

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

MODERNIZE THE GRID BY HARNESSING THE POWER OF DATA



CORPORATE 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\$12M+

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



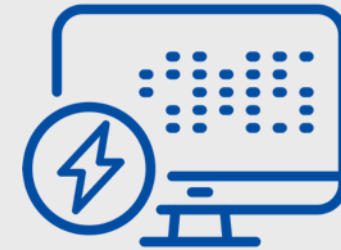
Increased EV adoption, the greater electrification of society and the decarbonization of energy production increases the risk of energy shortfalls in the near- and long-term.

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.

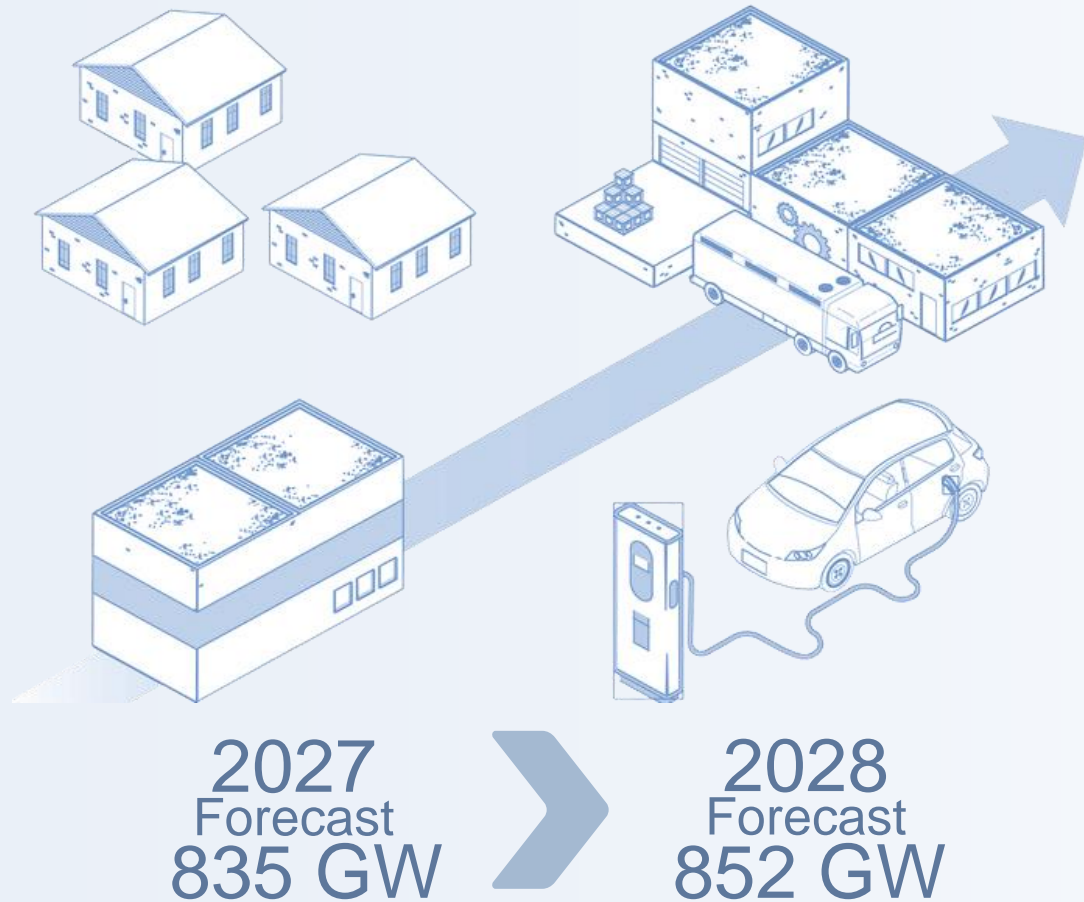
Managing Grid Data



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



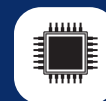
Grid Data Management System

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



Communications Network

TRUConnect™ Network provides flexibility



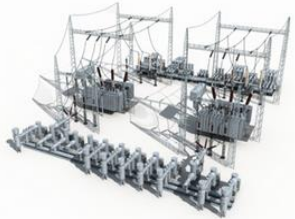
Connected Devices

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

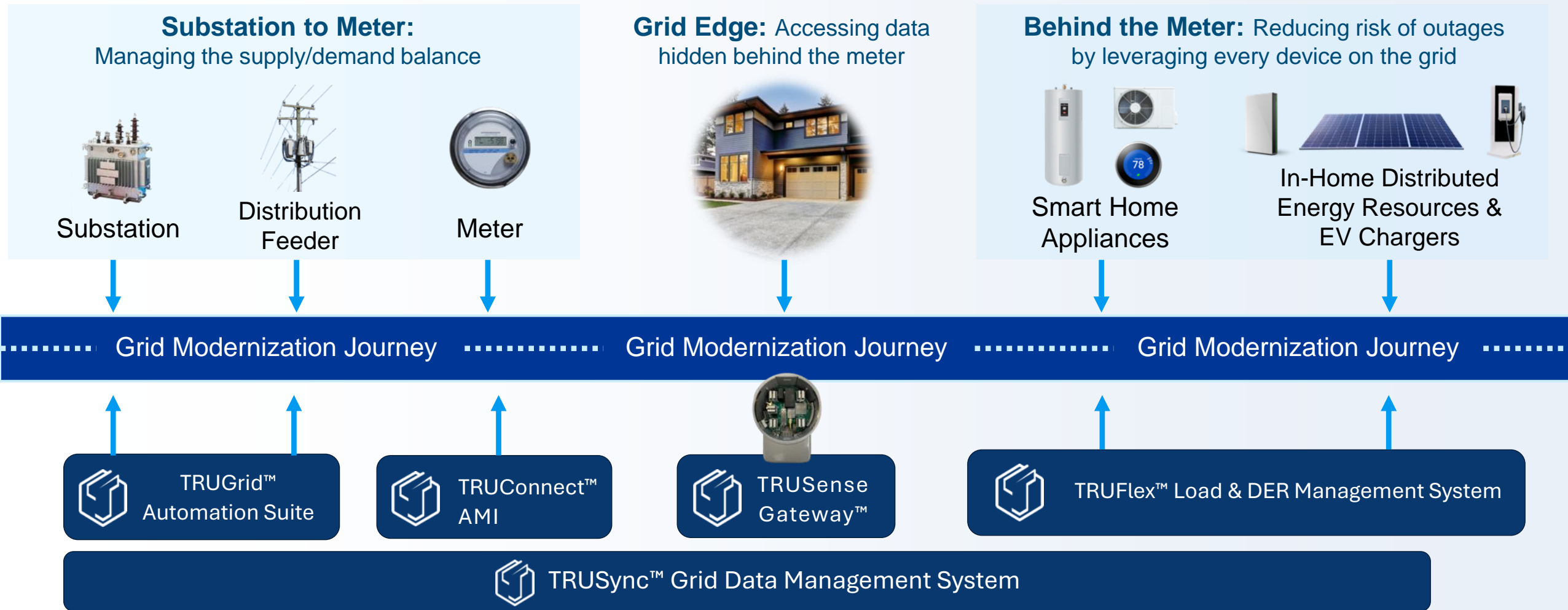


TRUSync™ Grid Data Management System

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

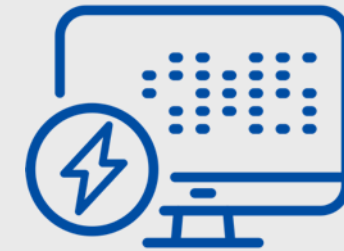


TRUGrid™
Automation Suite



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



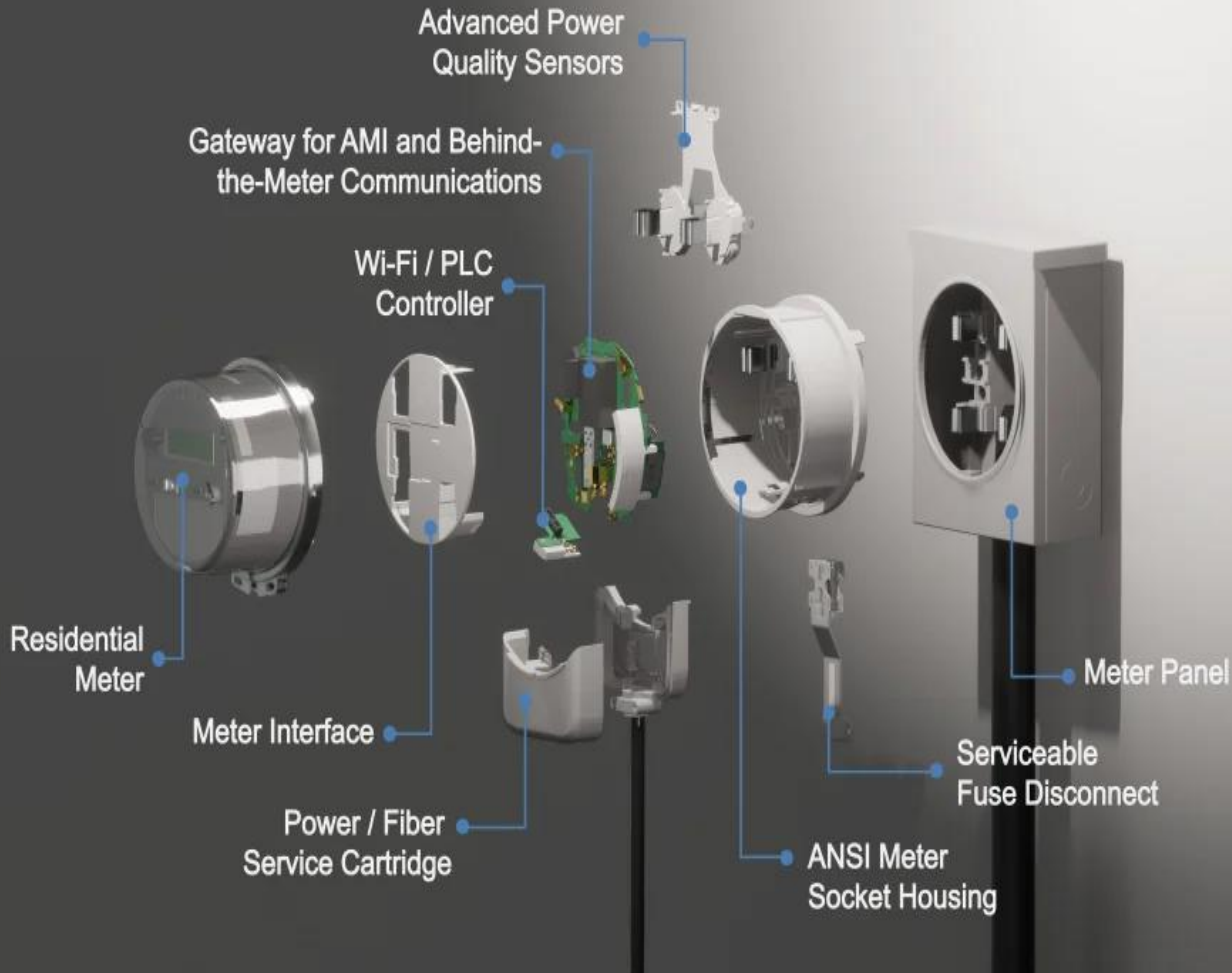
Major Milestones/Timelines

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

Commercialization

- Received orders from 15 utilities to activate field trials and deployments
- Working to convert approximately \$500M of identified opportunities (including Advisory Committee deployments)
- Contract manufacturer has capacity to build 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)

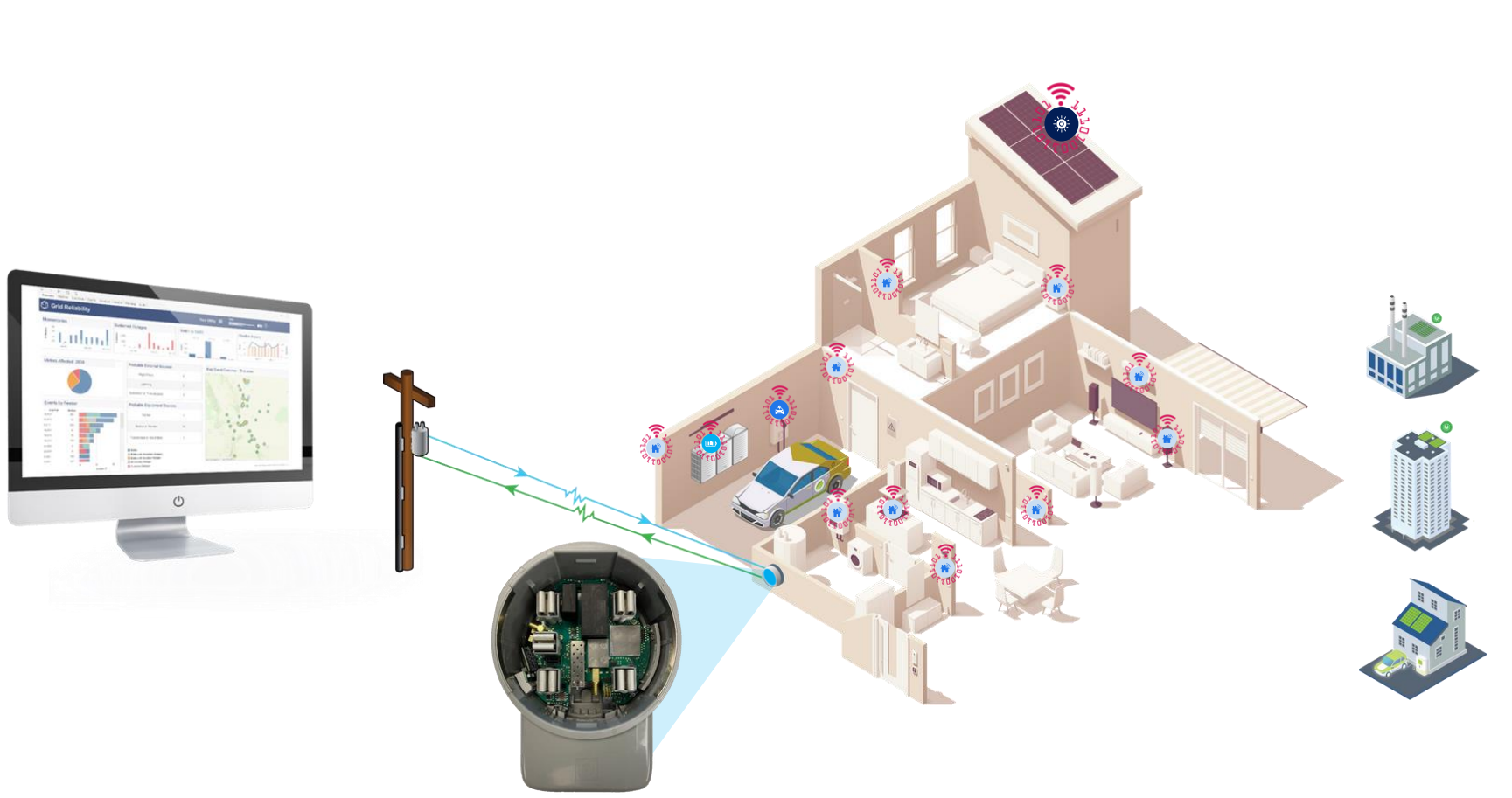
Supports any existing ANSI meter

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 June 30, 2024



How Tantalus Generates Revenue

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



Software & Analytics

Recurring Software Maintenance & SaaS Subscriptions (Data Analytics)

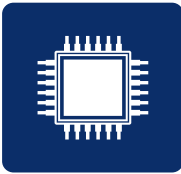
Perpetual Software License



Professional Services

Annual Technical Support Agreements

Deployment / Project Management Support



Connected Devices

New Revenue Streams from Additional Applications

ERT: Migration from AMR

Rip / Replace Meters

Connected Device Upgrades

1 – 5 years

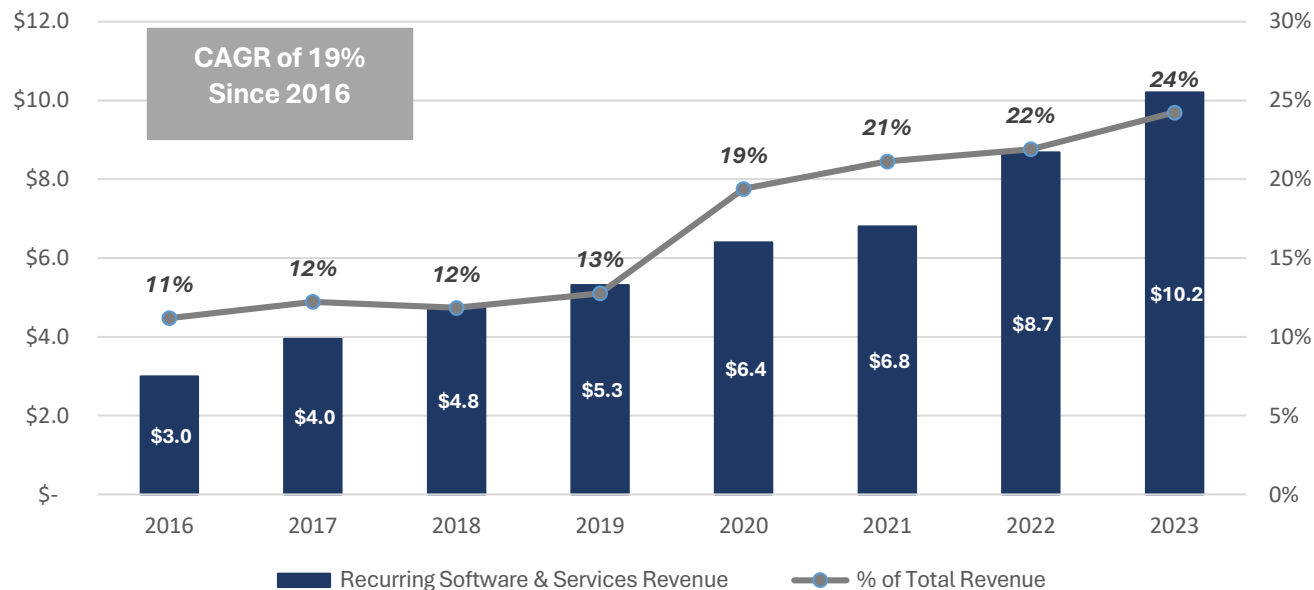
6 – 10 years

10 – 15+ years

Increasing Annual Recurring Revenue Growth

Continuing to increase the revenue contribution from Recurring Revenue each year

Recurring Revenue (US\$M)



Recurring Revenue is comprised of SaaS subscriptions, term-based software licenses, software maintenance, technical support and hosting services

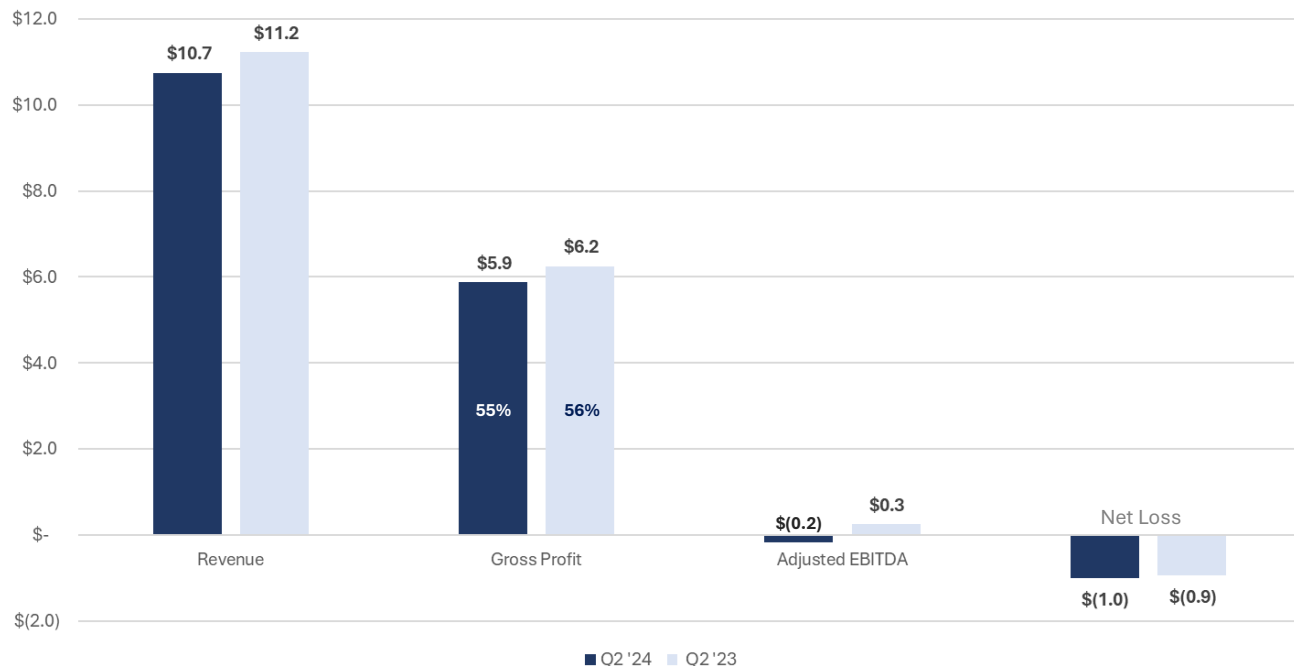
Growth stems from expanding our user community, commercializing analytics tools, maintaining annual service agreements and deploying additional connected devices

ARR of \$12M (as of June 30, 2024) is a subset of total Software & Services revenue and represents a rolling twelve-month revenue estimate at a point of time

Q2 '24 Income Statement Summary

Continuing to invest in the commercialization of the TRUSense Gateway

Comparison Financial Results (US\$M)



Slight decline in revenue year-over-year primarily due to last year's conversion of software license with an investor-owned utility and capacity allocations with metering partners

Gross Profit Margin remained strong and was bolstered by favorable product mix

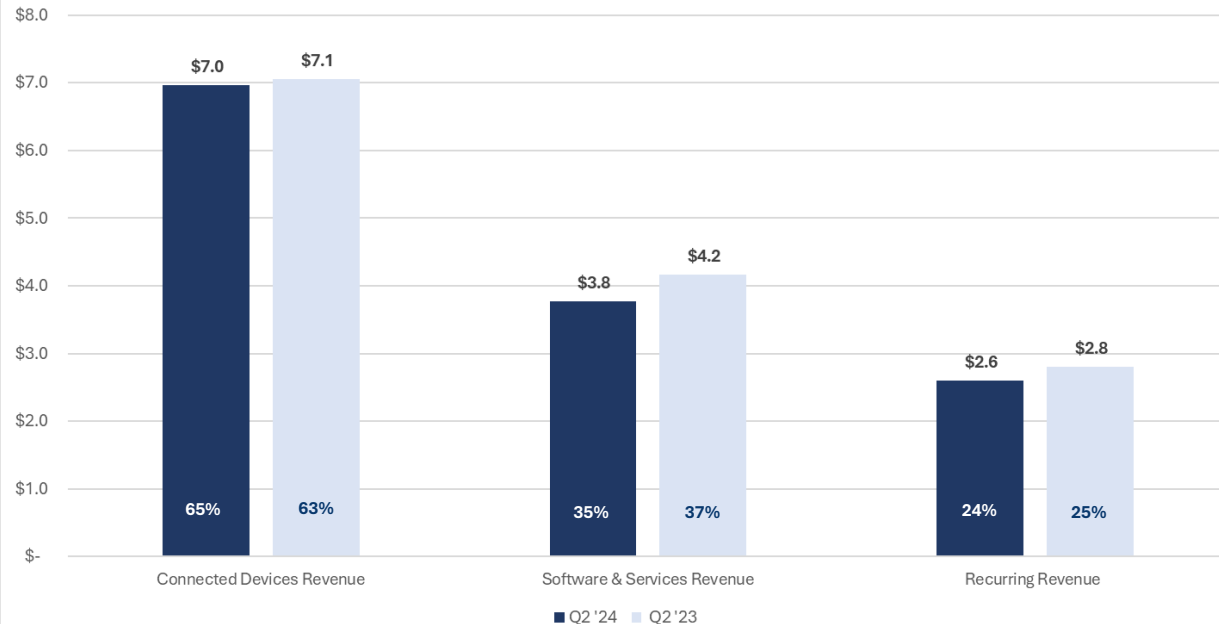
Operating expenses included \$1.5M of investment in the TRUSense Gateway and our annual Tantalus user conference

Trending towards neutral Adjusted EBITDA while continuing to make investments to commercialize the TRUSense Gateway

Q2 '24 Revenue Contribution & Gross Profit Margin Summary

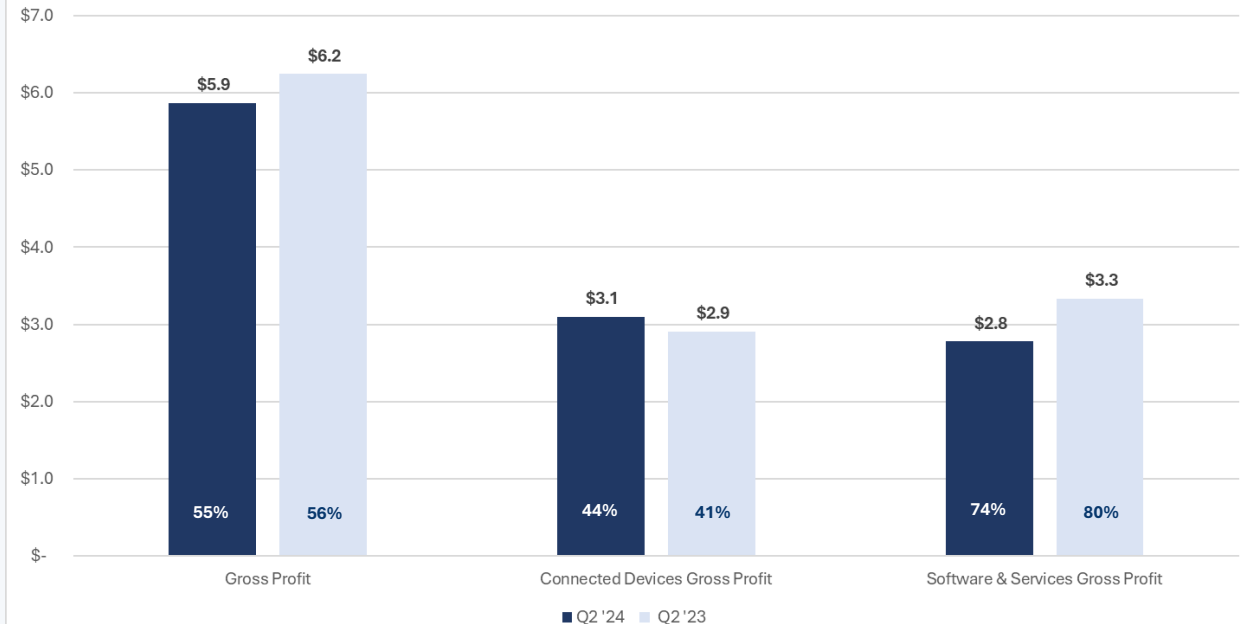
Favorable trajectory tied to product mix and prudent supply chain management

Revenue Disaggregation (US\$M)



Note: Reflects percentage contribution of total revenue.

Gross Profit Margin (US\$M)

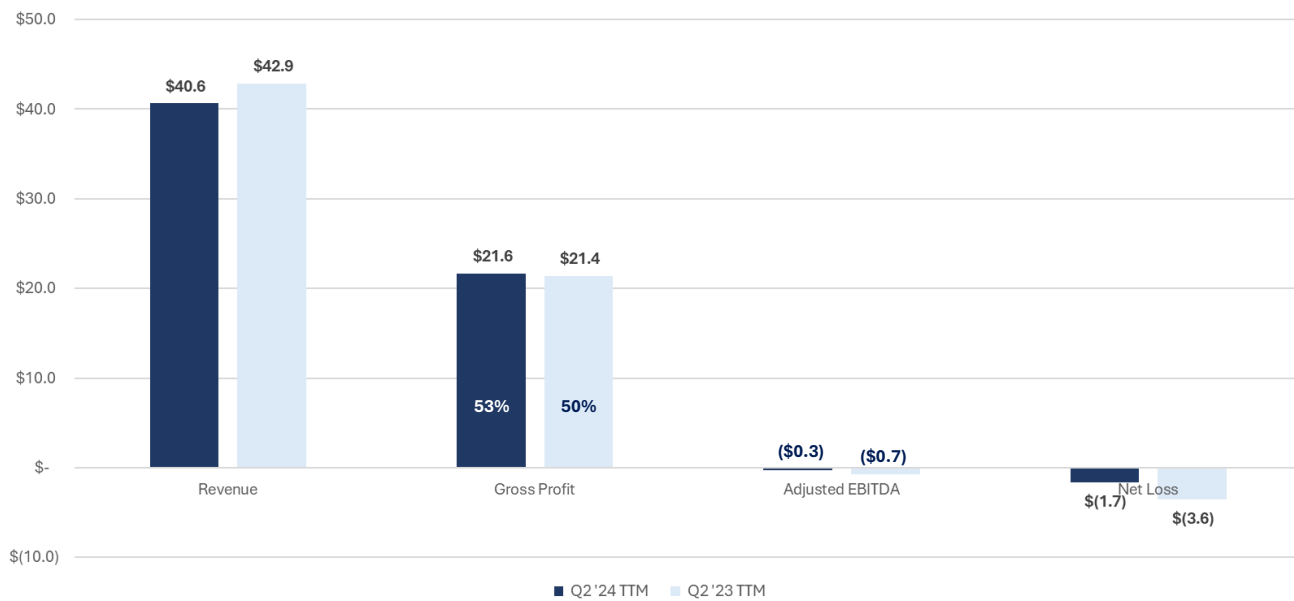


Note: Reflects Gross Profit Margin percentage.

Q2 '24 TTM Income Statement Summary

Continuing to trend towards positive Adjusted EBITDA and Net Income

Comparative Financial Highlights (US\$M)



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

Decline in revenue tied to one-time C.IQ Connect/TRUSync software license secured in 2023 and capacity constraints with metering partners

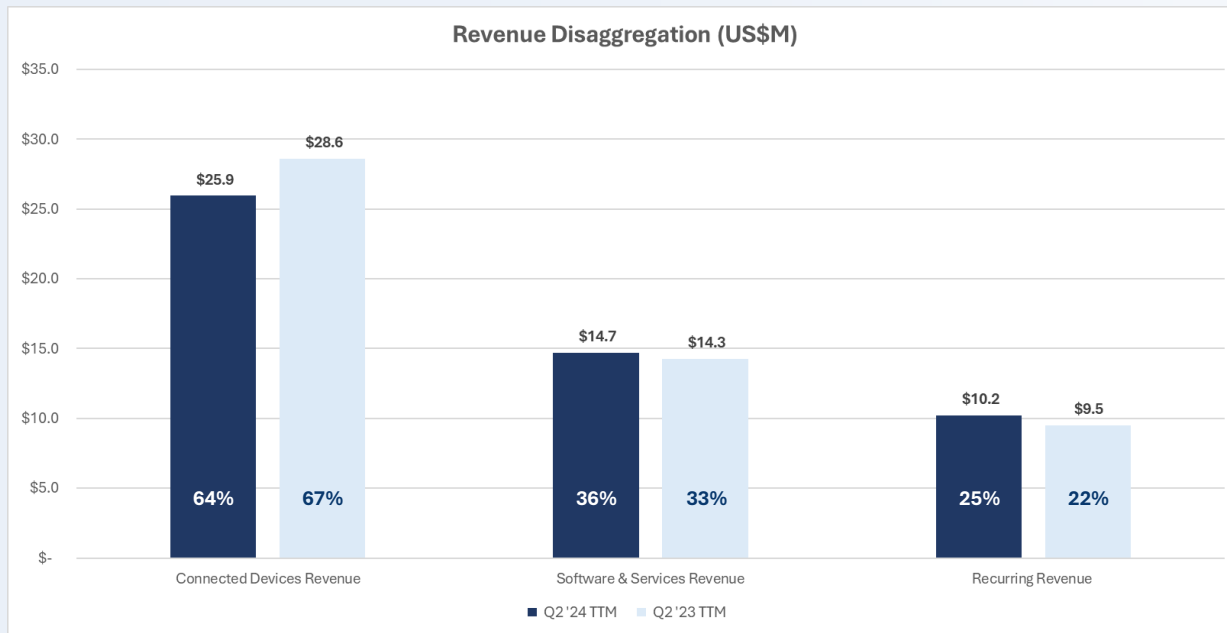
Increased Gross Profit Margin tied to favorable product mix and continued contributions from software and services

Made \$5.6M of investment in the TRUSense Gateway (approx. \$1.7M of which are external costs) which is captured in operating expenses

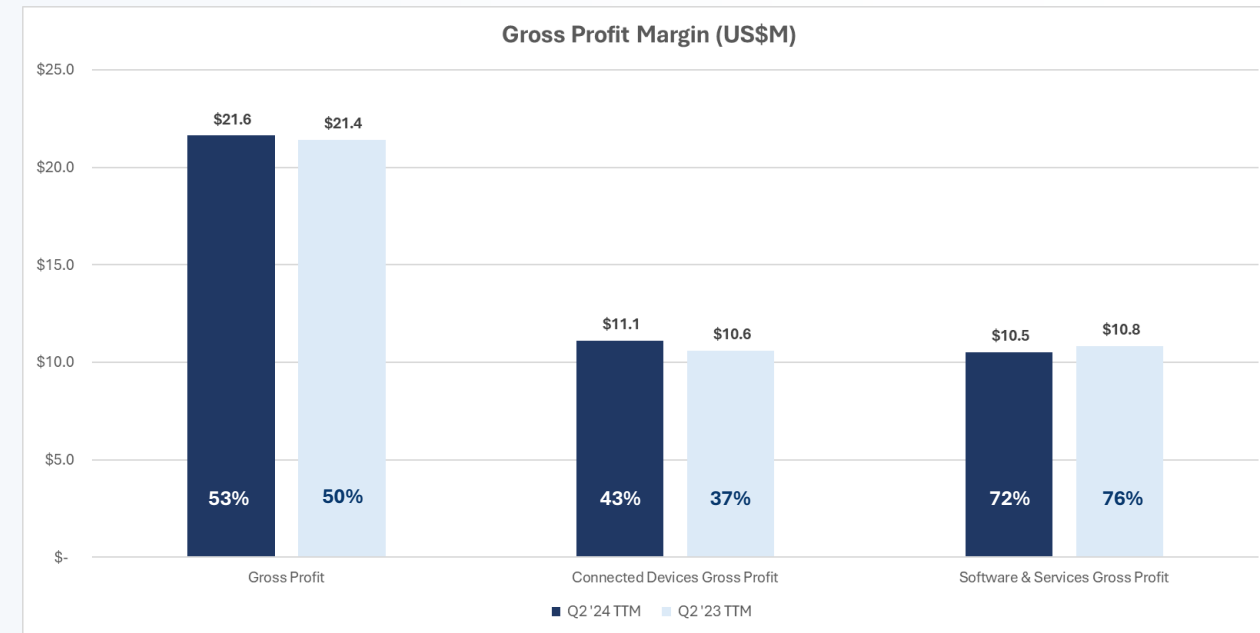
Improved Adjusted EBITDA while investing heavily in the TRUSense Gateway and TRUSync software

Q2 '24 TTM Revenue Contribution & Gross Profit Margin Summary

Maintaining favorable Gross Profit Margin above our long-term target of 50%



Note: Reflects percentage contribution of total revenue.

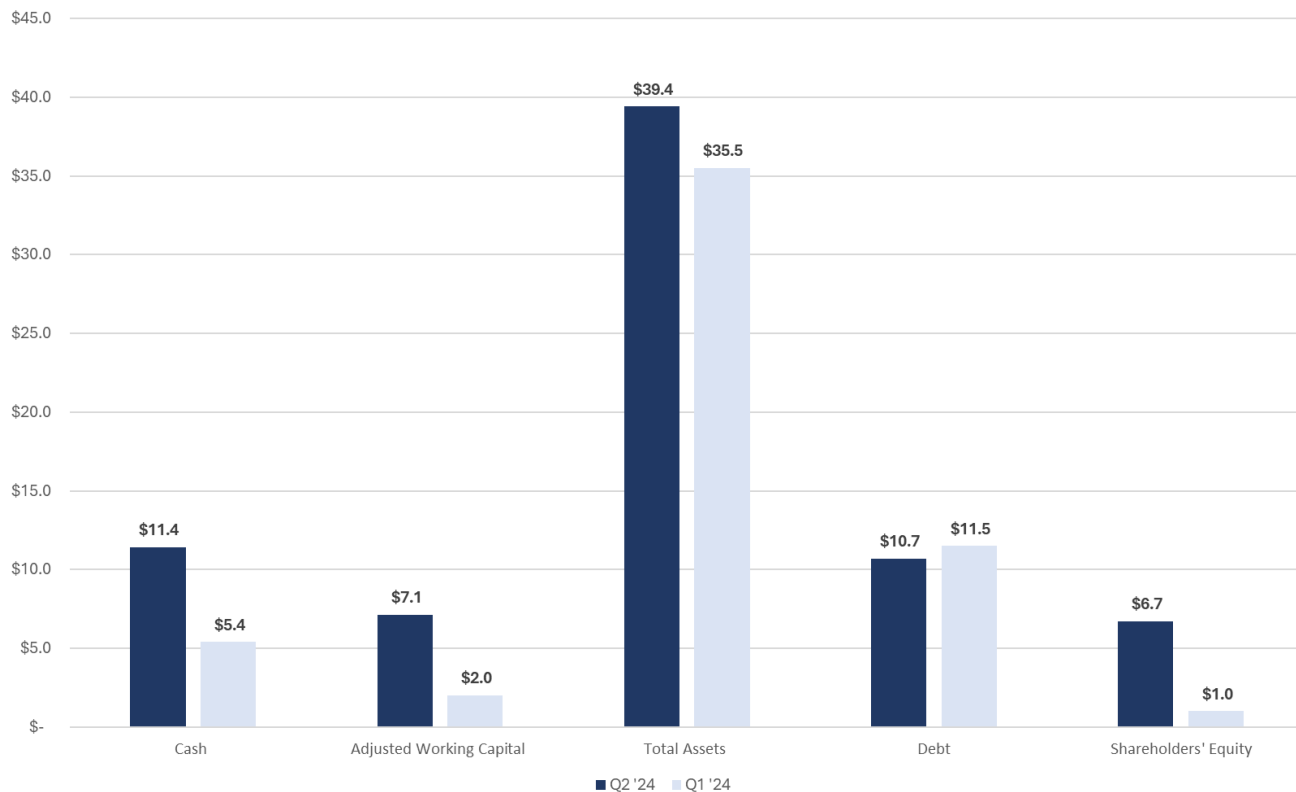


Note: Reflects Gross Profit Margin percentage.

Q2 '24 Balance Sheet Summary

Improvements across the Balance Sheet provide ample flexibility to scale

Comparative Highlights (US\$M)

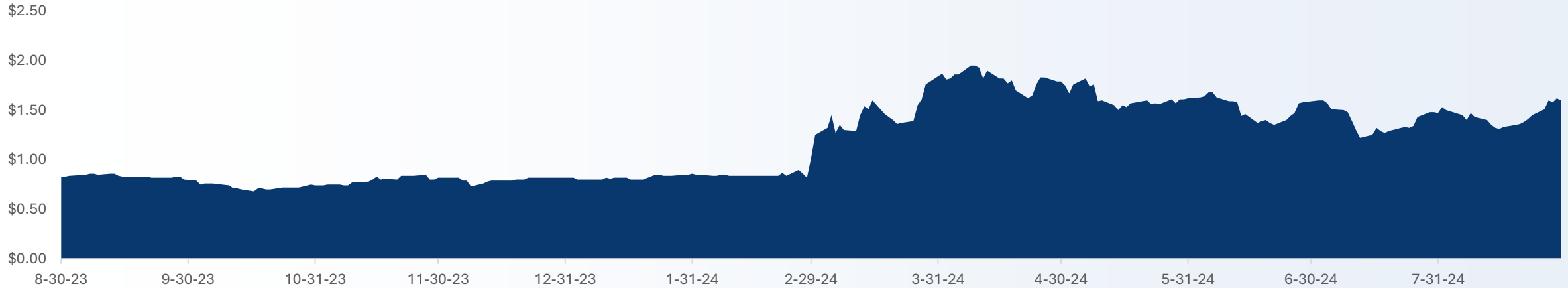


CDN\$10M financing and improved Adjusted Working Capital led to a stronger Balance Sheet

Collected remaining balance of ARR renewals to improve cash conversion cycle

Entering Q3 '24 with availability of \$4.8M through our existing debt facilities should any additional capital be required to support the TRUSense Gateway commercialization

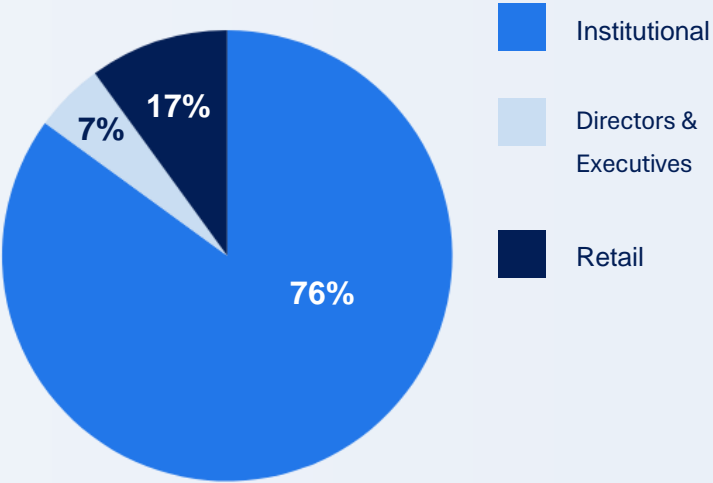
Capitalization Overview



TSX-Listed, Symbol: GRID	
Share Price (as of 8/30/24)	C\$1.60
Market Cap	C\$81.3M
52 Week H/L	C\$2.06/C\$0.68
Shares Outstanding	50.8M
Fully Diluted	59M
Cash (as of 06/30/24)	US\$11.4M

Debt (as of 06/30/24)	US\$10.7M
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



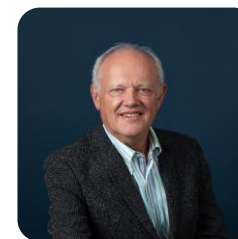
Dr. Francis Harvey

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



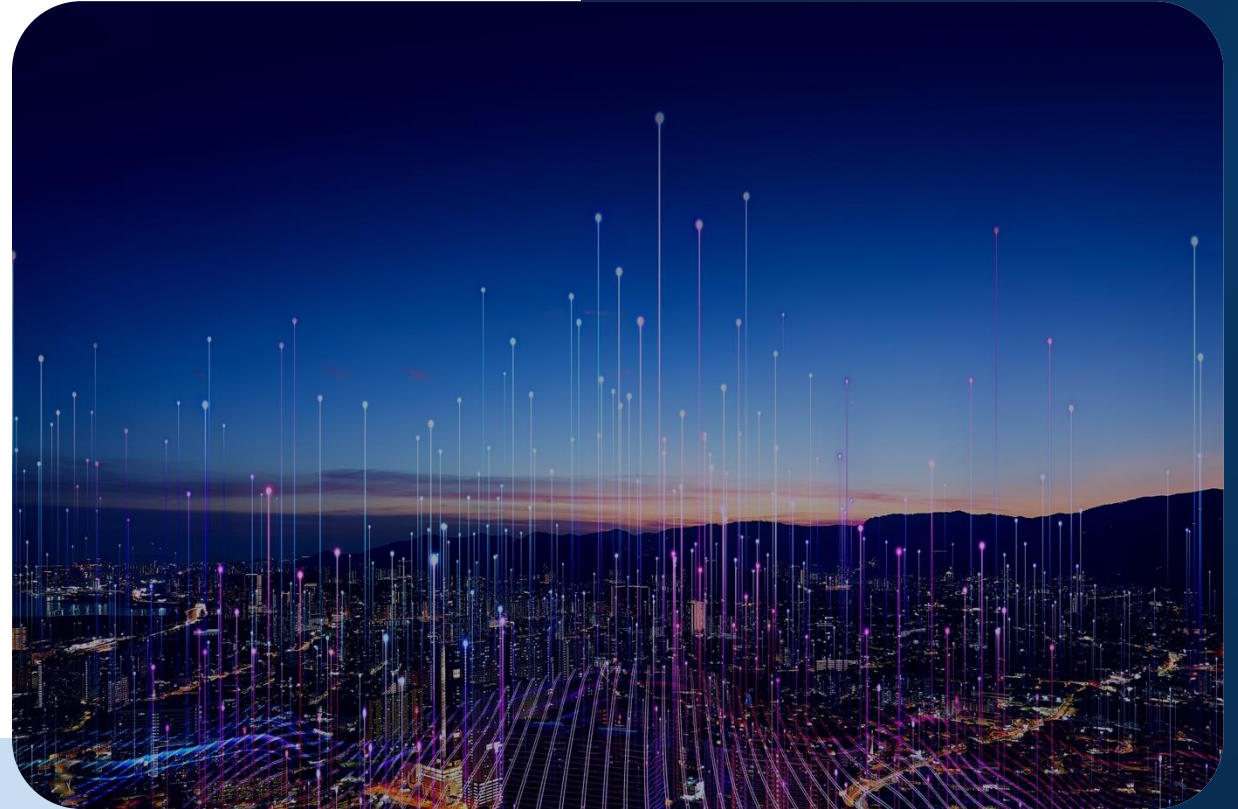
deborah@adcap.ca



TSX: GRID

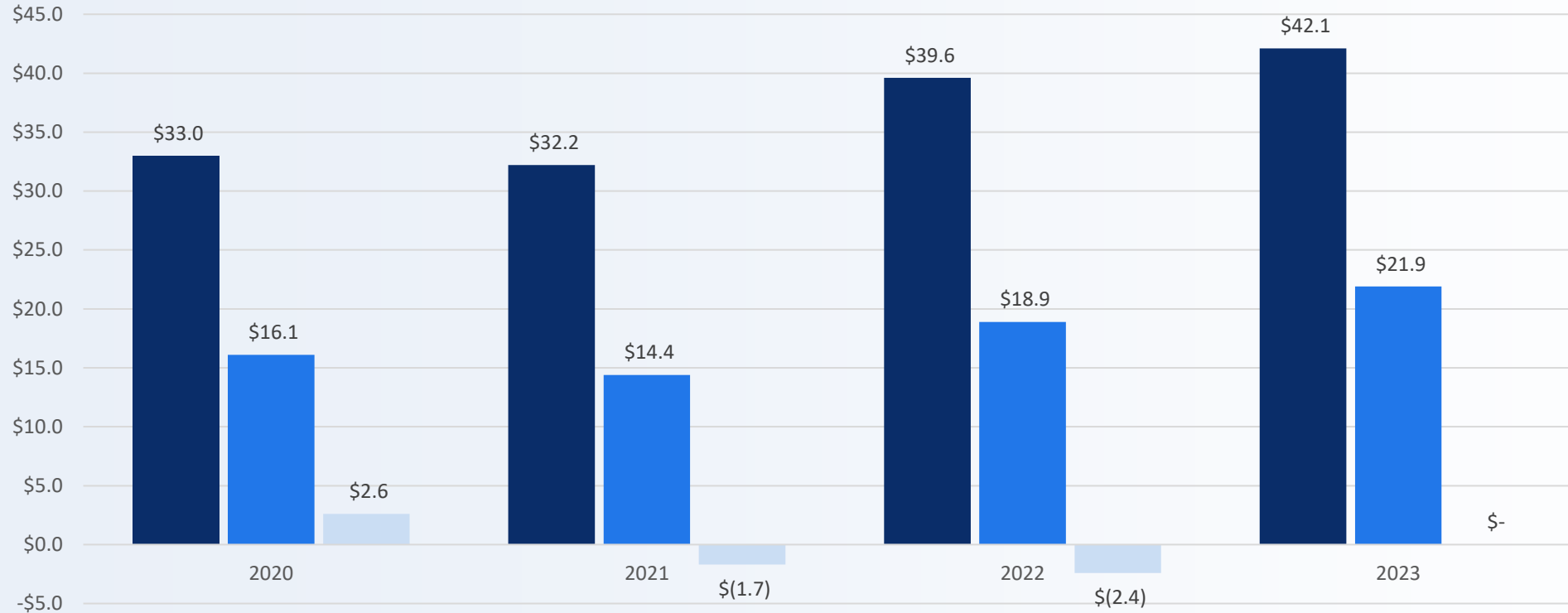


APPENDIX



Building Momentum for GRID

Annual Financial Performance (US\$M)



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