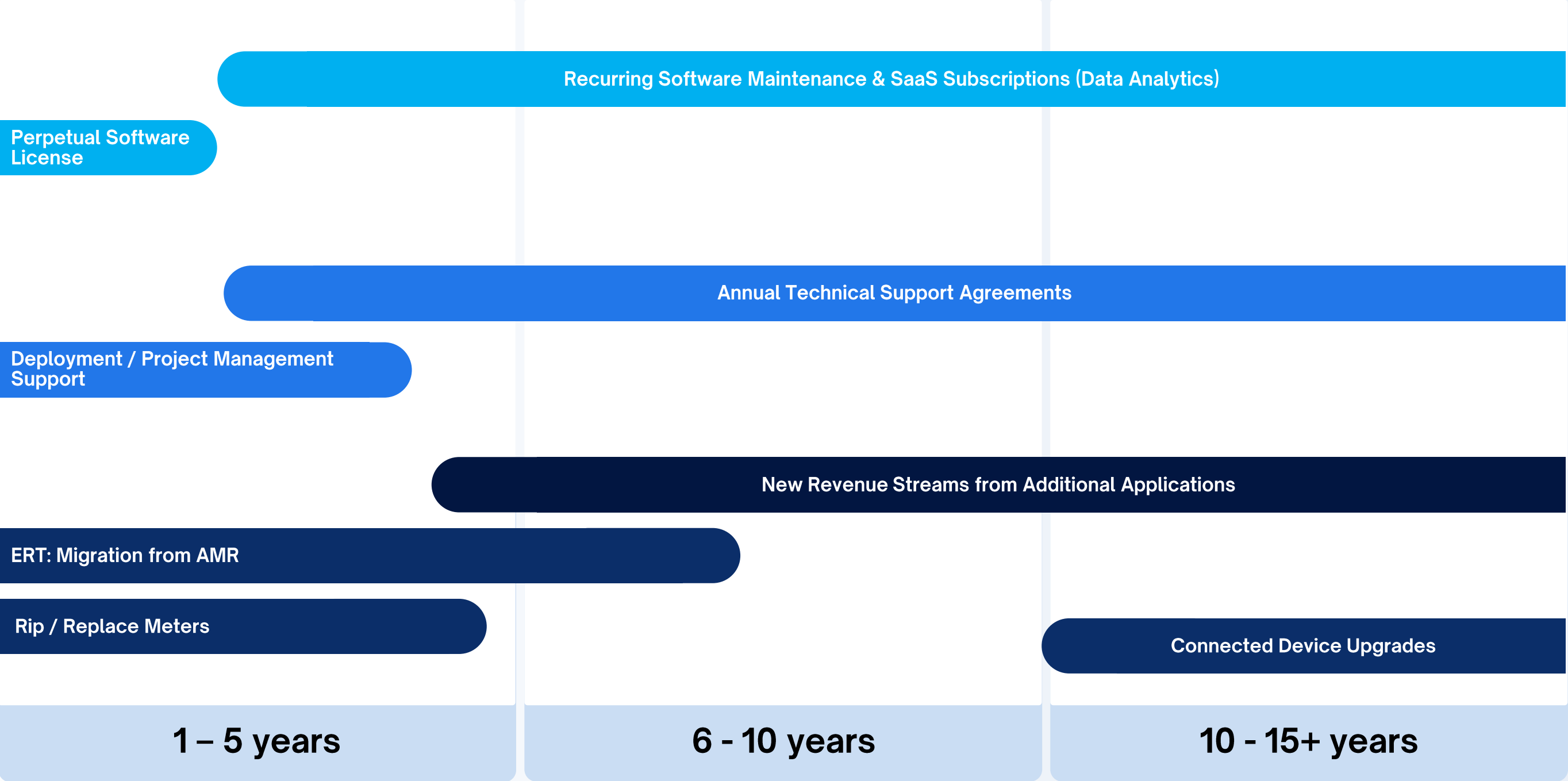


How Tantalus Generates Revenue

Deploying connected devices leads to recurring revenue over 12 - 15 years



Software & Analytics

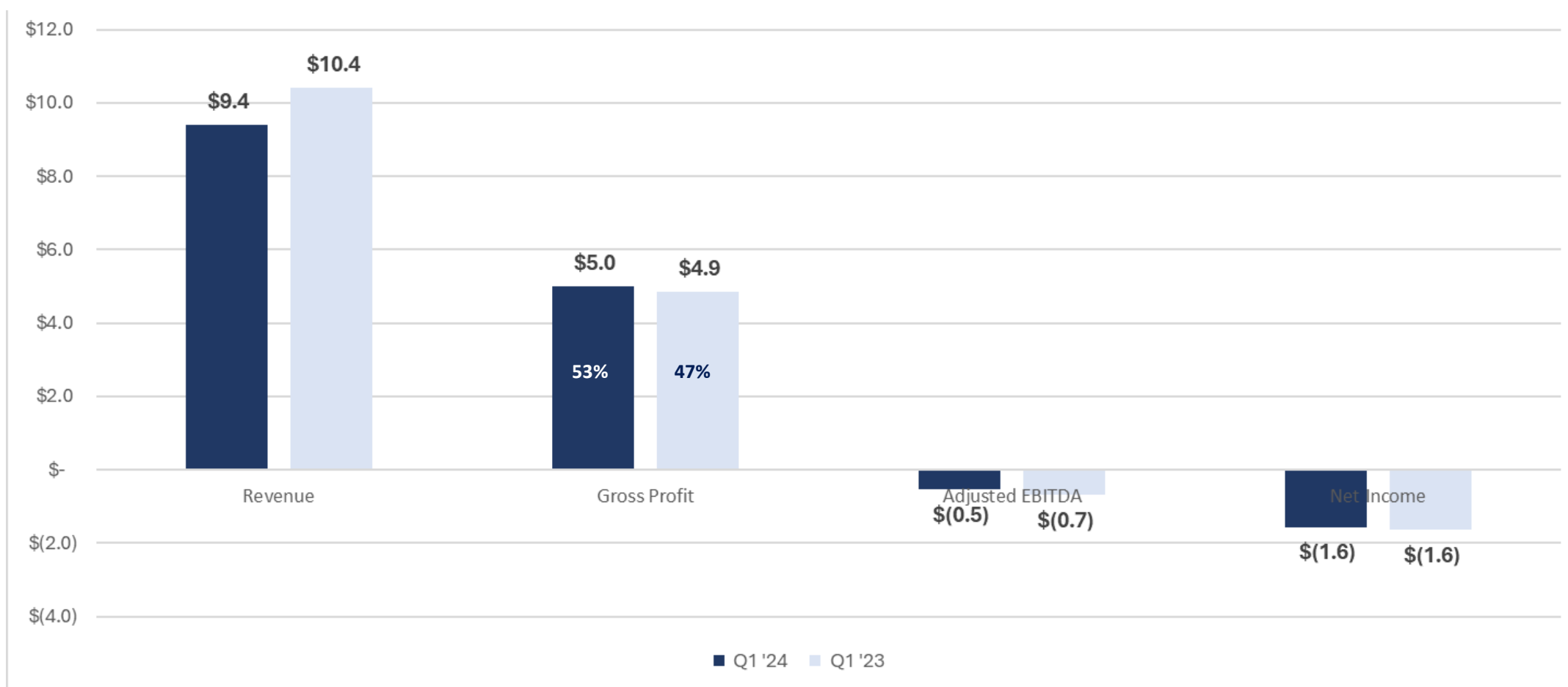


Connected Devices

Q1 '24 Income Statement Summary

Higher contribution for Software & Services led to improved results

Comparative Financial Highlights (US\$M)



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

Highlights

Revenue declined by 10% over prior year due to timing of order conversions and capacity allocations with metering partners

Software & Services revenue increased 7% year-over-year
ARR increased 16% year-over-year

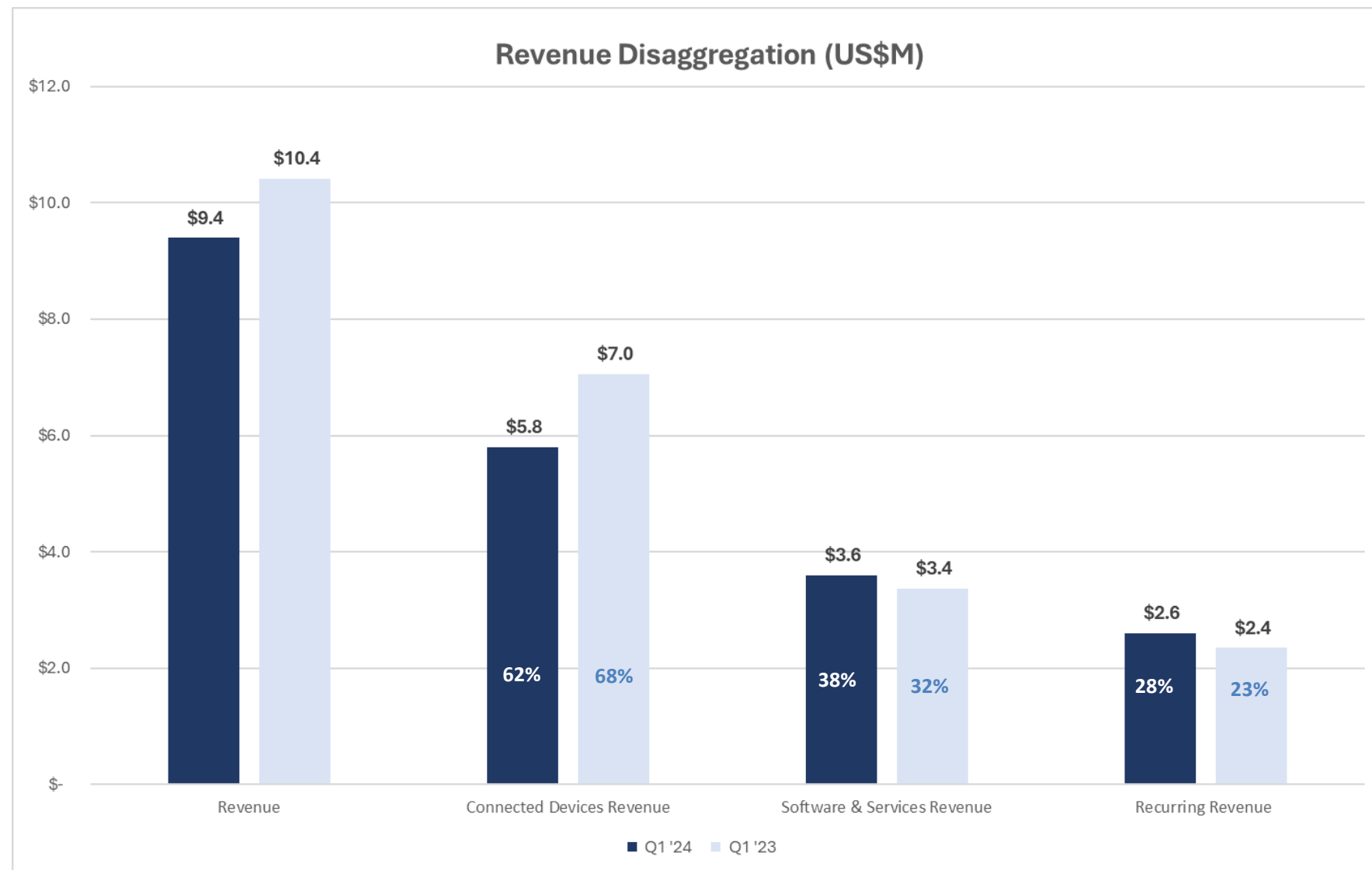
Gross Profit Margin increased to 53% for the quarter to help offset revenue shortfall

Operating expenses include \$1.5M of continued investment in TRUSense Gateway

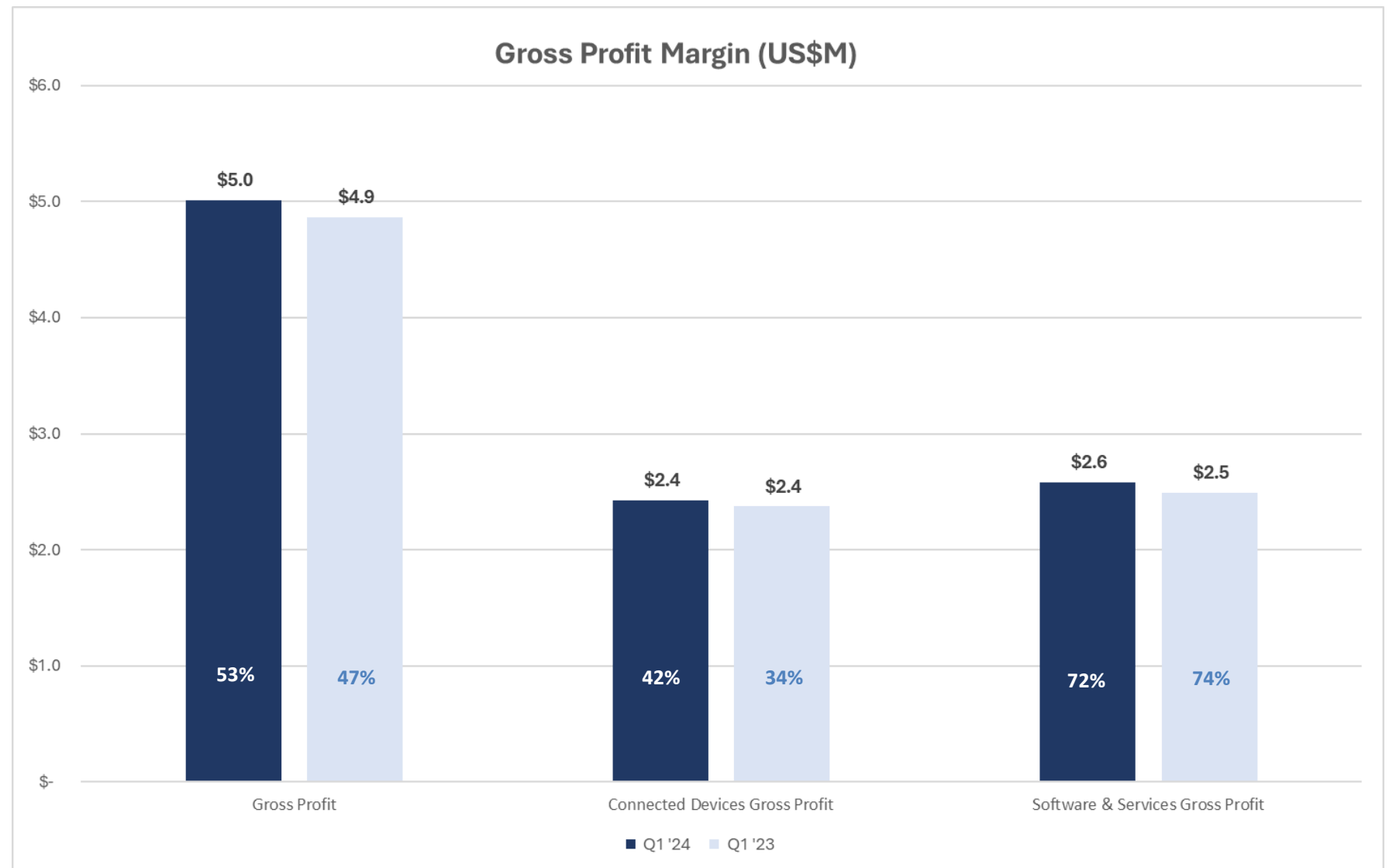
Manageable negative Adjusted EBITDA tied to commercialization of TRUSense Gateway

Q1 '24 Revenue Contribution & Gross Profit Margin Summary

Driving Software & Services revenue as more Connected Devices are deployed



Note: Reflects percentage contribution of total revenue.

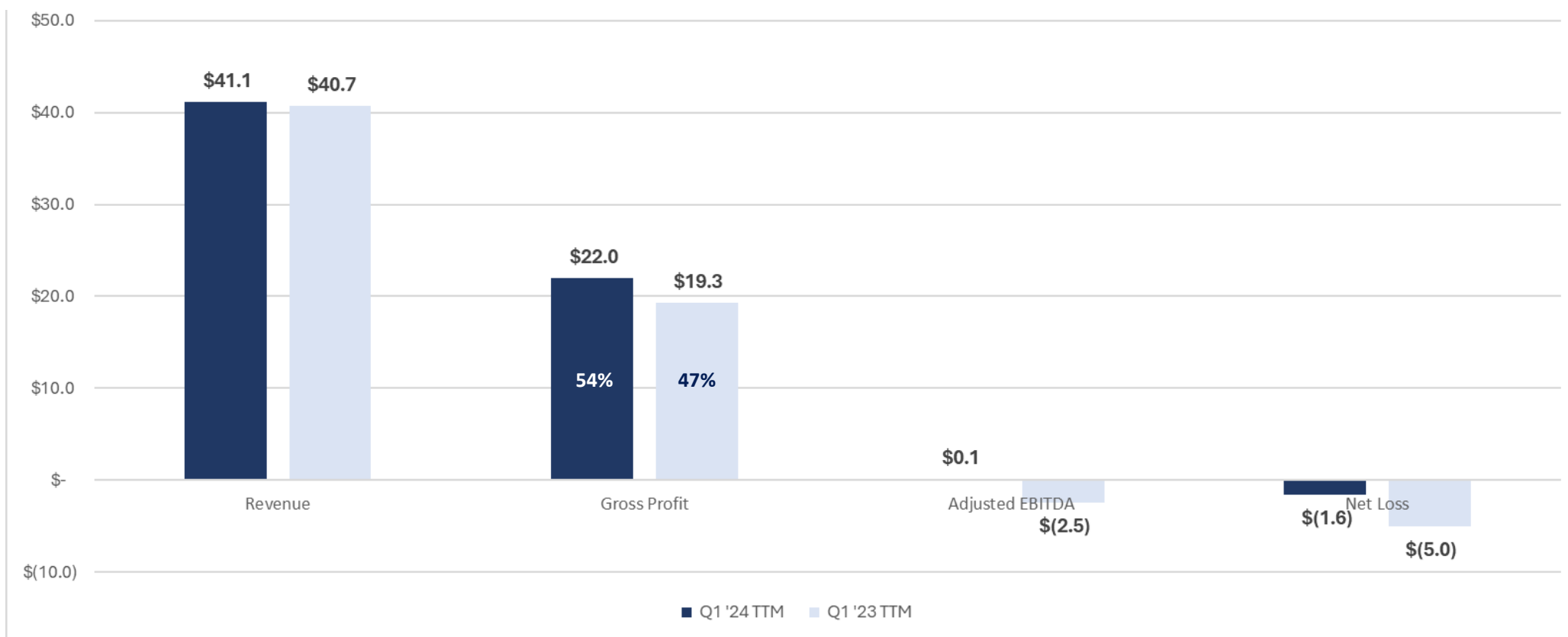


Note: Reflects Gross Profit Margin percentage.

Q1 '24 TTM Income Statement Summary

Improved Adjusted EBITDA while investing in TRUSense Gateway

Comparative Highlights (US\$M)



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

Highlights

Revenue increased over respective TTM periods

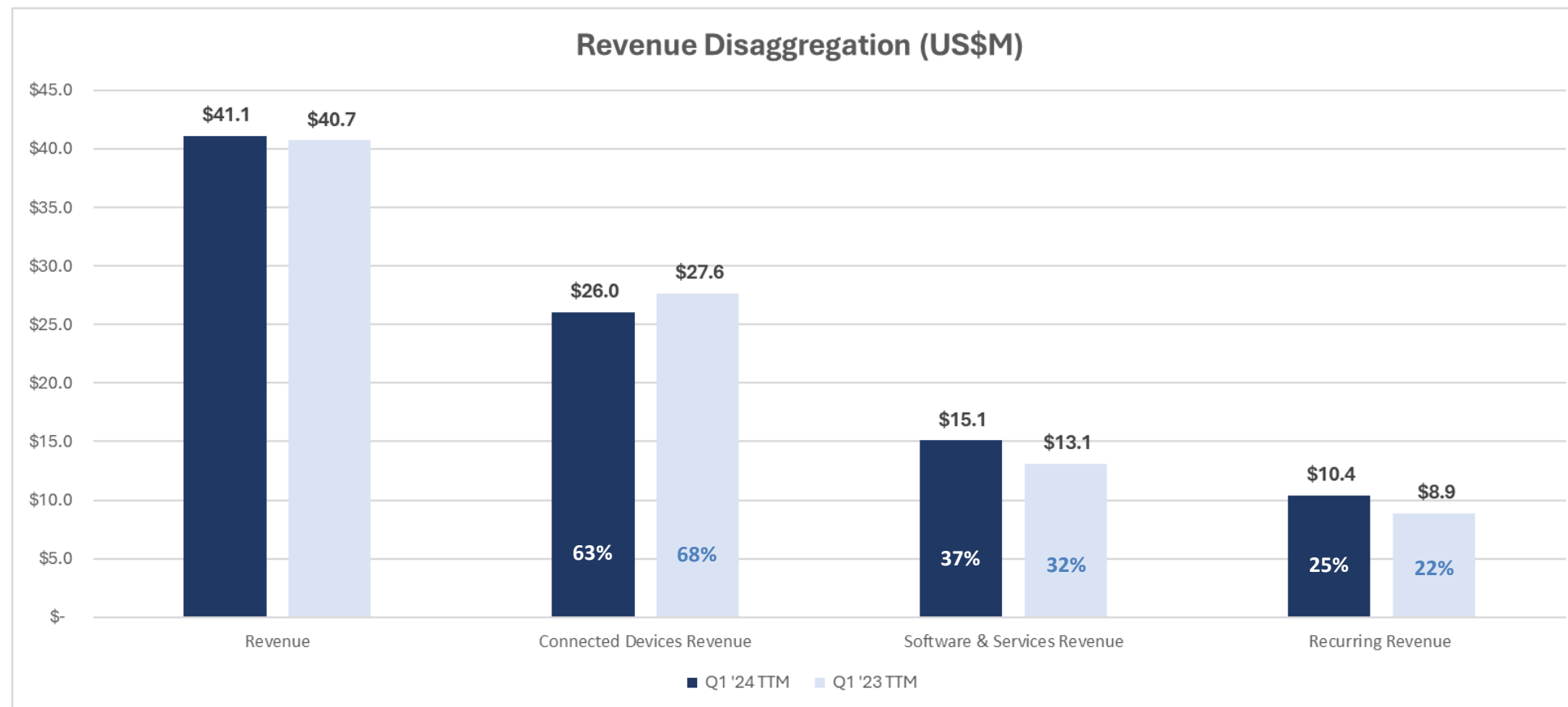
Increased Gross Profit Margin during the TTM period to 54%

Operating expenses include approx. \$5.5M of investment in the TRUSense Gateway (approx. \$1.8M of which are external costs)

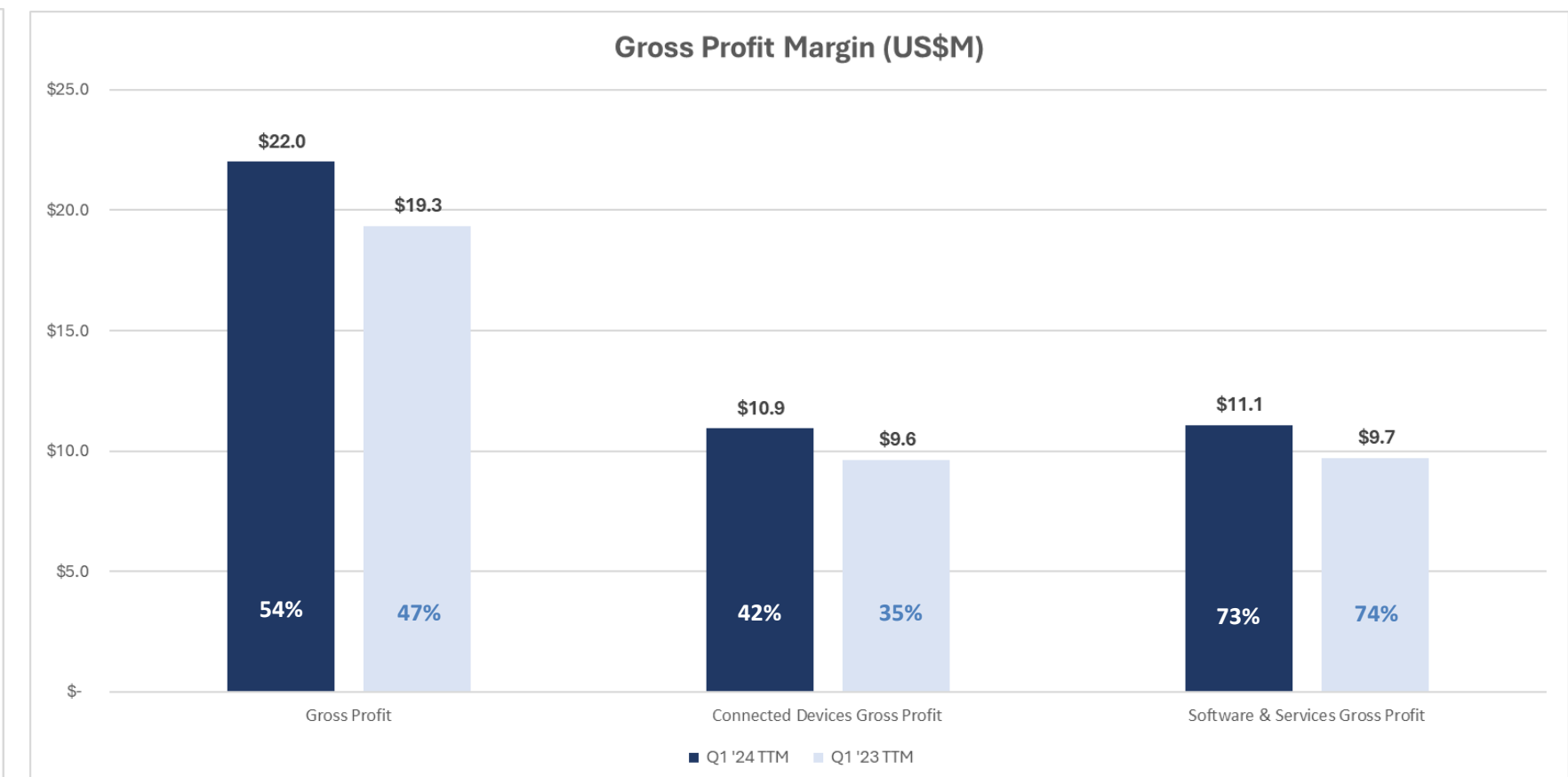
Reverted to positive Adjusted EBITDA while investing heavily in the TRUSense Gateway and TRUSync™ Grid Data Management software

Q1 '24 TTM Revenue Contribution & Gross Profit Margin Summary

Software & Services contributing to higher Gross Profit Margin percentage



Note: Reflects percentage contribution of total revenue.

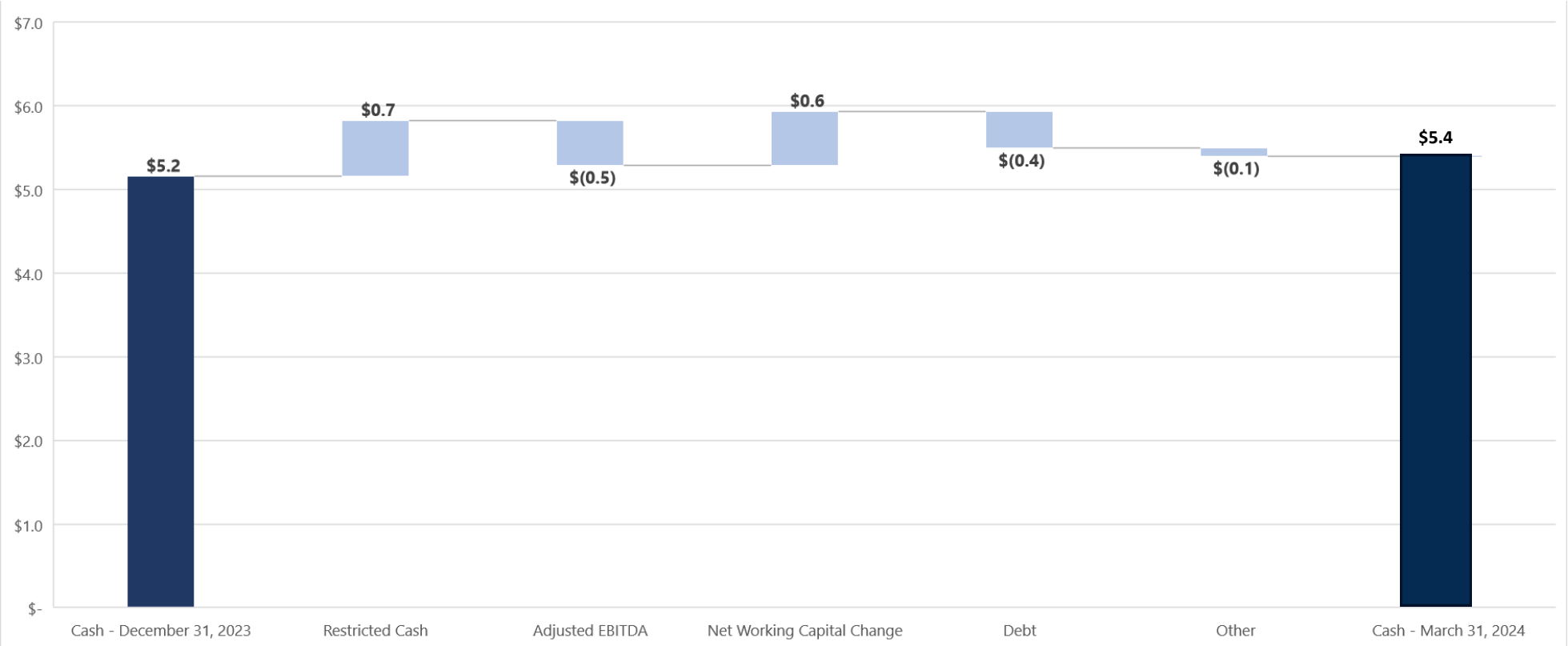


Note: Reflects Gross Profit Margin percentage.

Bridge Analysis for Cash

Cash bolstered by collection of ARR in Q1 '24 offset by working capital movement

Cash Bridge (US\$M)



Notable Highlights Impacting Q1 Cash

Release of restricted cash resulting from completion of a deployment requiring surety performance bond

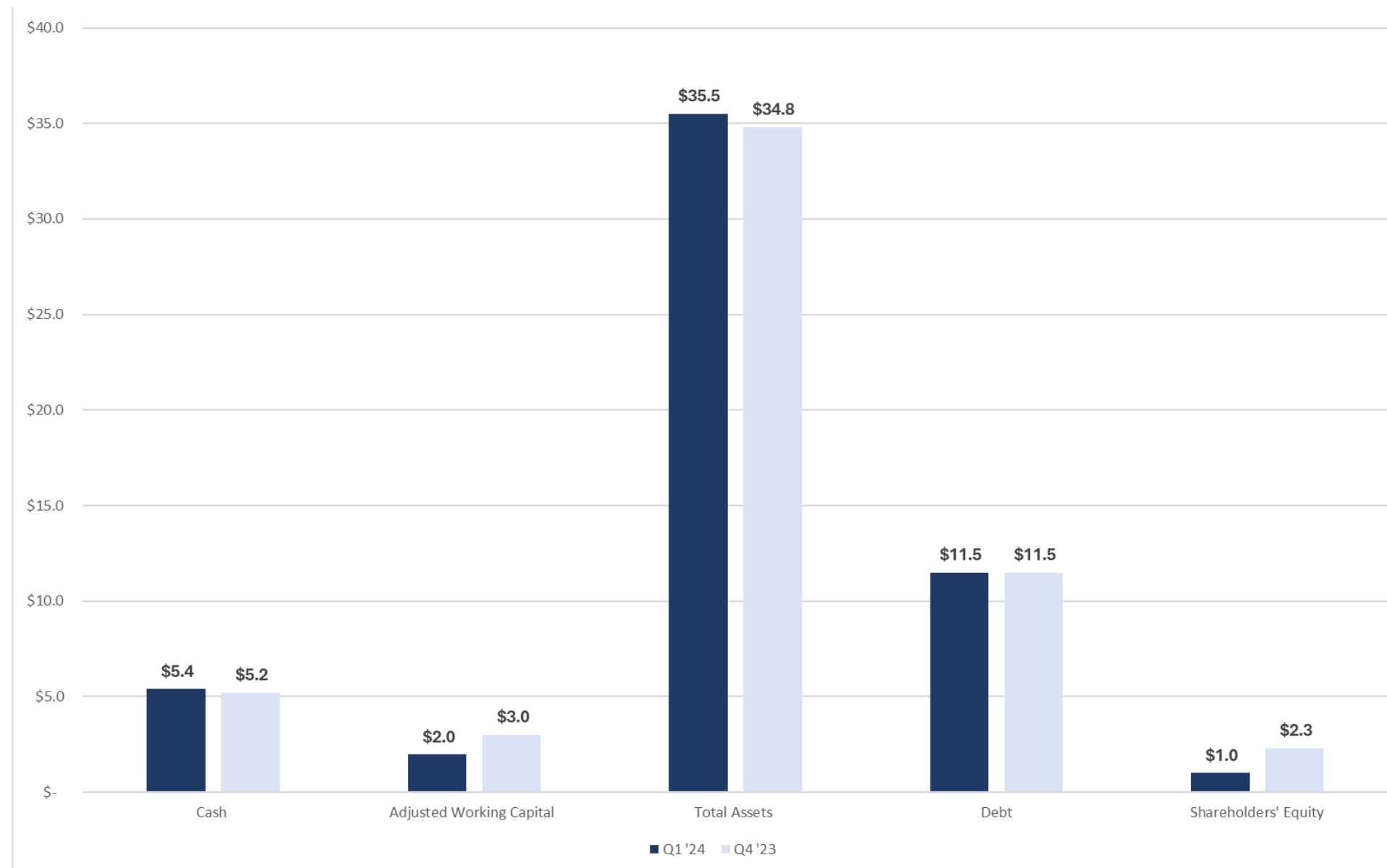
Debt servicing costs in alignment with our plan

- Working Capital Items:
- AR increased due to timing of revenue and ARR customer payments
 - Inventory decreased due to fulfilment of customer orders offset by ramp up for TRUSense Gateway commercialization
 - AP and Accrued Liabilities decreased
 - Deferred Revenue increased due to ARR customer payments offset by revenue recognized

Q1 '24 Balance Sheet Summary

Managing Working Capital to support growth initiatives in 2024

Comparative Highlights (US\$M)



Highlights

Managing Adjusted Working Capital to support ongoing operations and the anticipated launch of the TRUSense Gateway

Received significant customer payments, inclusive of 2024 ARR invoice renewals, after Q1 2024

Entering Q2 '24 with access to an additional \$4.0M of cash from the EDC Loan to support additional working capital requirements associated with the commercialization of the TRUSense Gateway

Key Highlights and Outlook

Key initiatives for 2024

Financial

- Record Q1 sales orders provide increased revenue visibility for 2024
- Anticipate generating initial revenue contributions from the TRUSense Gateway during the balance of 2024
- Anticipate negative Adj. EBITDA through the first six months of the year due to the ongoing effort to commercialize all versions of the TRUSense Gateway, but we expect to deliver positive Adj. EBITDA for the full year

Commercial

- Converted US\$21.6M of orders from our sales pipeline representing a new corporate milestone
- Expanded user community to 293 utilities
- Working with several utilities and partners to pursue GRIP funding opportunities
- We will continue to navigate through capacity allocation challenges and extending lead times with metering partners

R&D

- Remain on track to commercialize all three versions of the TRUSense Gateway through the first half of the year
- Continuing to gain traction with the TRUSync Grid Data Management software as utilities seek to manage an increasing volume of data

Capitalization Overview

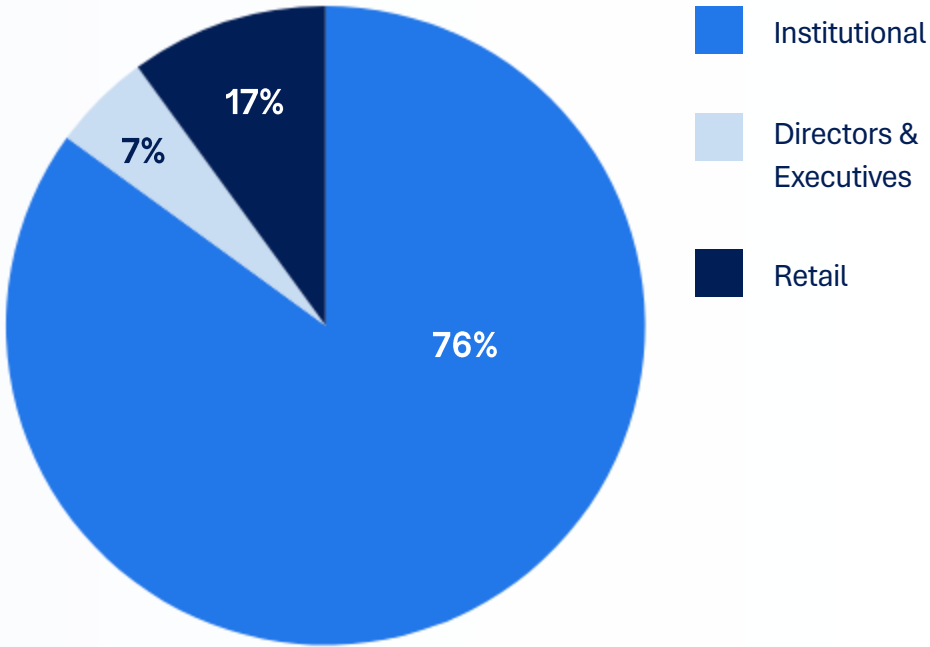


TSX-Listed, Symbol: GRID	
Share Price (as of 6/7/24)	C\$1.63
Market Cap	C\$82.8M
52 Week H/L	C\$2.06/C\$0.68
Shares Outstanding	50.8M
Fully Diluted	59M
Cash (as of 03/31/24)	US\$5.4M*

* Does not include recent C\$10M bought deal financing.

Debt (as of 03/31/24)	US\$11.5M
Analyst Coverage	Beacon Securities : Gabriel Leung Canaccord Genuity : Yuri Lynk Cormark Securities : Nick Boychuk Haywood Securities : Gianluca Tucci Paradigm Capital : Daniel Rosenberg
Consensus Analyst Target Price	C\$3.10

Shareholders



Experienced Leadership Team

Management



Peter Londa
CEO & Board Member



George Reznik
CFO



Michael Julian
CRO



Doug Campbell
CSO



Michael Grandis
*Chief Legal &
Administrative Officer*



Tom Allen
*EVP, Product
Development*

Board



Laura Formusa
Chair



Dr. Francis Harvey
Board Member



Tom Liston
Board Member



John McEwen
Board Member



Greg Williams
Board Member

Why Invest in Tantalus?



Market Catalysts

Electrification of Everything & Grid Modernization



Substantive Business

Differentiated Solutions With Growing User Community



Growth Catalyst

TRUSense Gateway Provides a Compelling Growth Opportunity



QUESTIONS?



tantalus.com



deborah@adcap.ca



TSX: GRID

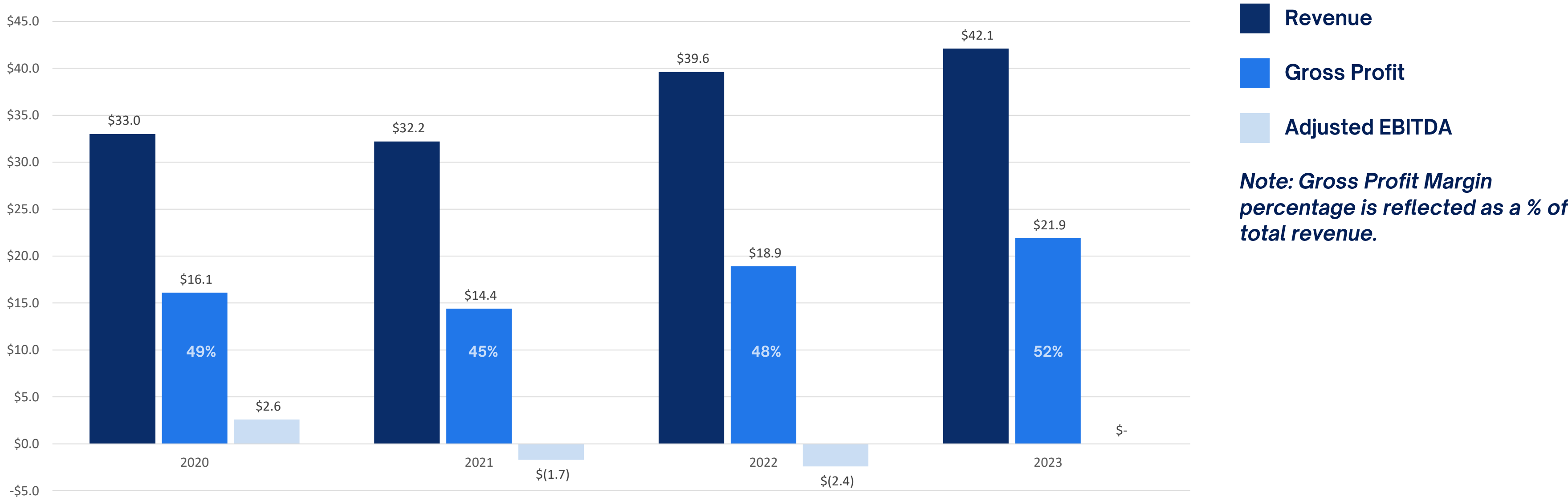


APPENDIX



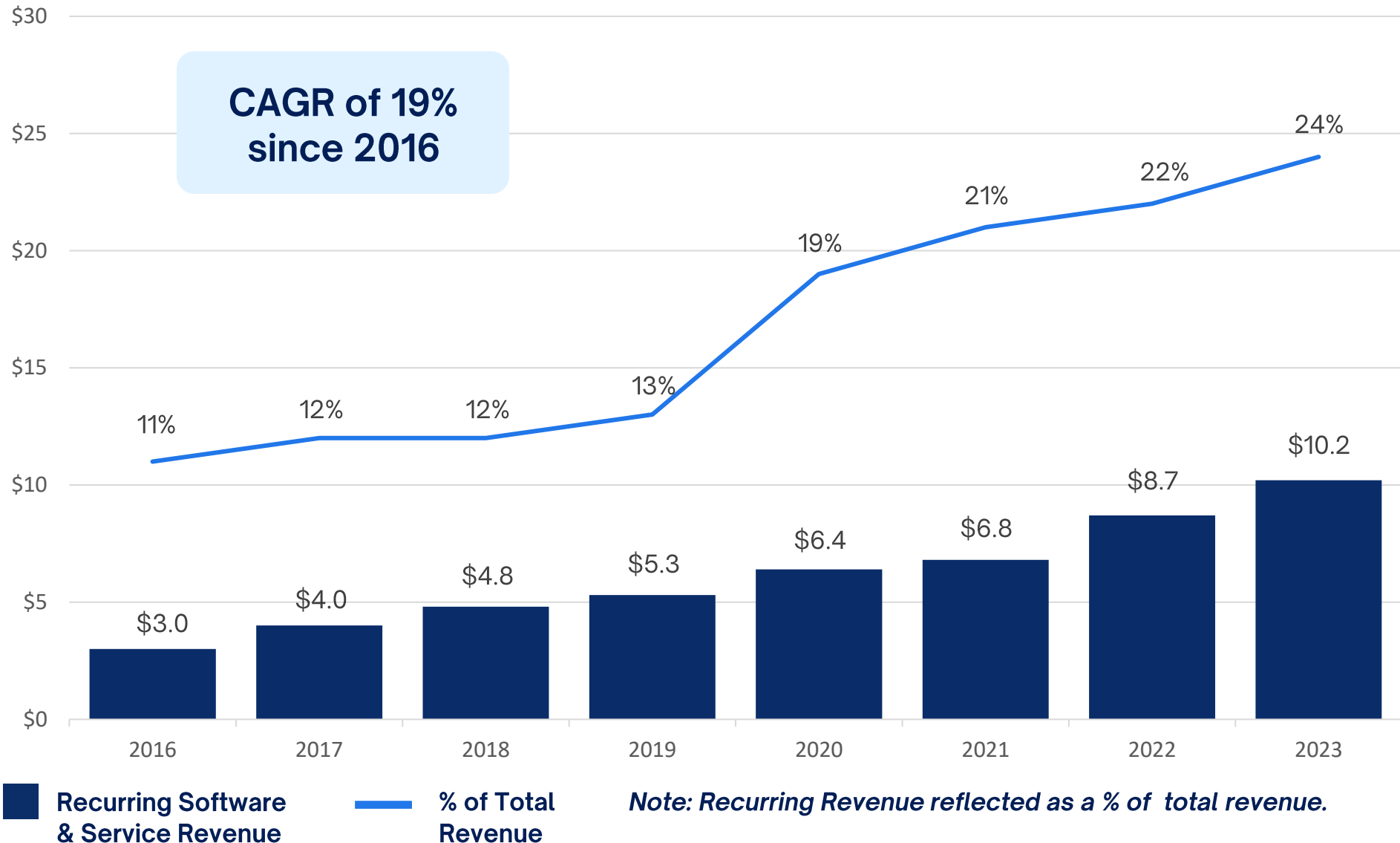
Building Momentum for GRID

Annual Financial Performance (US\$M)



Continuing to Increase ARR Contributions

Recurring Revenue (US\$M)



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

- Revolver in place since 2012 (renewed in February 2024)
- 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 12/31/23)
- No dilutive securities / warrants
- Interest of US Prime plus 5%

TRUSense Gateway Use Case: United Illuminating (UI)

IES Program

- Established by PURA as part of the Equitable Modern Grid Initiative in Connecticut
- One of 7 projects selected out of over 100 submissions
- If pilot validates ROIs and key themes of IES Program, commercial deployment would be fast tracked and included in the utility's rate case

Key Themes for IES Program

- Primary themes: Automation, flexible winter peak, thermal storage
- Secondary themes: Affordability, storage, non-wire alternatives, resiliency/reliability, DER integration, advanced infrastructure

Driver for UI

- Relying on a legacy AMI system
- AMI capabilities do not support demand-side flexibility, advance power quality or other regulatory drivers
- Seeking to protect aging substations, transformers, circuits and feeders
- Focused on including economically-challenged customers / equitable access when Wi-Fi not available / affordable

Use Cases

- Primary use case ties to demand-side flexibility / DER integration (electric water heater as thermal storage)
- Secondary use case ties to advanced power quality measurement (AVPQM) for reliability / resiliency analytics

Opportunity

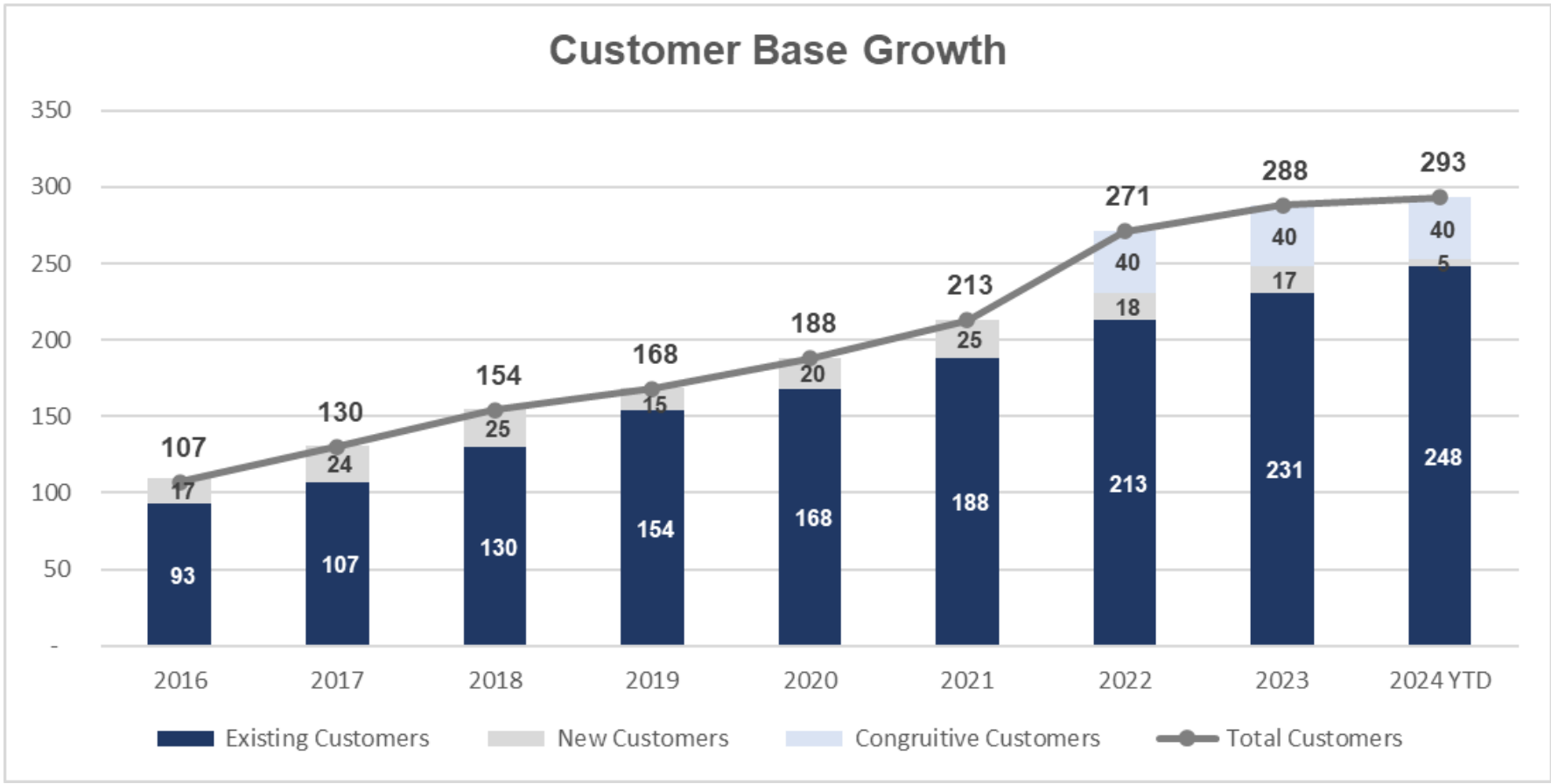
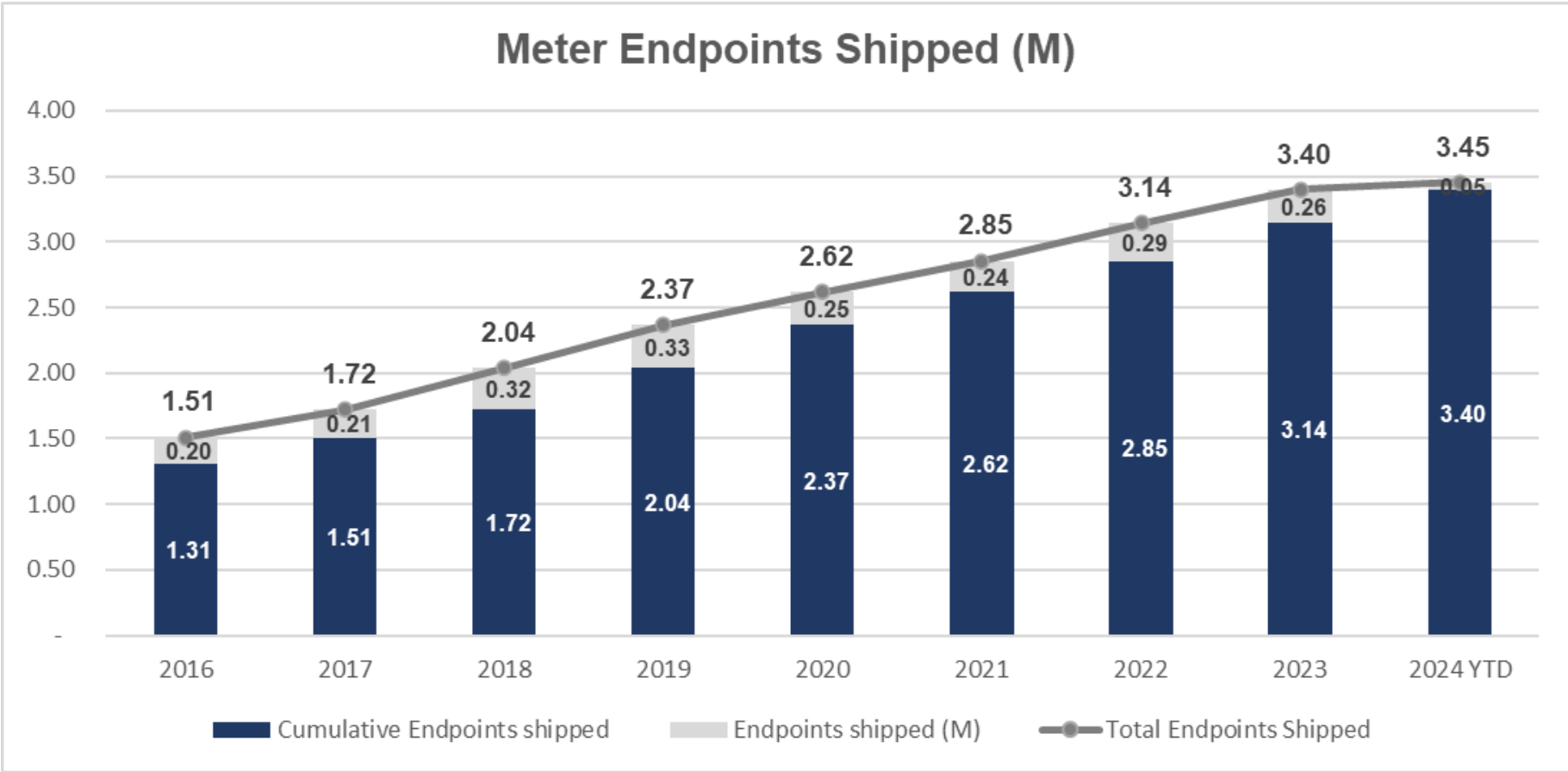
- Estimating demand-side flexibility would scale to approximately 10%+ of residential meters
- AVPQM could expand deployment to one TCG for every distribution transformer that is not covered with demand-side flexibility deployment

Stimulus Funding Delivers A Unique Growth Opportunity

GRID's solutions are eligible for stimulus funding amounting to over \$400 billion

<p>GRID Program</p> <p>\$3.9B for 2022 and 2023, in what will be \$10.5B in funding over 5 years through Grid Resilience Grants, Smart Grid Grants, Grid Innovation Program</p>	<p>Energy Improvements in Remote Areas</p> <p>\$3.9B for 2022 and 2023, in what will be \$10.5B in funding over 5 years through Grid Resilience Grants, Smart Grid Grants, Grid Innovation Program</p>	<p>ReConnect Program</p> <p>\$2B in loans and grants for broadband in rural areas</p>	<p>BEAD Program</p> <p>Broadband Equity, Access, and Development (BEAD) Program. \$42.45B over 5 years to expand high-speed internet access</p>
<p>EV Charging Discretionary Grant Program</p> <p>\$500M in 2023 awards, in what will be \$2.5B over 5 years to install alternative fuel stations and infrastructure in publicly accessible locations</p>	<p>State and Local Cybersecurity Grant Program</p> <p>\$1B in federal funds from the Department of Homeland Security for state, local, and tribal governments</p>	<p>Energy Sector Operational Support for Cyber Resilience Program</p> <p>\$50M from the Department of Energy for electric utilities, including municipal and cooperative utilities, to enhance resilience to cybersecurity threats</p>	<p>IRA Tax Incentive</p> <p>The IRA provides \$369B over the next decade for both new and existing tax incentive programs for many aspects of community building including installation of energy facilities</p>

Customers & Endpoint Growth Leads to Software & Services



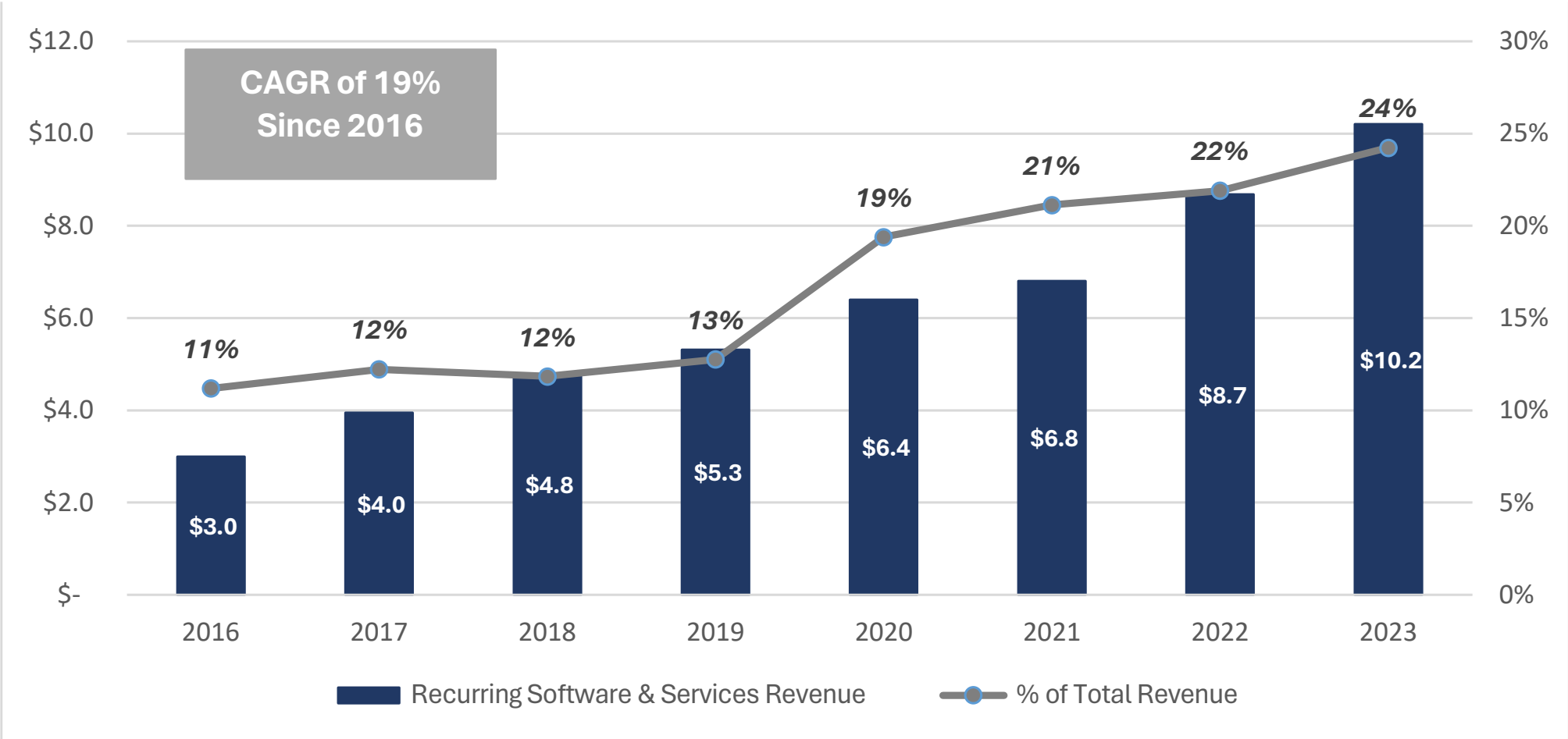
Growth of User Community

- We added 5 new utility customers during Q1 '24
- 3.5M endpoints shipped with approximately 1.5M endpoints available with existing customers
- Accessing over 30+ billion data points for power quality and customer consumption to drive data analytics tools

Increasing Annual Recurring Revenue Growth

Continuing to increase the revenue contribution from Recurring Revenue each year

Recurring Revenue (US\$M)



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