

SMART WIRES TECHNOLOGY LTD. Q2 2021 INTERIM REPORT

Key Business Events and Metrics

Strong growth continues

- First trading day on the Nasdaq First North Growth Market on 18 May 2021
- Qualified pipeline increased to \$2.3 billion
- Revenue of \$10.2 million, +445%
- Gross loss of \$0.5 million, +85% improvement; negative margin of 5%, +162% improvement
- EBITDA loss of \$15.3 million; negative margin of 150%, + 567% improvement
- Fully diluted loss per share of \$0.16, +50% improvement
- Orders between \$15 million to \$17 million received in August 2021 for projects with an existing customer
- Three patents approved and four new patent applications filed
- Completed delivery and commissioning of SmartValve™ projects across seven customer sites in HI 2021
- Added 17 new positions and strengthened Leadership team with 5 new appointments
- Announced 2022 HQ move to Research Triangle Park in North Carolina with State and County incentives (August)

Key Figures (Unaudited)

(\$ in millions, unless stated otherwise)	Q2-21	Q2-20	Change	HI-21	HI-20	Change
Revenue	\$10.2	\$1.9	445%	\$22.5	\$3.7	515%
Cost of revenue	10.7	5.0		22.5	12.1	
Gross profit	\$(0.5)	\$(3.1)	85%	\$(0.1)	\$(8.4)	99%
Gross margin	(5%)	(166%)	162%	(0%)	(231%)	231%
Operating Expenses	15.3	10.7		28.7	22.1	
Loss from operations	\$(15.8)	\$(13.9)		\$(28.8)	\$(30.6)	
EBITDA	\$(15.3)	\$(13.5)		\$(27.9)	\$(29.4)	
EBITDA margin	(150%)	(716%)	567%	(124%)	(806%)	682%
Net profit	\$(17.1)	\$(14.3)		\$(33.2)	\$(31.1)	
Fully diluted earnings per share (\$)	\$(0.16)	\$(0.31)	50%	\$(0.31)	\$(0.68)	55%
Ending cash	\$109.2	\$20.1	443%	\$109.2	\$20.1	443%
Total current assets	\$143.8	\$48.1		\$143.8	\$48.1	
Total current liabilities	\$31.3	\$32.1		\$31.3	\$32.1	
Net working capital	\$112.6	\$16.0	605%	\$112.6	\$16.0	605%
Cash flows from operations	\$(9.4)	\$(20.7)	64%	\$(30.8)	\$(33.2)	7%

Note: unaudited financial statements presented herein are prepared in accordance with U.S. Generally Accepted Accounting Principles.

About Us



Smart Wires is a global Grid Enhancing Technology company advancing the delivery of affordable, clean electricity worldwide. With our innovative technology and advanced analytics, we maximize the grid's capacity, resilience and effectiveness. This means more renewables and electrification at a lower cost and a digital grid that supports a cleaner environment and consumer needs.

Our flagship product is SmartValve™ – an innovative, intelligent power flow control technology. SmartValve revolutionizes the power flow control landscape with a modular, transformerless device that offers flexible installation and control. By dynamically increasing or decreasing line reactance, SmartValve controls the flow of power, and ensures flows are efficient and balanced. Put simply, SmartValve pushes power off overloaded lines or pulls power on to underutilized lines.

The core value of SmartValve is its ability to help utilities extract significantly more capacity from their grid, by quickly and inexpensively unlocking congestion. It can also address grid stability and resilience, as well as digitalization and asset optimization. SmartValve is quick to install, easy to relocate or scale, and fully controllable, providing much-needed flexibility in today's challenging energy landscape.

Alongside this innovative technology we provide analytics services. Our team of power system experts uses advanced software and modeling to develop solutions for generation and load connections, and power system operation and planning constraints.

The combination of our technology and analytics – harnessing tools and processes to create an overall solution that leverages the best of both – ultimately helps utilities transition to a smarter grid.

The company is currently headquartered in the San Francisco Bay Area, with European headquarters in Dublin, Ireland, and a global workforce of 150 professionals spread across four continents. Our team collaborates with our customers to achieve their strategic objectives and help them face an uncertain energy future with flexible, high-impact solutions.

With commitment to accelerating the energy transition, we are determined to achieve our mission to advance the delivery of affordable, clean electricity around the world. Read more about us at www.smartwires.com.

Smart Wires Technology Ltd is listed on the Nasdaq First North Growth Market. The first trading day for the Swedish depositary receipts (SDRs) representing Smart Wires' share was 18 May 2021.



Partnering with Utilities Around the World

Smart Wires collaborates with many of the world's most respected utilities to solve business challenges and bring value to consumers.



● Projects ● Offices ■ Active Markets



“Increased renewable generation, grid decentralisation and electrification are expected to cause significant strain on existing infrastructure, driving the need to modernise and replace decades old grid assets.”

– Peter Wells, CEO

We continue to build a strong foundation for delivery on our goals. On the 18th of May Smart Wires was listed on the Nasdaq First North Growth Market. An important step in the Smart Wires journey, allowing access to funds for working capital, R&D and growth. During the quarter we have successfully delivered several projects across the world and increased our pipeline from \$2.0 billions at the start of Q2, to \$2.3 billions. Our revenue was \$22.5 million for H1-21, a \$18.8 million and 515% increase year-over-year. In our first six-month of operation during 2021, we have already surpassed the 2020 annual revenue by \$7.1 million or a 45% increase from the \$15.4 million earned in 2020.

Climate change is a far reaching, and critical topic. Perhaps the most important subject many of us will deal with in our lives. One critical area is Energy Transition, the movement of energy generation away from fossil-based fuel sources and harmful processes, towards renewable fuel sources, like solar and wind, with more efficient use and conservation, leveraged across multiple sectors that are electrified in order to create a sustainable and circular economy for green energy. The ability to modernize the Grid is a fundamental and critical need that can be addressed with Grid Enhancing Technology (GET) like the SmartValve™. Smart Wires has developed a key digital technology and evolved the right solution mix to rapidly enhance the grid, and drive the inflexion point we see today for the grid, the world, and our business.

The recent quarter – Smart Wires’ technology has already been delivered on over 30 projects across four continents, generating over 2,400 device years of proven operation and availability. Today, we are working a \$2.3 billions pipeline of qualified high probability opportunities in multiple markets, that will build on this legacy and move the business forward, through a significant technology adoption and growth phase. We are on track to exceed \$3.0 billions in qualified high probability deal flow by year end.

The positioning of Smart Wires for sustainable, rapid, and profitable growth is based on three pillars: Manage Cost and Free Cash Flow, Stabilize & Industrialize Product Platform, and Deliver Exceptional Projects. Our Free Cash Flow from operations were \$(9.4) million in Q2 2021, a \$11.3 million or 54% improvement compared to \$(20.7) million in Q2 2020.

To Stabilize & Industrialize the Product Platform we have strengthened our portfolio with new product development (the SmartValve 9-3200 v1.03 and SmartValve 10-3600 v1.03) and enhanced our IP (drafted four, filed four and approval for three), diversified our supply chain, and further enhanced our manufacturing position. We continue to deliver on exceptional reference projects for key customers like NGET in the UK and the completion of the second installation of a mobile SmartValve for Flexitranstore in Bulgaria proving our technology and delivery capability. A key new project was also announced with EirGrid in Ireland. An important factor of success is also a strong foundation in our organization, culture, and sustainability focus. We continuously work to build the best team for the job and during the quarter we made 17 hires of which 11 were new roles including key leadership hires. I’m confident that our overall positioning, combined with a strong foundation will enable us to deliver on our goals going forward.

Market outlook – In all markets, systems, countries and regions, we see the same dynamics. Substantive energy generation changes that are leading to grid capacity shortages, massive delays for new renewable energy getting on to the grid, grid congestion preventing cleaner cheaper electricity getting to the consumer, grid resiliency and dynamic challenges relating to grid stability, optimization and operation. The International Energy Agency predicts that 47 percent of the global power sector investments to 2030 will be dedicated to grid modernization.

Increased renewable generation, grid decentralisation and electrification are expected to cause significant strain on existing infrastructure, driving the need to modernise and replace decades-old grid assets. This is expected to drive total global annual grid investments above USD 350 billions by 2030 and above USD 600 billions by 2050, providing ample opportunity for Smart Wires’ growth and profitability.

Regardless of the ultimate energy paradigm, one fact is clear, an enhanced digital Grid is an essential element of energy transition at scale and with pace. It is in the nexus of this transition, where we are focused and providing highly differentiated products and services, with a clear value proposition.

Peter Wells | CEO

Earnings

Revenue and gross profit

Total revenue increased by \$8.3 million or 445% to \$10.2 million in Q2-21 from \$1.9 million in Q2-20. The increase was primarily attributable to increased deliveries of the Company's SmartValve power flow control devices to a key customer in the United Kingdom.

The increased volume of deliveries directly attributed to the higher cost of revenue of \$10.7 million in Q2-21, a \$5.7 million or 114% increase from \$5.0 million in Q2-20. Ongoing global supply chain disruptions continue to create some pressure on the overall costs.

Overall, gross profit improved by \$2.6 million or 85%, from \$(3.1) million in Q2-20 to \$(0.5) million in Q2-21 and the gross margin improved from (166%) in Q2-20 to (5%) in Q2-21 primarily due to increased operating and manufacturing efficiencies.

EBITDA

EBITDA decreased by \$1.8 million or 14% to \$(15.3) million in Q2-21 from \$(13.5) million in Q2-20, driven by higher operating expenses associated with headcount increase

to support expansion and higher costs associated with research and development to support new product introductions and engineering solutions.

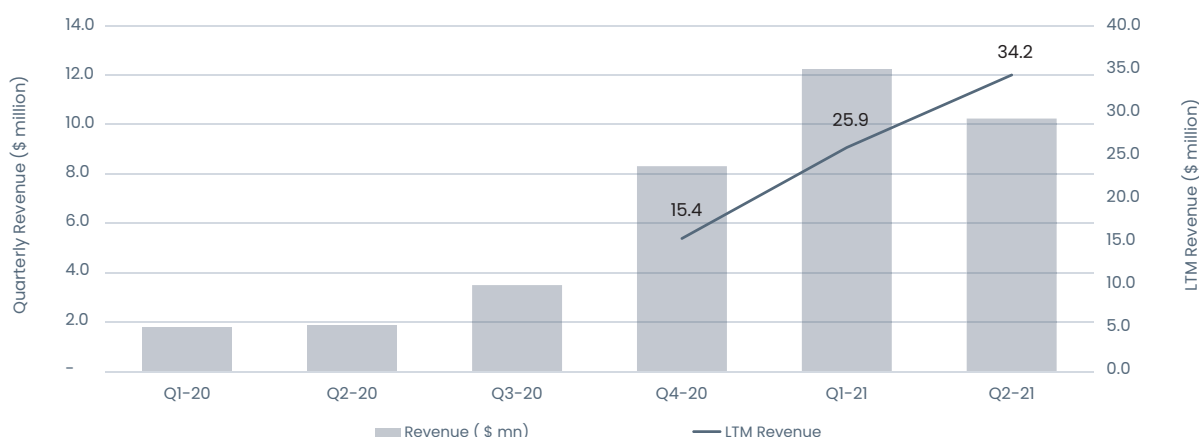
EBITDA margin has improved significantly to (150%) in Q2-21 from (716%) in Q2-20 and it is driven by higher customer deliveries and improved efficiencies in the manufacturing and overall operations. As a percentage of revenue, operating expenses decreased by over 400% from 572% in Q2-20 to 149% in Q2-21.

Net loss and loss per share

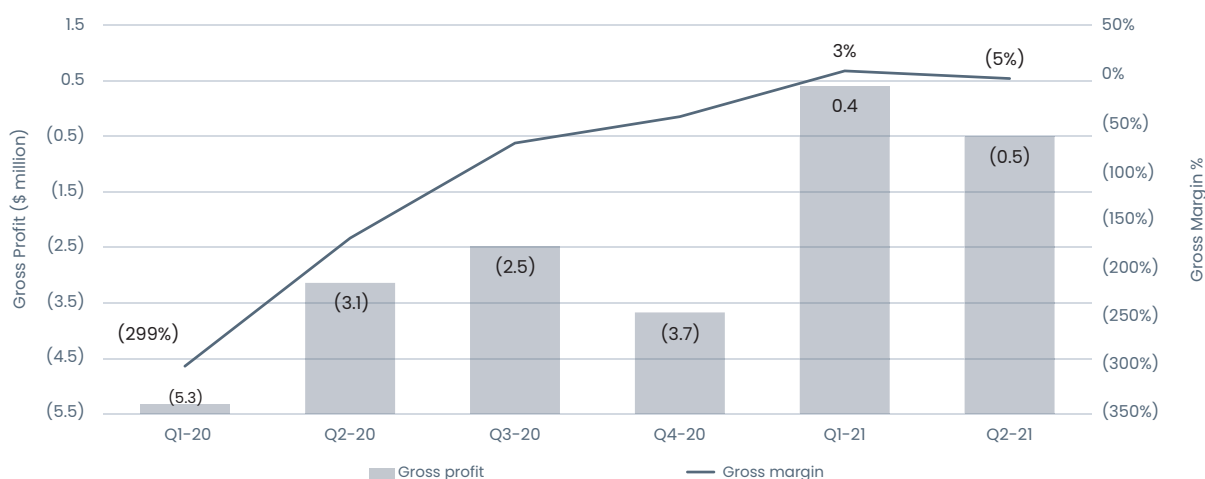
The net loss increased by \$2.8 million or 19%, to \$17.1 million in Q2-21 from \$14.3 million in Q2-20. The increase was primarily attributable to increased operating expenses in line with the Company's growth objectives, and an increase in net interest expense, partially offset by a favorable change in gross margin.

Net loss margin improved by 594% from (761%) in Q2-20 to (167%) in Q2-21. Additionally, net loss per share on a fully diluted basis improved by 50% from \$(0.31) in Q2-20 to \$(0.16) in Q2-21.

Revenue Growth



Gross Profit vs Margin



Q2 2021 Interim Report

Balance Sheet and Cash Flow

Liquidity and financial position

As of June 30, 2021, the Company had cash and cash equivalents of approximately \$109.2 million. Total current assets were \$143.8 million compared with current liabilities of \$31.3 million that consist of \$8.4 million of trade payables, \$6.9 million of accrued expenses and \$15.9 million of deferred revenue. The deferred revenue represents milestone payments received to date that is expected to be recognized in the next twelve months.

Additionally, the Company had no outstanding credit facilities debt and the net working capital is \$112.6 million as of June 30, 2021. Prior credit facilities were paid off in full with proceeds from the Company's listing.

Cash Flow Activities

Cash flow from operating activities in H1-21 was \$(30.8) million, a \$2.4 million and 7% improvement compared to H1-20. It is primarily to fund ongoing operating expenses and manufacturing and inventory procurement needs.

Cash used investing activities in H1-21 for the purchase of property, plant and equipment was \$0.1 million, a \$1.6 million and 93% improvement compared to H1-20.

Cash flow from financing activities in H1-21 was \$130.5 million in H1-21, a \$104.7 million and 407% improvement compared to H1-20. It is primarily driven by the net proceeds of \$143.3 million from the public listing via Nasdaq First North Growth market on May 18, 2021, partially offset by the repayment of \$49.4 million in credit facility.

Net Working Capital

(\$ in millions)	Jun-21	Jun-20	Dec-20
Cash and cash equivalents	109.2	20.1	9.6
Accounts receivable	1.6	9.6	2.4
Inventory	20.6	15.6	22.1
Prepaid expenses and other current assets	12.4	2.8	1.3
Current assets	\$143.8	\$48.1	\$35.5
Accounts payable	8.4	2.3	4.8
Accrued expenses and other current liabilities	6.9	6.8	2.8
Deferred revenue and customer deposits	15.9	19.8	15.9
Current portion of long-term debt, net	-	0.5	0.5
Convertible notes payable, net	-	2.1	8.3
Derivative liability	-	0.6	0.7
Current liabilities	\$31.3	\$32.1	\$33.1
Net Working Capital	\$112.6	\$16.0	\$2.4

Other Disclosures

During Q2 2021

- **The first trading day on Nasdaq First North Growth Market for the Swedish depository receipts (SDRs) representing Smart Wires' share was 18 May 2021.**
- **Smart Wires increased its qualified pipeline of global opportunities from \$2.0 billion to \$2.3 billion over the Q2-21 period, and this is expected to increase to \$3.0 billion by year end.**
- **Smart Wires shared multiple customer announcements in Q2, in line with the strong commercial momentum it experienced.** Of note, National Grid Electricity Transmission ("NGET") announced its projects which leverage the SmartValve™ to unlock 1.5 GW electric capacity – enough to power 1 million homes with renewable energy. Smart Wires jointly announced with the Bulgarian transmission system operator, ESO, the successful completion of its mobile solution at ESO's site where it will increase the amount of renewable energy the grid can accommodate in the region.

Earlier in the year, Smart Wires also announced the successful energization of its first project in Colombia with EPM and its collaboration with Slovenian transmission system operator, ELES, to explore the technology synergies of its technology with Dynamic Line Rating in two projects. Smart Wires was also named as a 2021 Global Cleantech 100 Company.

- **Smart Wires added 17 new positions including five appointments to the Leadership team.** This significant growth in headcount is planned to continue, with the creation of an additional 40 positions by year end. This strengthens Smart Wires' expertise and positions it well for the rapid growth it is experiencing.

Smart Wires is committed to continuous improvement of its processes to ensure diversity, equality and inclusion are reflected in everything it does. Smart Wires' culture is key to its near and long-term success, and Smart Wires remains committed to fostering a culture based on humility, transparency, and focus as the team expands.

- **Smart Wires strengthened its Intellectual Property by receiving approval for three patents for high value inventions and filing four additional patents in Q2-21 in addition to receiving approval for two patents during the first quarter.** Protecting Smart Wires' technology is core to the growth of the company, and Smart Wires continues to identify, draft and file patent applications through its world-class IP team.
- **Smart Wires reinforced its Engineering and Technology division, by adding new leadership and talent, enhancing its SmartValve portfolio with new product development (SmartValve 9-3200 and 10-3600).** Smart Wires further strengthened its manufacturing operations, and completed the SmartValve 9-3200 manufacturing run for the NGET projects.
- **Smart Wires successfully delivered and commissioned projects across seven customer sites in the first half of 2021, spanning from Colombia to the UK.**

Smart Wires also completed multiple firmware upgrades with enhanced features on customer sites across the world, to ensure the projects continue to deliver maximum value to customers.

These projects are enabling Smart Wires' customers to balance flows across their systems and maximize their grids transfer capacity. This ultimately allows more renewables to connect at a lower cost and with less disruption to communities and the environment.

After Q2 2021

- **Smart Wires announced the appointment of Julie Andrews as its Chief Financial Officer.** Julie Andrews is a results-focused Senior Finance Executive with more than 20 years of financial leadership experience. She has a proven track record of leading and executing strategic initiatives including divestitures, mergers, acquisitions and business restructuring, developing high performing teams, and driving cultural transformation.
- **Smart Wires announced the appointment of Joanna Lohkamp and Sharon L. Cohen to the Board of Directors.** Joanna Lohkamp is a seasoned Board Director, qualified Financial Expert and NACD Board leadership Fellow, with global operating experience across technology, manufacturing, and AEC (Architecture, Engineering and Construction) sectors. Sharon L. Cohen is a results-oriented, resourceful business and legal professional, with extensive experience as a Board Member serving on Executive, Governance, Finance and Audit Committees in the nonprofit sector. The strong business acumen, breadth of experience and diverse perspectives that these appointments bring to Smart Wires will strengthen and complement the existing Board of Directors and Leadership team.
- **Smart Wires announced its new global headquarters in the Research Triangle Park in North Carolina.** The move to the new North Carolina site strengthens Smart Wires' US presence, positioning the Company to support strong momentum across its key growth markets. The site will open in early 2022 with new R&D, Testing & Validation laboratories, and offices. Certain US-based employees will be relocated to North Carolina and a further 250 personnel will be added to its US operations over the next five years.
- **Smart Wires received an order of \$15-17 million from National Grid Electricity Transmission in August 2021.** NGET is already leveraging Smart Wires' technology, SmartValve™, to maximize the use of its existing network across five circuits at three substation sites. The order of additional SmartValves will be installed in 2022 and builds on the existing SmartValve installations.
- **In collaboration with the Irish transmission system operator, EirGrid, Smart Wires announced the launch of a project** to jointly develop sophisticated platform-agnostic software tools that allow co-ordinated control of SmartValve devices to optimize the use of the technology and the electricity network as a whole for renewables.

Consolidated Financial Statements – Unaudited as of June 30, 2021

Smart Wires Technology Ltd Consolidated Statements of Operations (Unaudited)

Figures in USD

	Three-Month Ended June 30,		Six-Month Ended June 30,	
	2021	2020	2021	2020
Revenues				
Product revenue	\$10,242,150	\$1,877,754	\$20,267,902	\$3,653,608
Construction revenue	-	-	2,186,247	-
Total revenues	10,242,150	1,877,754	22,454,149	3,653,608
Cost of Revenues				
Product cost	9,235,306	1,367,909	16,935,274	3,026,348
Construction cost	-	-	1,765,098	-
Other cost of revenues and manufacturing costs	1,476,704	3,630,588	3,803,902	9,062,418
Cost of revenues	10,712,010	4,998,497	22,504,274	12,088,766
Gross margin	(469,860)	(3,120,743)	(50,125)	(8,435,158)
Operating Expenses				
Research and development	7,857,360	5,920,255	13,354,293	11,573,671
Sales, marketing, and customer support	3,643,057	2,816,126	7,952,487	6,539,469
General and administrative	3,791,004	2,006,873	7,396,322	4,006,436
Total operating expenses	15,291,421	10,743,254	28,703,102	22,119,576
Loss before Other Income (Expenses)	(15,761,281)	(13,863,997)	(28,753,227)	(30,554,734)
Interest Expense, net	(1,292,682)	(418,783)	(2,728,152)	(556,102)
Other Expense, net	-	-	(1,752,048)	-
Net Loss	\$(17,053,963)	\$(14,282,780)	\$(33,233,427)	\$(31,110,836)

Note: unaudited financial statements presented herein are prepared in accordance with U.S. Generally Accepted Accounting Principles.

Consolidated Financial Statements – Unaudited as of June 30, 2021

Smart Wires Technology Ltd Consolidated Balance Sheets (Unaudited)

Figures in USD

	June 30, 2021	June 30, 2020	December 31, 2020
ASSETS			
Current Assets			
Cash and cash equivalents	\$109,205,729	\$20,113,785	\$9,641,093
Accounts receivable	1,603,780	9,603,617	2,448,217
Inventory	20,638,880	15,581,306	22,075,349
Prepaid expenses and other current assets	12,392,179	2,753,819	1,296,146
Total current assets	143,840,568	48,052,527	35,460,805
Property and Equipment, net	3,408,269	4,674,090	4,184,656
Deposits	254,885	258,982	255,355
Intangible Assets, net	224,833	245,479	235,156
Total assets	\$147,728,555	\$53,231,078	\$40,135,972
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)			
Current Liabilities			
Accounts payable	\$8,404,459	\$2,334,337	\$4,826,734
Accrued expenses and other current liabilities	6,927,472	6,785,500	2,807,463
Deferred revenue and customer deposits	15,928,935	19,760,154	15,915,819
Current portion of long-term debt, net of debt issuance costs and discounts	-	492,023	503,457
Convertible notes payable, net of debt discounts	-	2,096,633	8,294,514
Derivative liability	-	623,885	734,785
Total current liabilities	31,260,866	32,092,532	33,082,772
Long-Term Debt, net of debt issuance costs and discounts	-	23,075,201	22,755,620
Other long-term liabilities	37,792	173,927	102,321
Stockholders' Deficit			
Series I convertible preferred stock	-	253,007,471	282,179,013
Common stock, \$0.01 par value	1,015,877	386	351
Additional paid-in capital	463,123,565	7,403,108	7,502,256
Accumulated deficit	(347,709,545)	(262,521,547)	(305,486,361)
Total stockholders' equity (deficit)	116,429,897	(2,110,582)	(15,804,741)
Total liabilities and stockholders' equity (deficit)	\$147,728,555	\$53,231,078	\$40,135,972

Note: unaudited financial statements presented herein are prepared in accordance with U.S. Generally Accepted Accounting Principles.

Consolidated Financial Statements – Unaudited as of June 30, 2021

Smart Wires Technology Ltd Consolidated Statements of Cash Flows (Unaudited)

Figures in USD

	Six-Month Ended June 30,	
	2021	2020
Cash Flows from Operating Activities		
Net loss	\$(33,233,427)	\$(31,110,836)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	900,287	1,116,505
Loss on extinguishment of debt	1,752,048	-
Non-cash interest expense	559,403	283,104
Stock-based compensation	349,997	101,095
Changes in operating assets and liabilities:		
Accounts receivable	844,437	(863,082)
Inventory	1,436,469	(4,690,798)
Prepaid expenses and other current assets	(11,096,033)	(2,178,131)
Accounts payable	3,577,725	(1,783,815)
Accrued expenses and other liabilities	4,110,561	1,780,140
Deferred revenue and customer deposits	13,116	4,156,109
Net cash used in operating activities	(30,785,417)	(33,189,709)
Cash Flows from Investing Activities		
Purchase of property and equipment	(113,577)	(1,692,595)
Change in deposits	470	(21,005)
Net cash used in investing activities	(113,107)	(1,713,600)
Cash Flows from Financing Activities		
Proceeds from long-term debt	25,000,000	25,000,000
Capitalized debt issuance cost	(1,090,935)	(1,450,913)
Repayment of debt	(49,375,000)	(8,555,000)
Proceeds from issuance of common stock	155,275,651	24,558
IPO transaction related fees	(11,798,187)	-
Proceeds from the issuance of convertible notes payable	4,625,500	-
Proceeds from the issuance of convertible preferred stock, net	7,837,860	10,732,473
Repurchase of early exercised options to purchase common stock	(11,729)	-
Net cash provided by financing activities	130,463,160	25,751,118
Net Increase (Decrease) in Cash and Cash Equivalents	99,564,636	(9,152,191)
Cash and Cash Equivalents, beginning of year	9,641,093	29,265,976
Cash and Cash Equivalents, end of period	\$109,205,729	\$20,113,785

Supplemental Disclosure of Cash Flow Information

Cash paid for interest	\$2,287,631	\$391,443
Cash paid for income taxes	-	-

Supplemental Disclosure of Non-Cash Financing Activities

Issuance of convertible preferred stock in exchange for convertible notes payable and accrued interest	\$ 13,759,392	\$ -
Accretion of convertible preferred stock cumulative dividends	\$8,989,757	\$9,598,431
Extinguishment in derivative liability in connection with conversion of convertible notes payable	\$734,785	\$ -
Issuance of convertible preferred stock in connection with conversion of restricted stock units	\$55,081	\$ -

Note: unaudited financial statements presented herein are prepared in accordance with U.S. Generally Accepted Accounting Principles.

Consolidated Financial Statements – Unaudited as of June 30, 2021

Smart Wires Technology Ltd Consolidated Statements of Stockholders' Equity Six-Month Period Ended June 30, 2021 (Unaudited) Figures in USD

	Convertible Preferred Stock		Common Stock / Ordinary Shares		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
Balances at December 31, 2020	546,400,159	\$282,179,013	35,234,928	\$351	\$7,502,256	\$(305,486,361)	\$(15,804,741)
Issuance of Series I-1 and Series I-2 convertible preferred stock at \$0.6165 per share in exchange for convertible notes payable	44,637,106	13,759,392	-	-	-	-	13,759,392
Issuance of Series I-1 and Series I-2 convertible preferred stock at \$0.6165 per share in exchange for cash, net of issuance costs	25,674,892	7,837,860	-	-	-	-	7,837,860
Issuance of convertible preferred stock in connection with conversion of restricted stock units	82,492	55,081	-	-	-	-	55,081
Issuance of Series I-1 and Series I-2 convertible preferred stock as adjusted for anti-dilution	31,123,939	-	-	-	-	-	-
Issuance of Series I-1 convertible preferred stock in exchange for accumulated dividends	51,368,183	-	-	-	-	-	-
Accretion of convertible preferred stock cumulative dividends	-	8,989,757	-	-	-	(8,989,757)	-
Issuance of common stock upon exercise of stock options	-	-	1,115,767	11	129,611	-	129,622
Repurchase of early exercised stock options	-	-	(1,172,917)	(12)	(11,717)	-	(11,729)
Cancellation and conversion of Series I-1 and Series I-2 convertible preferred stock into common stock	(699,286,771)	(312,821,103)	662,041,129	6,620	312,814,483	-	-
Issuance of common stock in connection with a warrant exercise	-	-	14,658,472	-	-	-	-
Cancellation of common stock in connection with merger and stock split	-	-	(711,877,379)	(6,970)	(312,814,483)	-	(312,821,453)
Issuance of Smart Wires Inc. common stock in connection with merger and stock split	-	-	2,244,372	22,444	-	-	22,444
Issuance of Parent ordinary shares in connection with merger and stock split	-	-	68,943,337	689,433	312,109,491	-	312,798,924
Issuance of Parent ordinary shares in exchange for SDRs, net of costs	-	-	30,400,000	304,000	143,043,927	-	143,347,927
Stock-based compensation and other	-	-	-	-	349,997	-	349,997
Net loss	-	-	-	-	-	(33,233,427)	(33,233,427)
Balances at June 30, 2021	-	\$-	101,587,709	\$1,015,877	\$463,123,565	\$(347,709,545)	\$116,429,897

Note: the above Parent ordinary shares excludes outstanding options and warrants. On a fully diluted basis, total ordinary shares equivalent is 108,808,349 shares as of June 30, 2021.

Note: unaudited financial statements presented herein are prepared in accordance with U.S. Generally Accepted Accounting Principles.



EARNINGS CALL INFORMATION

Smart Wires Technology LTD, Audiocast with teleconference, Q2, 2021

Time: Thursday August 19th
15:00 Stockholm (CEST) / 9am EST.

<https://financialhearings.com/event/14022>

Language: English

Speakers: Peter Wells, CEO and Leo Jiang,
Senior Director of Finance

Webcast:

<https://tv.streamfabriken.com/smart-wires-q2-2021>

Teleconference: Dial-in number **SE:** +46856642707

UK: +443333009264 | **US:** +1 6319131422 | **PIN:** 26807678#



CONTACTS

Peter G. Wells, CEO

E-mail: peter.wells@smartwires.com

Tel: +1 (510) 340-9797

Smart Wires' Certified Adviser is Erik Penser Bank AB,
Apelbergsgatan 27, Box 7405, SE-103 91 Stockholm,

Email: certifiedadviser@penser.se,

Tel: 08-463 83 00, www.penser.se.

NEXT EARNINGS CALL: November 18, 2021 for Q3-21.

Important notice about forward-looking information

This interim report contains certain forward-looking information and statements that reflect the Company's current views on future events as well as financial and operational developments. Words such as "refer", "assess", "expect", "can", "plan", "estimate", "calculate", "could" and other expressions that indicate indications or assessments regarding future developments or trends, and which does not relate to historical facts, constitutes forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties because it is dependent on future events and circumstances. Forward-looking information does not constitute a guarantee regarding future results or development and the actual outcome may differ materially from what is stated in forward-looking information. Neither the Company nor anyone else make any representations about publishing updates or revisions of forward-looking information as a result of new information, future events or similar circumstances other than as provided by applicable mandatory rules and regulations.

This information is information that Smart Wires Technology Ltd is obliged to make public pursuant to the EU Market Abuse Regulation. The information in this press release has been made public through the agency of the responsible person set out above for publication at the time stated via the Company's news distributor Cision at the publication of this press release.

ABOUT SMART WIRES TECHNOLOGY LTD.

Smart Wires conducts grid technology business that helps utilize, modernize, optimize and monetize grid capacity to meet the demands and opportunities of the energy transition. The Company operates in the global transmission grid technology market and is a leader in modular power flow control technology. Power flow control technology controls and directs power flow on high voltage electric transmission systems. Smart Wires serves transmission owners, primarily electric utilities. Transmission owners use power flow controllers to eliminate line overloads by redirecting power to other lines, to reduce transmission congestion, and to enable renewable energy connection and dispatch. Currently, Smart Wires' main projects are located in Europe, the United States and Australia with upcoming projects in South America and Canada. The Company has a large customer base comprised of utilities globally. For more information, please visit www.smartwires.com.