



# 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**

**300+**

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

# Drivers Creating Urgency For Utilities

Any one of these mega-trends poses immediate and massive problems that have to be dealt with now



## Extreme Weather

- 133% Increase in weather + climate disasters from 2010-20
- 28 disasters in 2023
- >\$1B cost of each disaster



## Electrification of Everything

- Demand for electricity in US could double by 2050
- By 2030, 1 in 3 cars sold in the US will be an EV



## Decarbonization of Everything

- In 2021, 21% of the total U.S. energy mix from renewables and 23% from coal
- By 2050 renewables will grow to 44% and coal will be 10%



## Aging Infrastructure

- 60% of North American electric grid is past its life expectancy
- Average age of large transformers in the U.S. exceeds 40 years, increasing risk of failure

# Emerging Problems

Utilities facing issues resulting from the mega-trends

## Addressing Supply/ Demand Imbalance



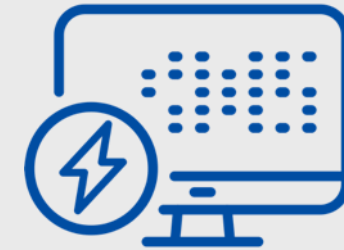
Increased EV adoption, the greater electrification of society and the decarbonization of energy production increases the risk of energy shortfalls in the near- and long-term.

## Reducing Risk of Power Outages



Power outages cost the U.S. economy \$150B annually—and households have endured a 15% increase in outages over the last decade.

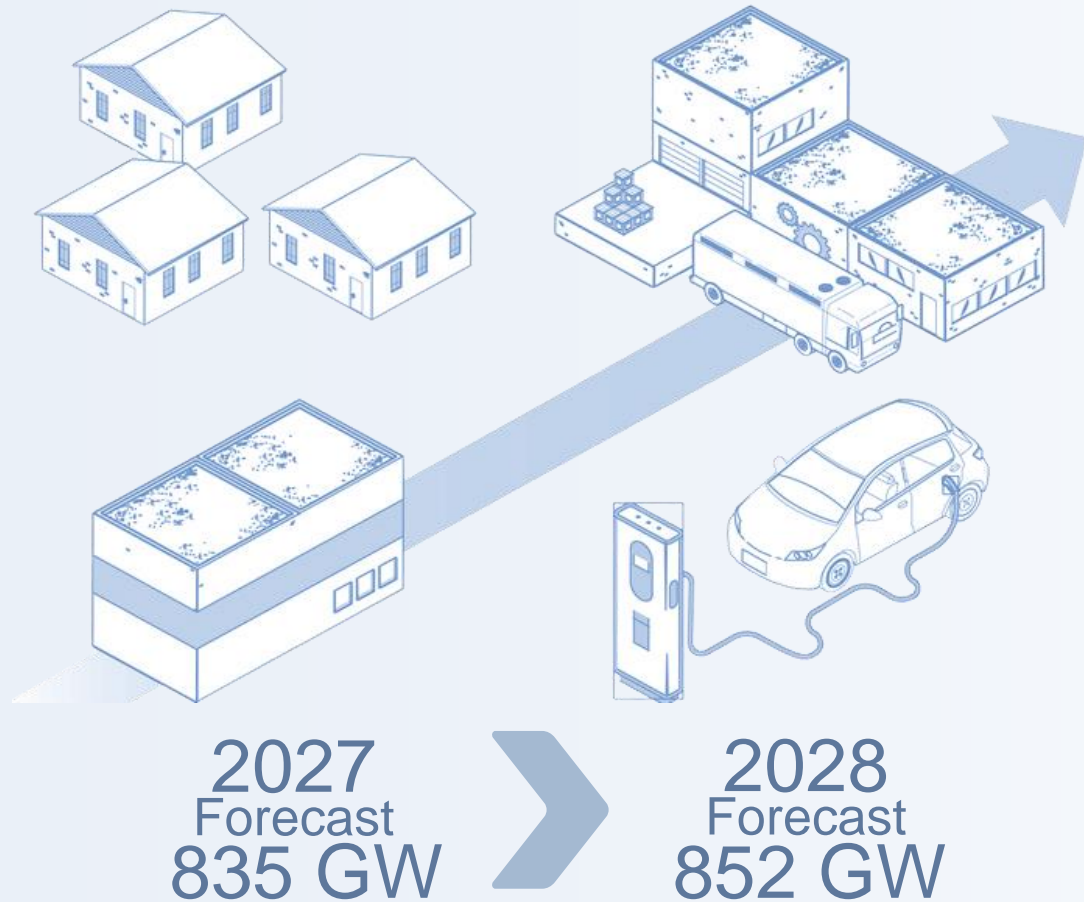
## Managing Grid Data



Utilities struggling to harness the power of data from an increasing number of systems and devices to improve visibility and awareness.

# Additional Growth of Electric Demand

Distribution grid under further stress as utilities are expected to deliver more power



## Power Consumption

Nationwide power consumption is projected to rise by at least 38 gigawatts between now and 2028.



## Electrification

EV adoption and home and industrial electrification will boost U.S. energy consumption by 1% annually through 2026.



## Data Centers

AI, cryptocurrency, and cloud computing will drive a 65% increase in U.S. data center load by 2050.



## Residential Power

Population and steady economic growth will drive a 14% to 22% residential power consumption increase through 2050.



## Industrial Power

New and expanding manufacturing, driven by federal incentives, expected to raise industrial demand by 13,000 GWh per year.

# 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

# A Technology Platform that Delivers Grid Modernization



## The 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



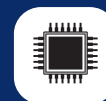
### Grid Data Management System

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



### Communications Network

TRUConnect™ Network provides flexibility



### Connected Devices

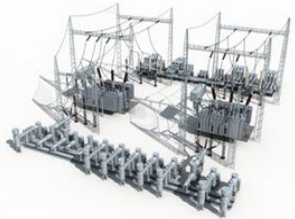
TRUConnect™ family of endpoint devices (includes TRUSense Gateway™ and TRUEdge™ devices)



# A Unified Set of Solutions to Accelerate Modernization

## Substation-to-Meter (Traditional Areas of Focus for Utilities)

### Substation



### Distribution Feeder



### Meter



 TRUGrid™  
Automation Suite

 TRUConnect™  
Solutions

## Grid Edge



 TRUSense  
Gateway™

## Behind-the-Meter (Extending the "Grid Edge")

### Smart Home Appliances



### In-Home Distributed Energy Resources & EV Chargers



 TRUFlex™ Load & DER  
Management System

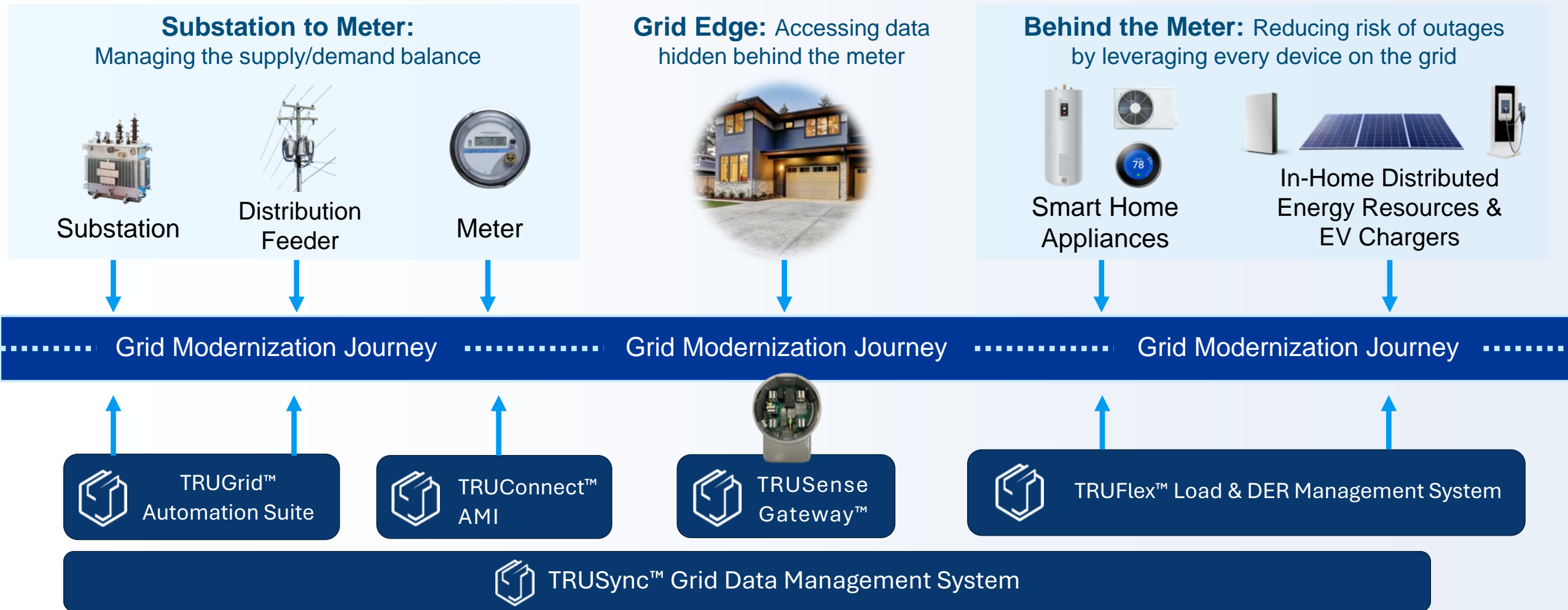


## TRUSync™ Grid Data Management System

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

# Customer's Journey to Grid Modernization

One platform. Multiple entry points.



# Future Vision: TRUSync Grid Data Management

Tantalus has an early lead in this massive long-term market opportunity

You can't fully modernize the grid without **truly interoperable data**.

The demand for grid data management is in its early stages. Some utilities—primarily IOUs—have already started on this journey. The demand across utilities of all sizes will grow as time goes on.

TRUSync represents a massive differentiator TODAY—and a massive future market opportunity that can build upon the capabilities of the TRUSense Gateway.

# Tantalus Grid Modernization Provides the Solutions

The Tantalus Grid Modernization Platform addresses multiple issues facing utilities

## Addressing Supply/ Demand Imbalance



TRUFlex™ Load & DER  
Management System



TRUConnect™  
AMI

## Reducing Risk of Power Outages

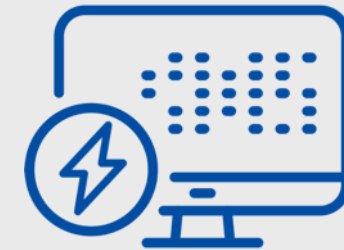


TRUGrid™  
Automation Suite



TRUSense  
Gateway™

## Managing Grid Data



TRUSync™ Grid Data  
Management System



# Summary of the TRUSense Gateway



# 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



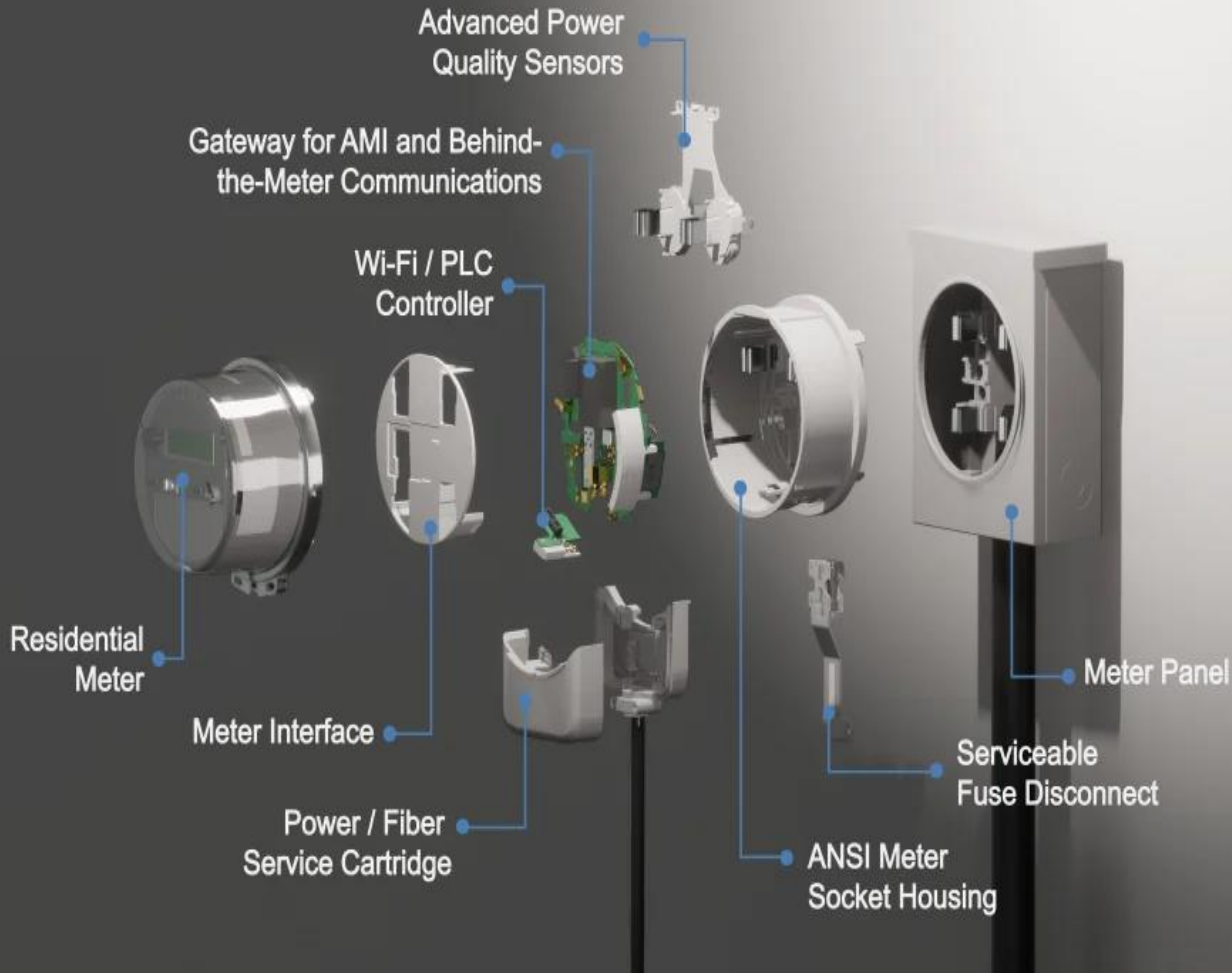
## Major Milestones/Timelines

- Fiber – UL Certification received
- Ethernet – ETL Certification and AFS in process
- Cellular – FCC Certification and AFS expected Q3'24

## 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)

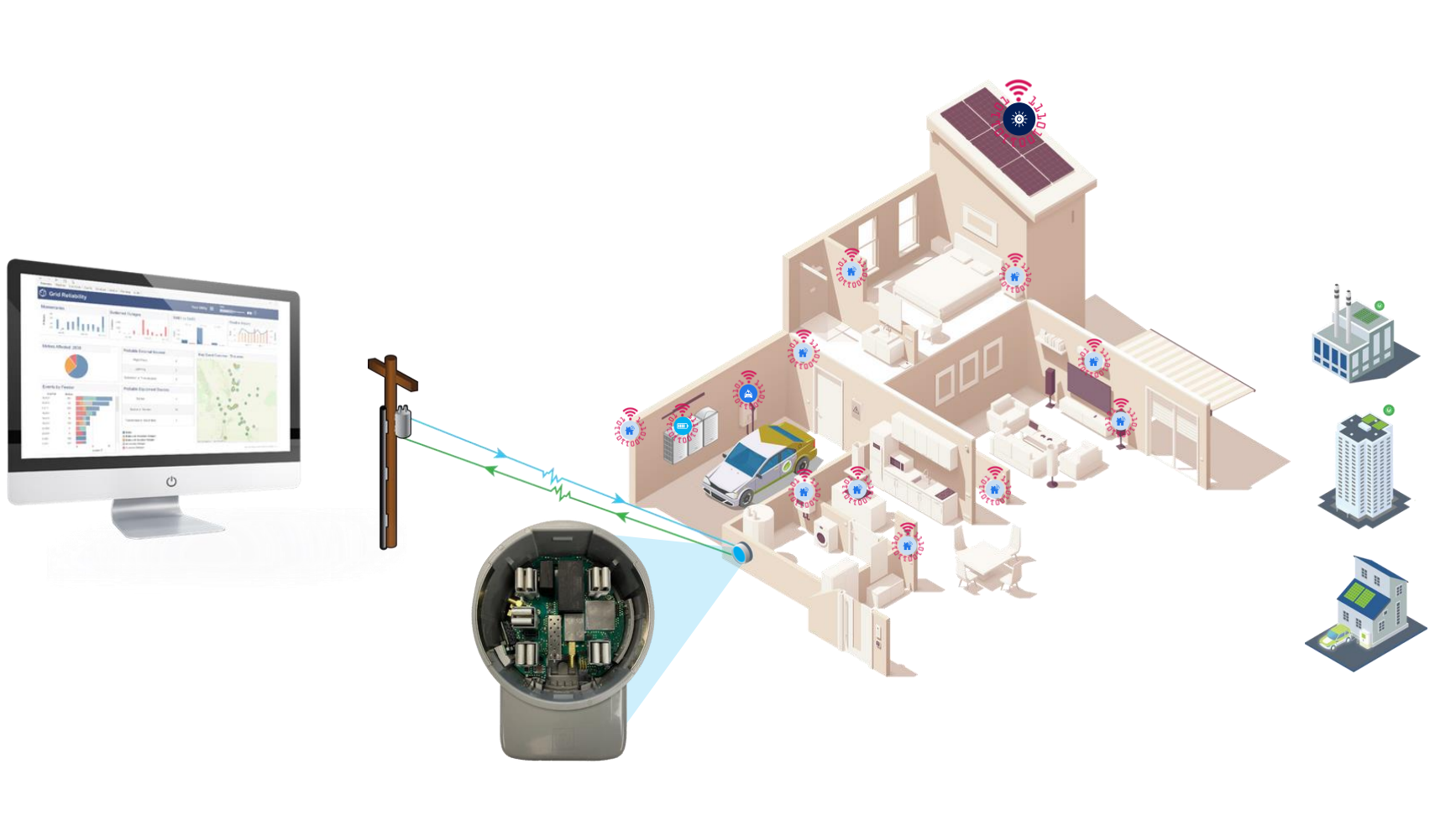
Supports any existing ANSI meter

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



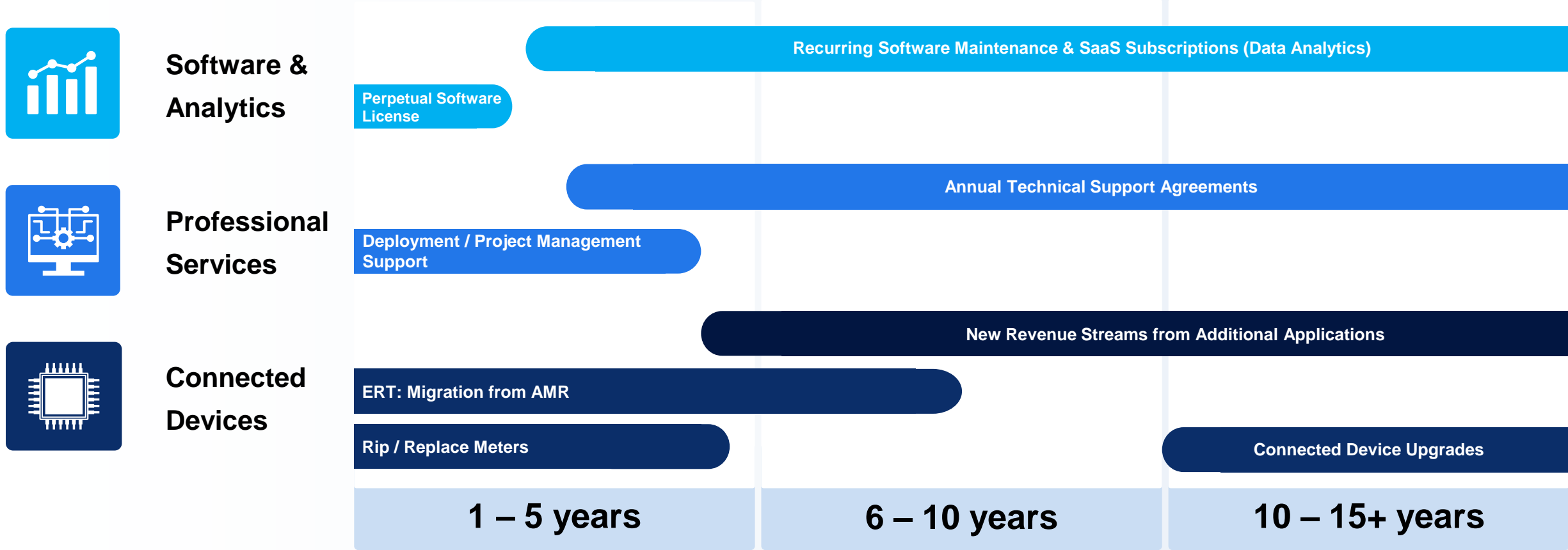
# FINANCIAL SUMMARY

Through March 31, 2024



# How Tantalus Generates Revenue

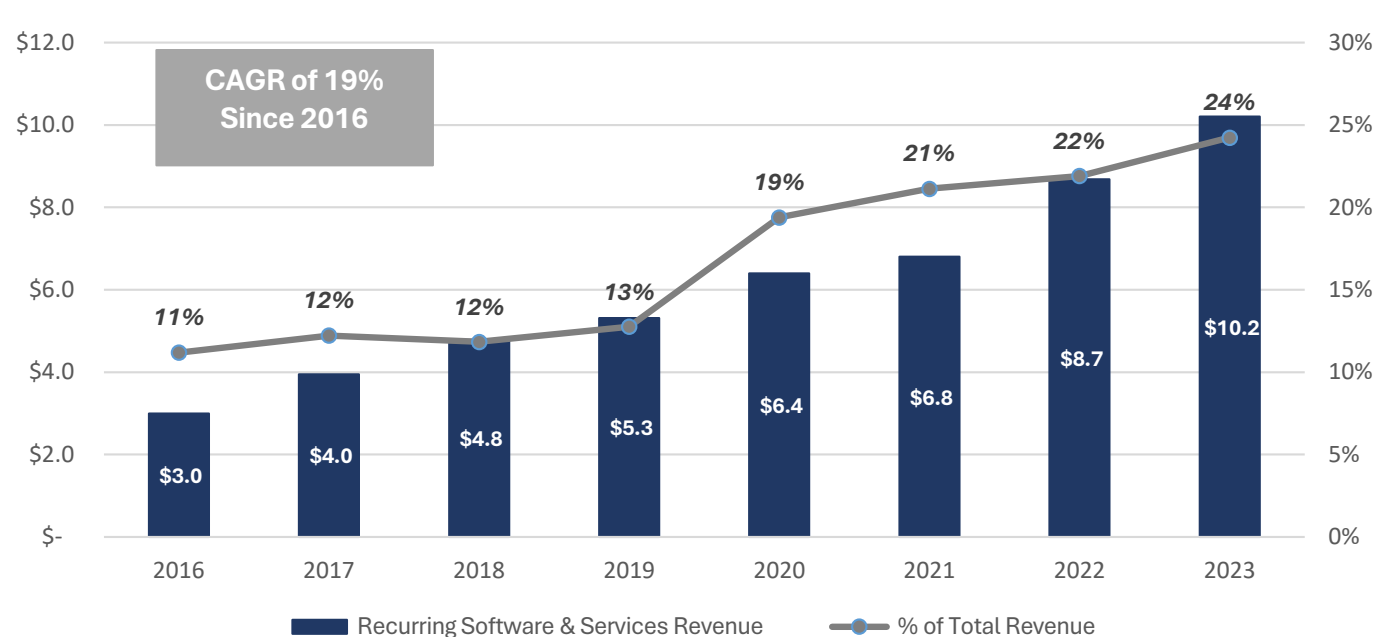
Deploying connected devices leads to recurring revenue over 12 – 15 years



# 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

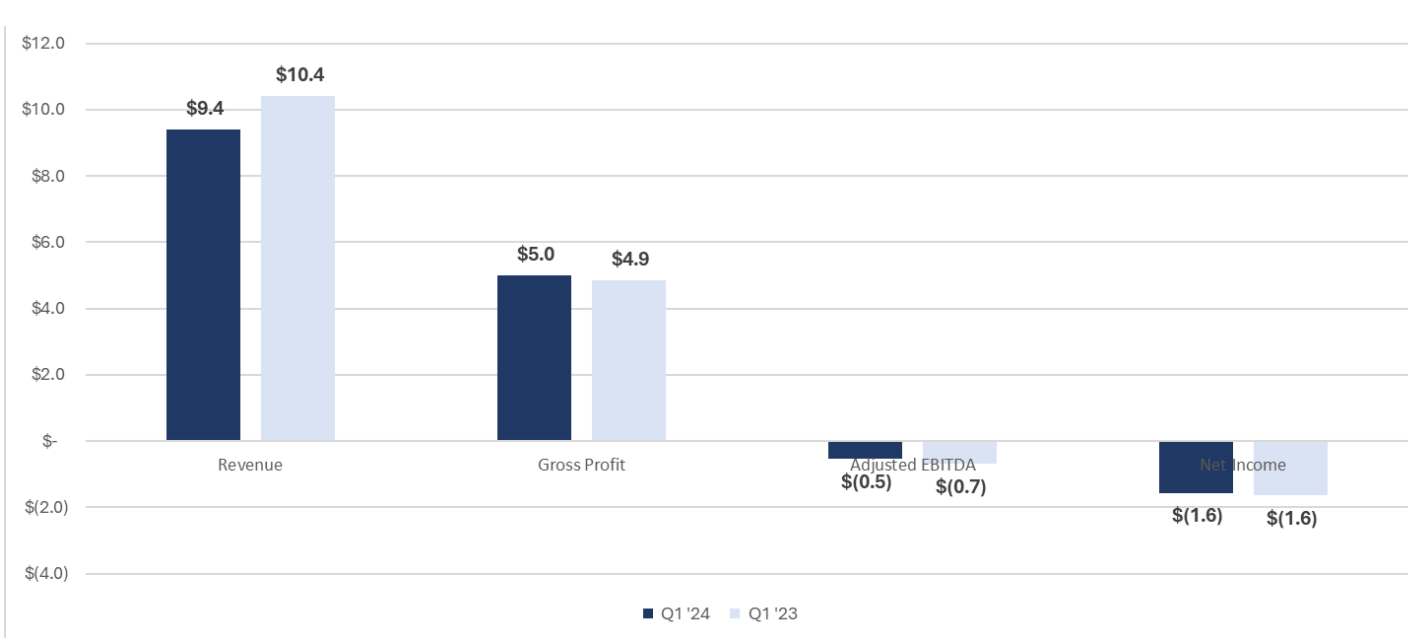
ARR is a subset of total Software & Services revenue and represents a rolling twelve-month revenue estimate at point of time

Entered 2024 with US\$11.5M in ARR for the calendar year

# 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

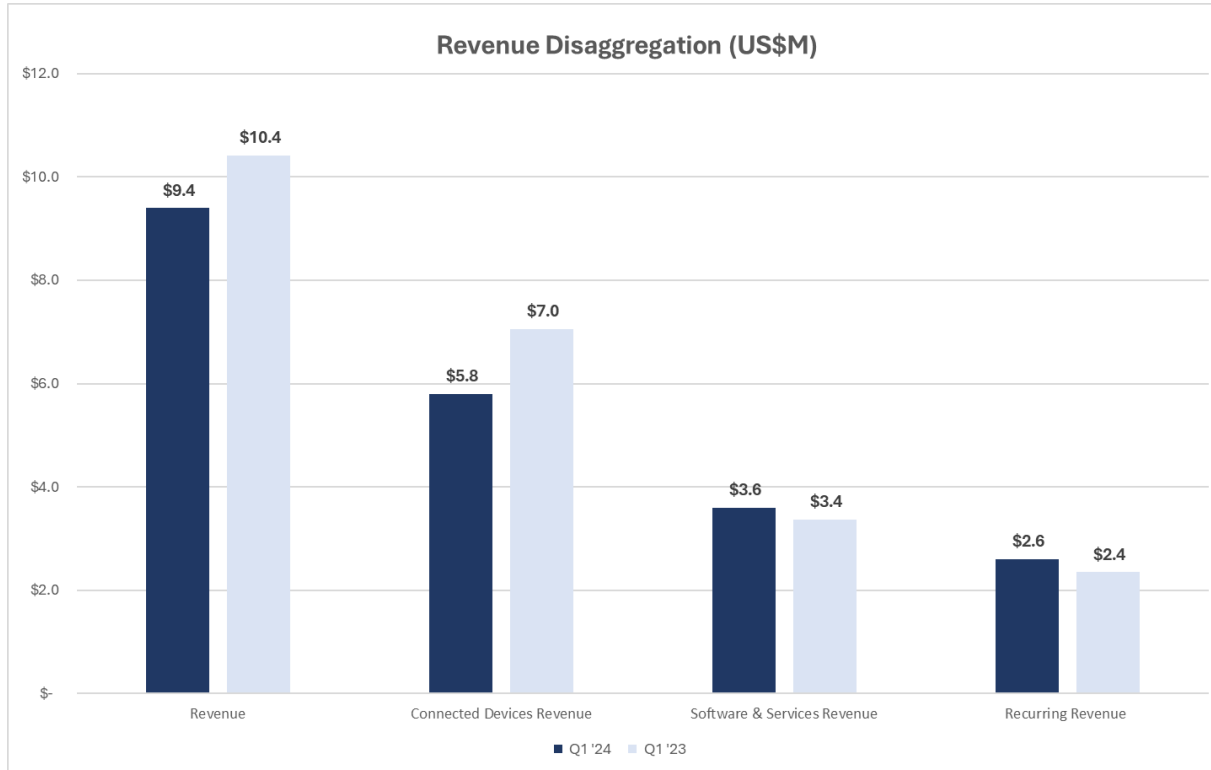
Gross Profit Margin increased to 53% for the quarter to help offset revenue shortfall

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

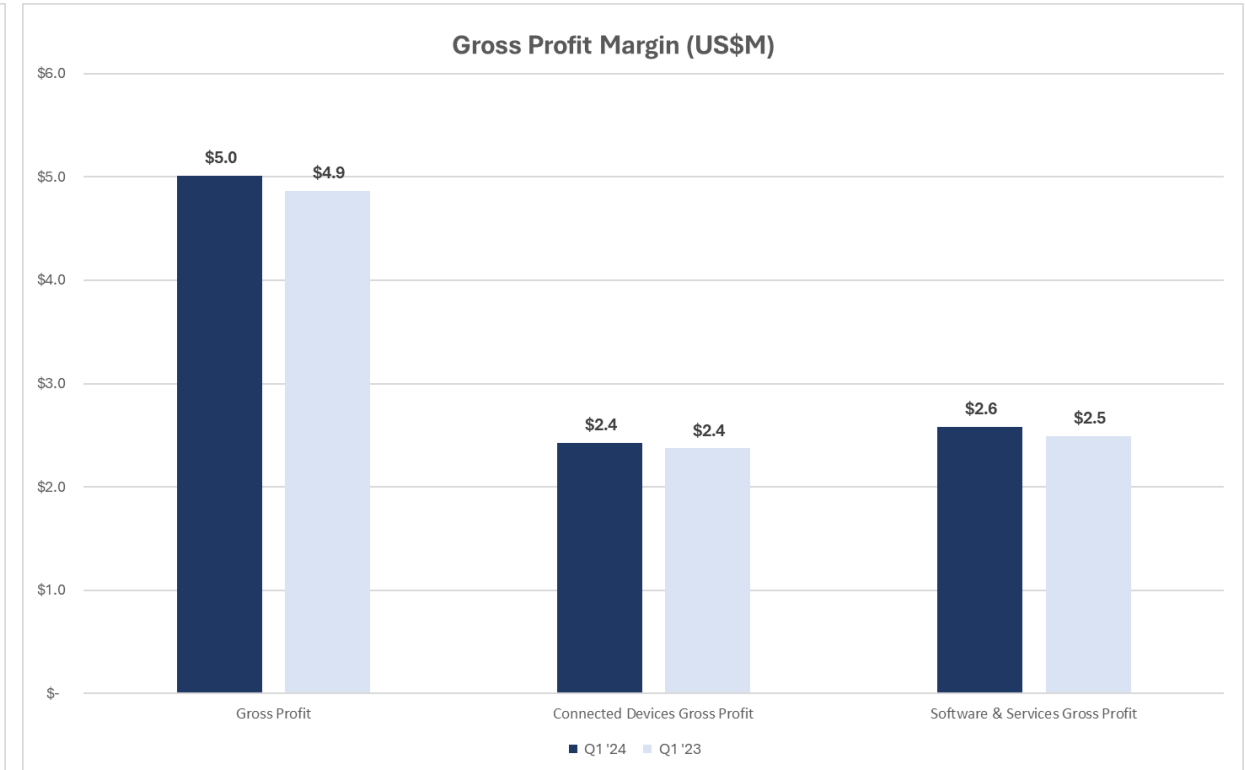
Manageable negative Adjusted EBITDA tied to commercialization of TRUSense Gateway

# 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.*

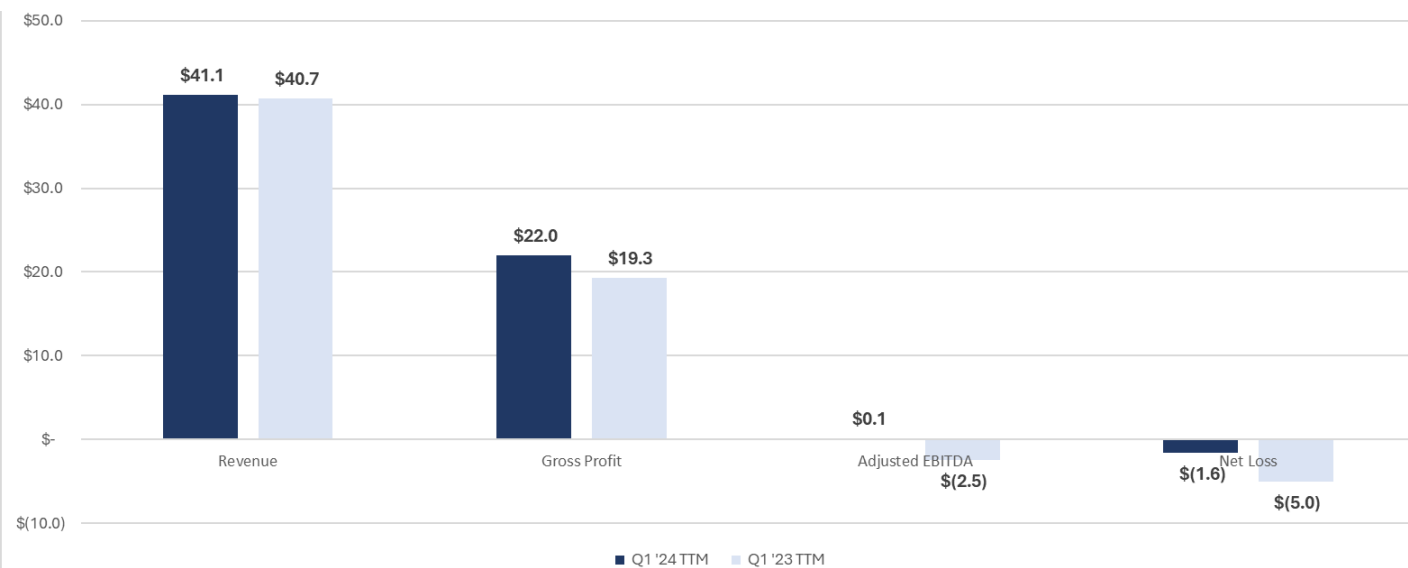


*Note: Reflects Gross Profit Margin percentage.*

# 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

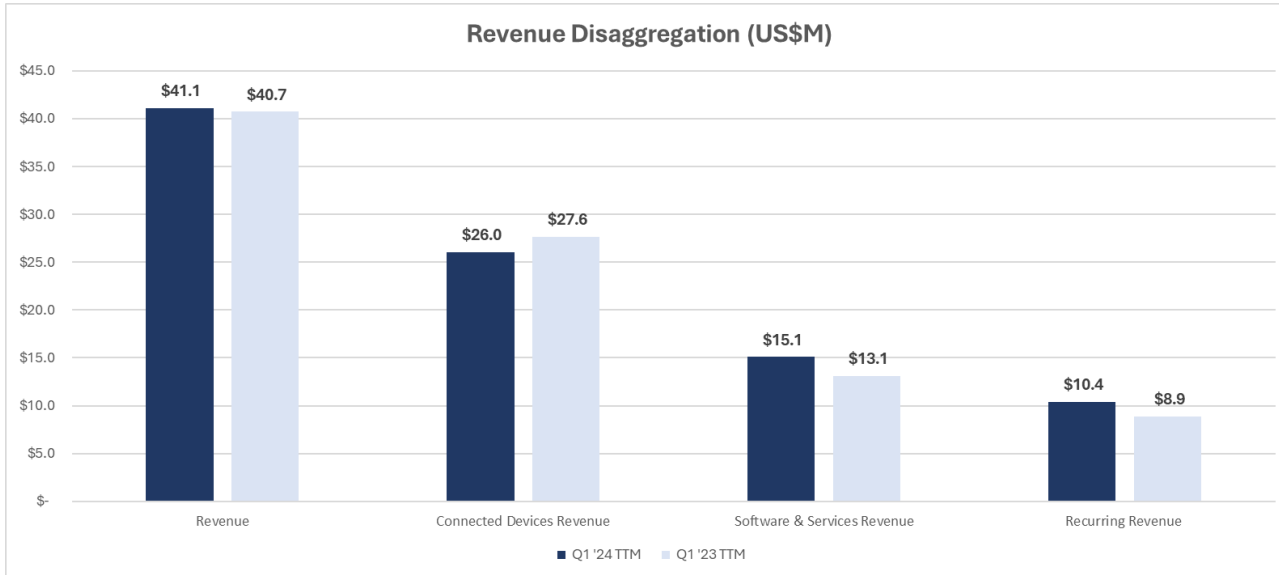
Increased Gross Profit Margin during the TTM period to 54%

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

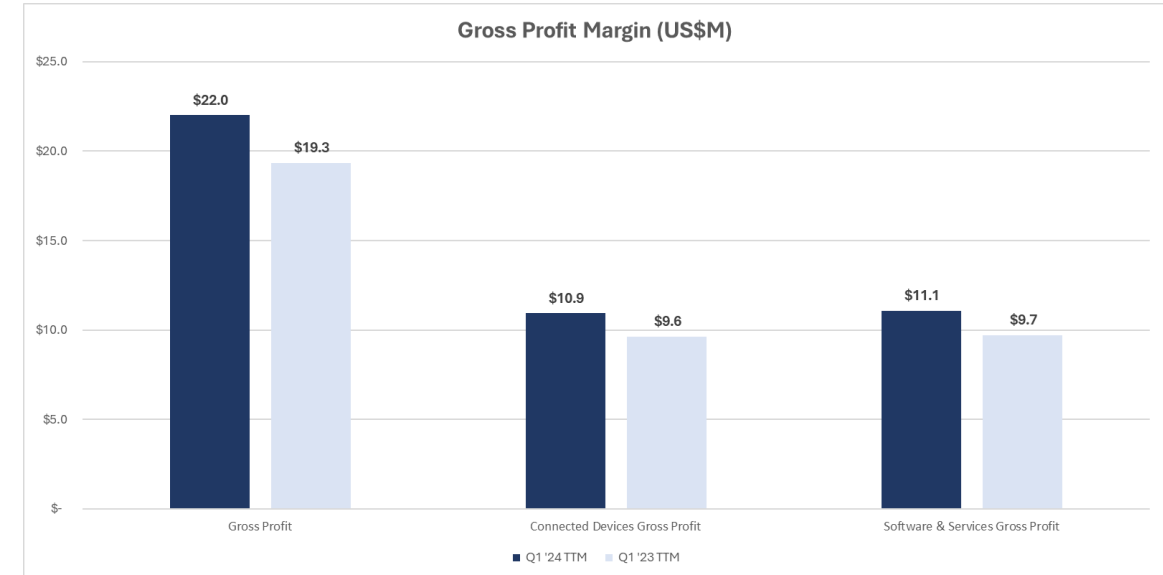
Reverted to positive Adjusted EBITDA while investing heavily in the TRUSense Gateway and TRUSync™ Grid Data Management software

# Q4 '24 TTM Revenue Contribution & Gross Profit Margin Summary

Software & Services contributing to higher Gross Profit Margin percentage



*Note: Reflects percentage contribution of total revenue.*



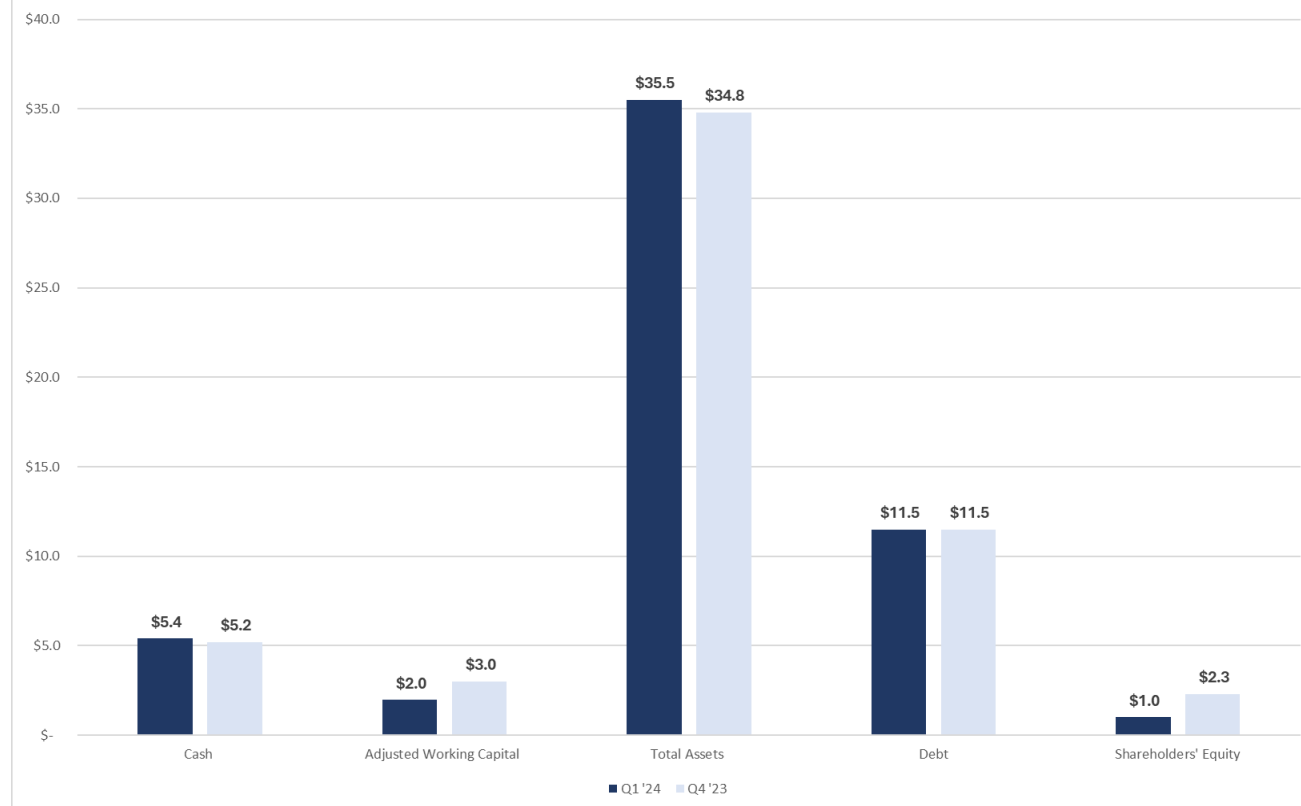
*Note: Reflects Gross Profit Margin percentage.*



# 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

Secured C\$10M bought deal equity financing in Q2 (not reflected in Q1 '24 cash balance)

In addition to the recent financing, there 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

# Capitalization Overview

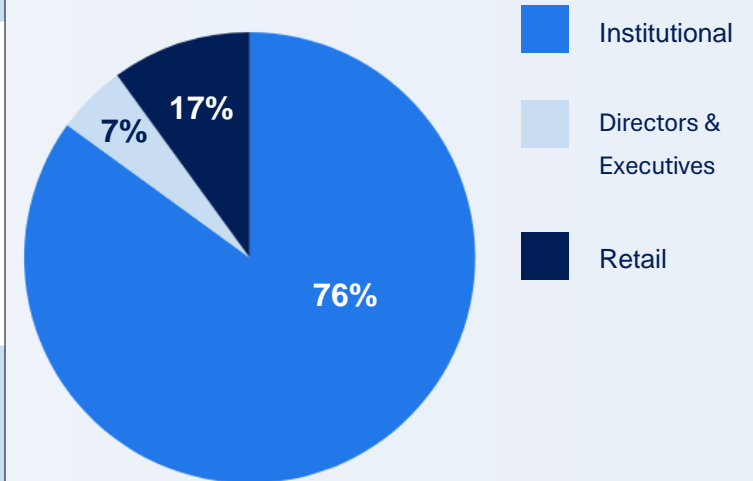


TSX-Listed, Symbol: GRID	
Share Price (as of 7/11/24)	C\$1.28
Market Cap	C\$66.04M
52 Week H/L	C\$2.06/C\$0.68
Shares Outstanding	50.8M
Fully Diluted	59M
Cash (as of 03/31/24)	US\$5.4M*

\* 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*



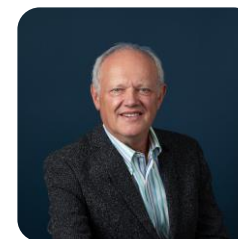
**Dr. Francis Harvey**

*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](https://tantalus.com)



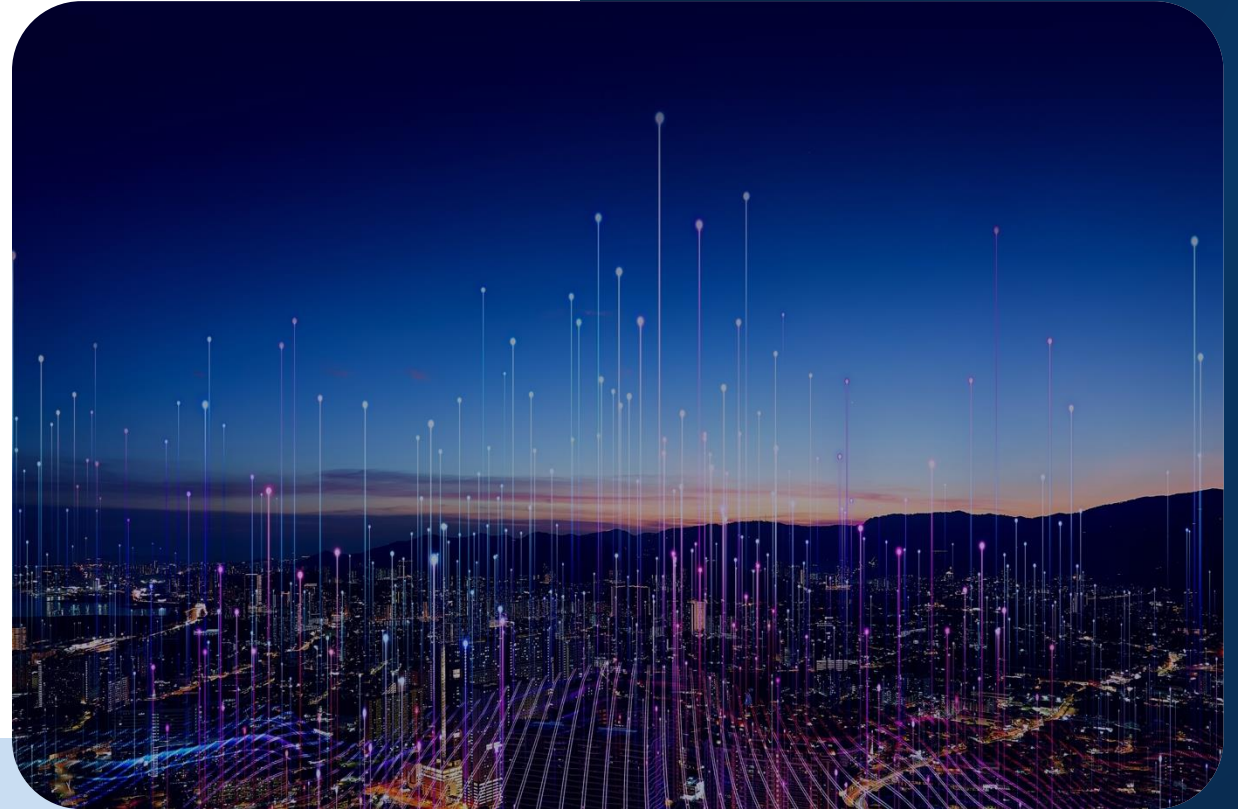
[deborah@adcap.ca](mailto:deborah@adcap.ca)



TSX: GRID

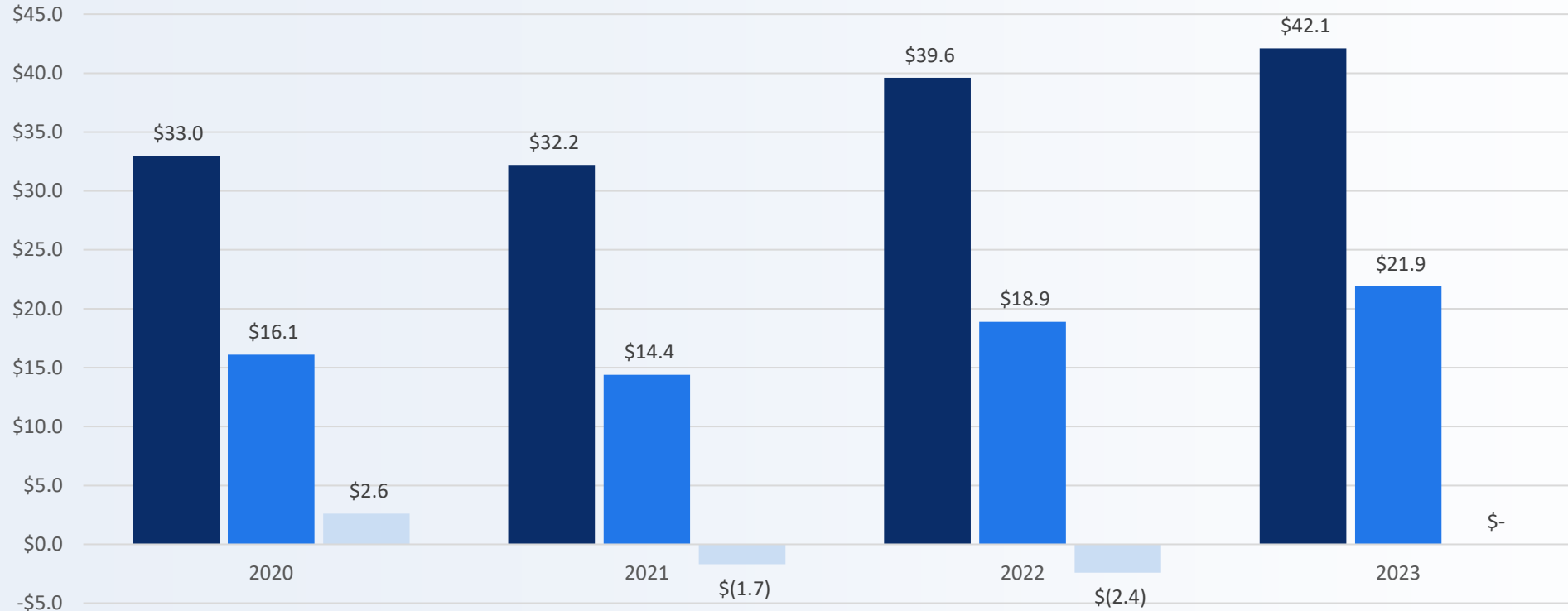


# APPENDIX



# Building Momentum for GRID

## Annual Financial Performance (US\$M)



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

# 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 3/31/24)
- No dilutive securities/ warrants
- Interest of US Prime plus 5%



# 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

# TRUSense Gateway Use Case: United Illuminating (UI)

## IES Program

- Established by PURA as part of the Equitable Modern Grid Initiative in Connecticut
- One of the 7 projects selected 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, advanced 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

## GRID Program

\$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

## Energy Improvements in Remote Areas

\$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

## Reconnect Program

\$2B in loans and grants for broadband in rural areas

## BEAD Program

Broadband Equity, Access, and Development (BEAD) Program. \$42.45B over 5 years to expand high-speed internet access

## EV Charging Discretionary Grant Program

\$500M in 2023 awards, in what will be \$2.5B over 5 years to install alternative fuel stations and infrastructure in publicly accessible locations

## State and Local Cybersecurity Grant Program

\$1B in federal funds from the Department of Homeland Security for state, local, and tribal governments

## Energy Sector Operational Support for Cyber Resilience Program

\$50M from the Department of Energy for electric utilities, including municipal and cooperative utilities, to enhance resilience to cybersecurity threats

## IRA Tax Incentive

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