



# Smart Wires Technology Ltd.

## Q2 2021 Results

North Carolina, USA | August 19<sup>th</sup>, 2021 |

**Presenters:**

Peter Wells, CEO and Acting CFO

Leo Jiang, Senior Director of Finance

# Presenting Team:

Peter Wells, CEO & Acting CFO



Leo Jiang, Senior Director of Finance



# Forward-Looking Statement

This presentation 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.



The background of the slide features a photograph of several high-voltage electrical transmission towers and power lines stretching across the sky. Overlaid on this image is a semi-transparent network diagram consisting of numerous small blue nodes connected by thin white lines, suggesting a smart grid or digital infrastructure. The overall color palette is dominated by blues and greys, with a gradient from light blue at the top to dark blue at the bottom.

I. Introduction

II. 2021 Highlights

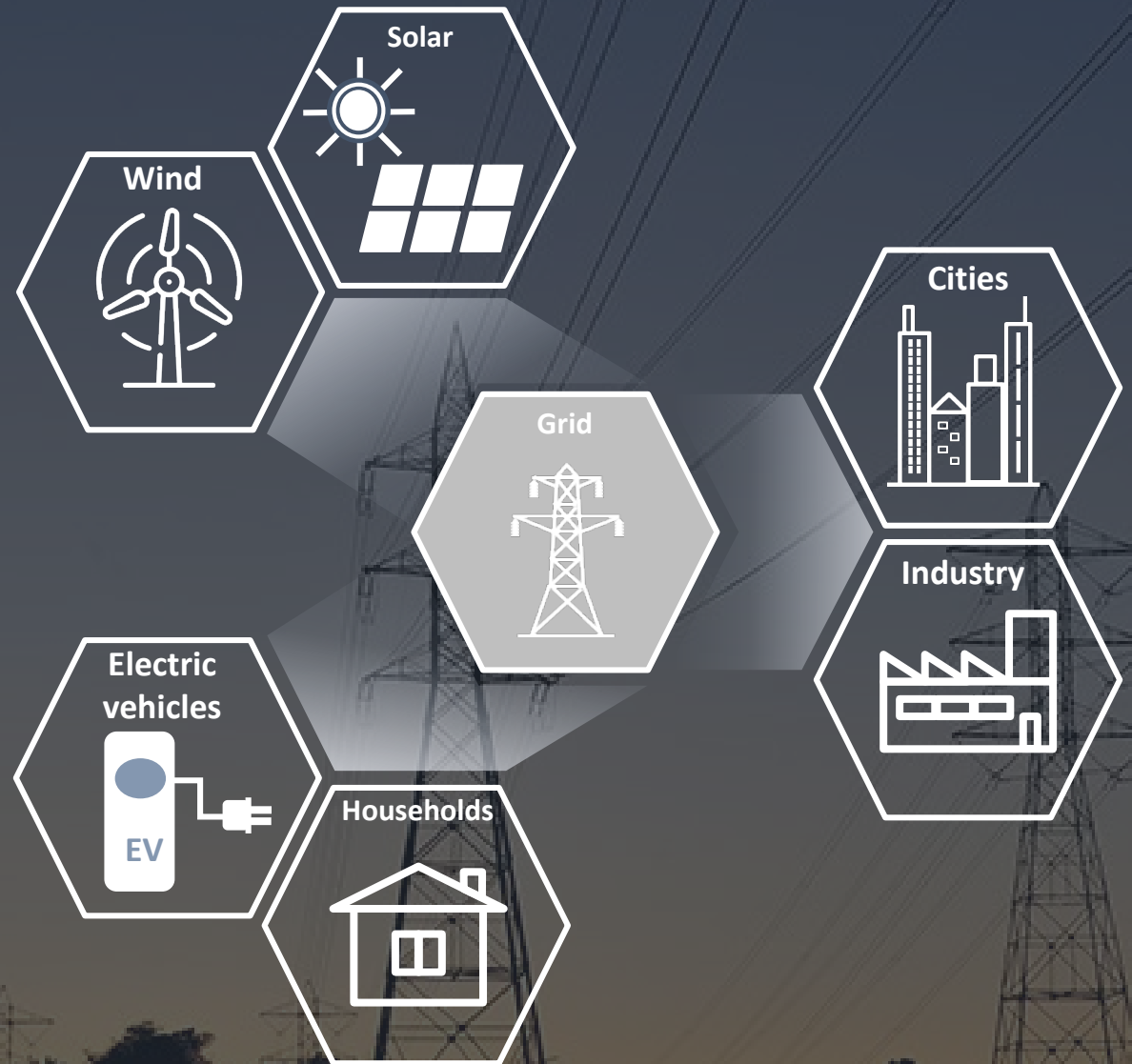
III. Summary financials

IV. Q&A's



# The energy transition needs help

- Global policy and action to reduce greenhouse gas emissions
- Renewable energy generation proven, low cost, clean and displacing fossil sources
- Consumers and industries are electrifying at an increase pace
- Energy generation and consumption patterns are shifting
- Modernization of the electric grid is central to unlocking the energy transition



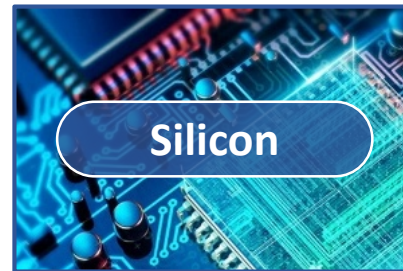
# Transition to a Digital Grid



## TODAY'S GRID



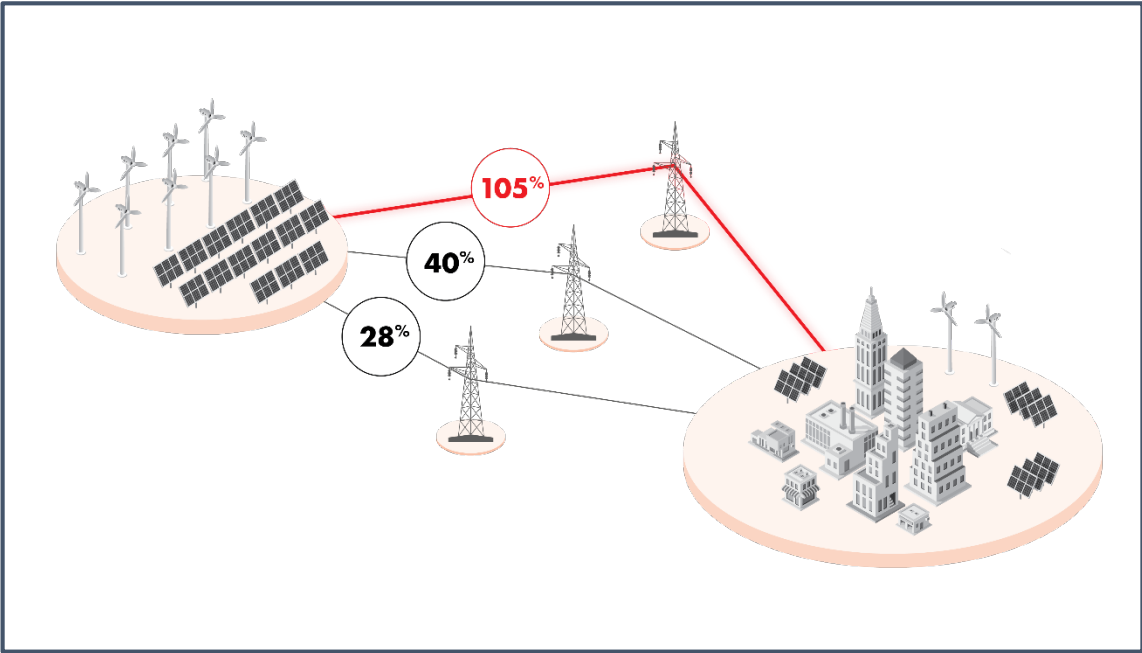
## FUTURE GRID



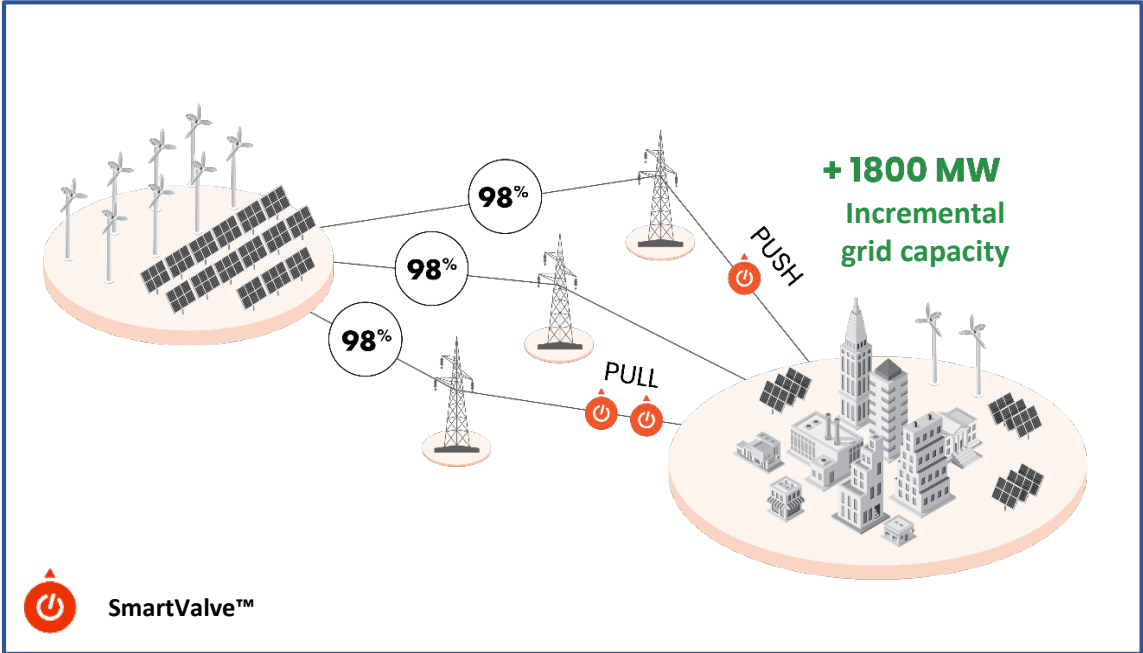
# Improving the Value of the Existing Grid



### Before Smart Wires



### After Smart Wires



- ✓ Reducing long and growing interconnection queues
- ✓ Reducing renewables curtailment
- ✓ Reduced need for new expensive transmission lines
- ✓ Reduced operational grid challenges



# 2021 Highlights: Operational

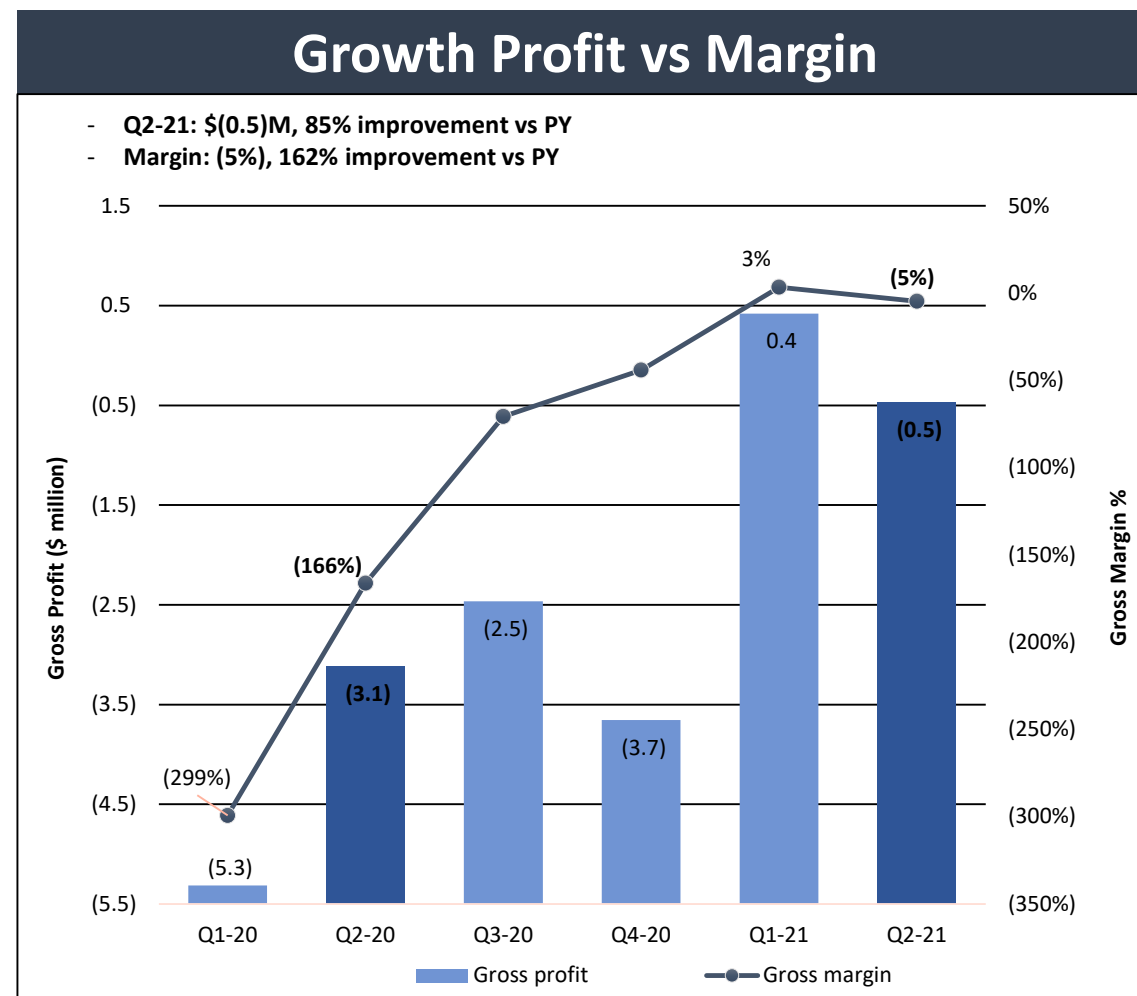
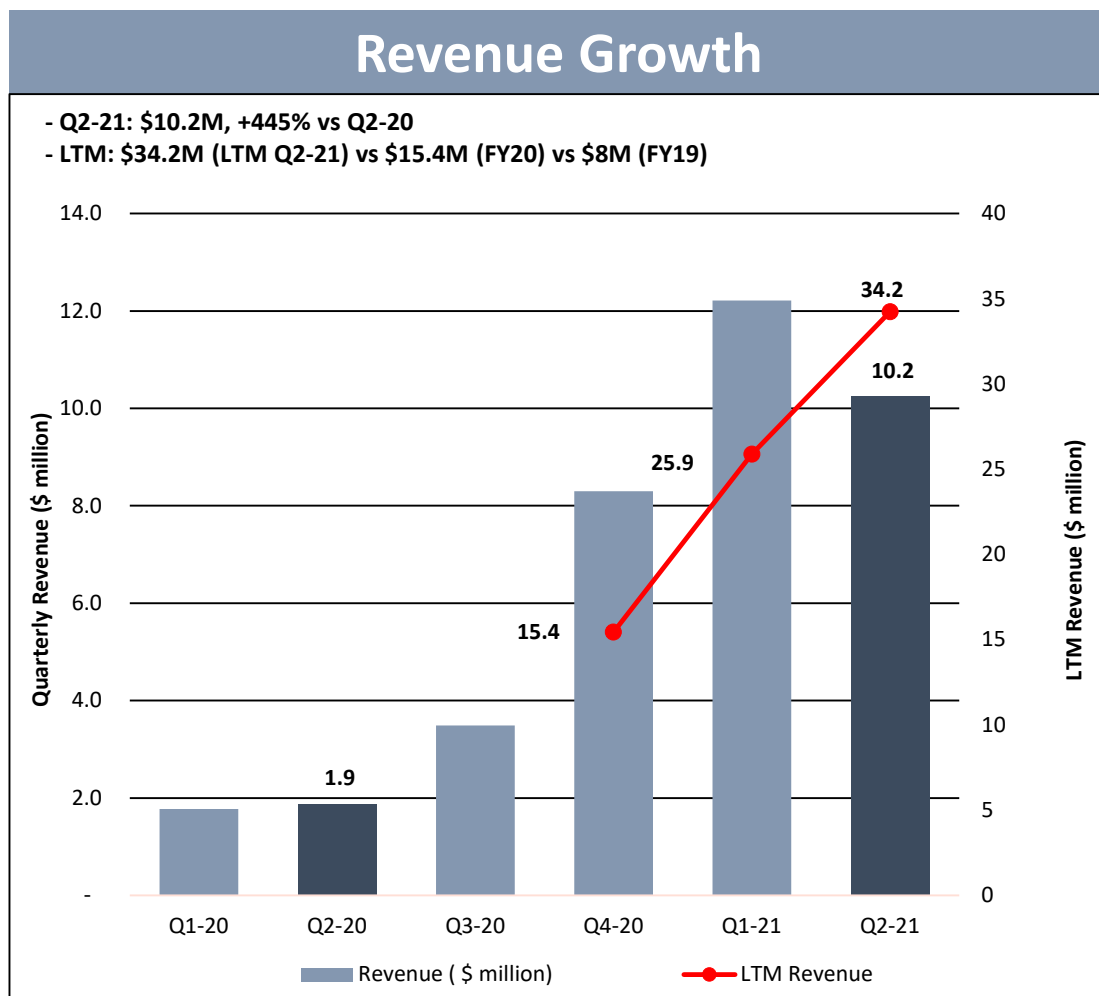
- **May 18th, 2021:** Traded on Nasdaq First North Growth market
- Increased qualified pipeline to **USD \$2.3 billion**
- **Five patents approved** + six applications filed (H1)
- Completed delivery and commissioning across **seven customer sites in H1 2021**
- New orders between **\$15 - \$17 million** (in Aug-21)
- **Five leadership appointments** including Julie Andrews, CFO + two new board members in Joanna Lohkamp and Sharon Cohen (in Aug-21)
- Announced headquarter move to Research Triangle Park in North Carolina (in Jul-21)





# Q2-21 Highlights: Financials

EPS: \$(0.16), 50% improvement over Q2-20



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



# Summary Financials



## Earnings

\$ in millions	Q2-21	Q2-20	H1-21	H1-20
<b>Revenue</b>	<b>10.2</b>	<b>1.9</b>	<b>22.5</b>	<b>3.7</b>
Cost of revenue	(10.7)	(5.0)	(22.5)	(12.1)
Gross profit	(0.5)	(3.1)	(0.1)	(8.4)
<b>Margin</b>	<b>(5%)</b>	<b>(166%)</b>	<b>(0%)</b>	<b>(231%)</b>
OPEX	(15.3)	(10.7)	(28.7)	(22.1)
Net profit	(17.1)	(14.3)	(33.2)	(31.1)
EBITDA	(15.3)	(13.5)	(27.9)	(29.4)
<b>EBITDA margin</b>	<b>(150%)</b>	<b>(716%)</b>	<b>(124%)</b>	<b>(806%)</b>
EPS (actual \$)	(0.16)	(0.31)	(0.31)	(0.68)

## Balance Sheet and Cash Flow

\$ in millions	6/30/21	6/30/20	12/31/20
<b>Cash</b>	<b>109.2</b>	<b>20.1</b>	<b>9.6</b>
<b>Current assets</b>	<b>143.8</b>	<b>48.1</b>	<b>35.5</b>
Total assets	147.7	53.2	40.1
<b>Current liabilities</b>	<b>31.3</b>	<b>32.1</b>	<b>33.1</b>
LT Liab. & Equity	116.4	21.1	7.0
<b>Net working Capital</b>	<b>112.6</b>	<b>16.0</b>	<b>2.4</b>
Cash Flow (Ops)	(30.8)	(33.2)	(66.5)
Cash Flow (Investment)	(0.1)	(1.7)	(2.2)
Cash Flow (Financing)	130.5	25.8	49.0

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



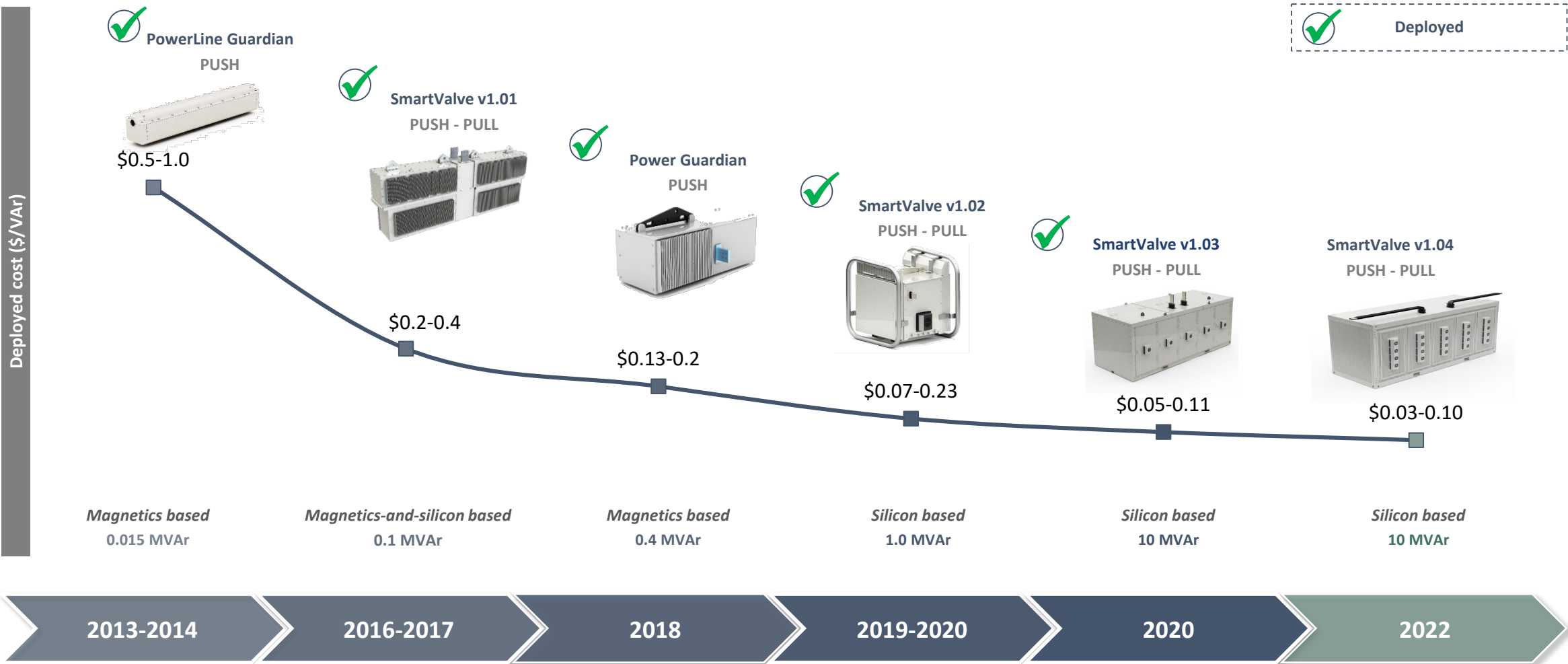
# Q&A's



# Appendices



# Patented Technology through years of innovation





# SmartValve™

Push & Pull Capabilities

Flexible Deployment  
Options



# SMART WIRES

[www.smartwires.com](http://www.smartwires.com)

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## Next Earnings Call:

Q3-2021 Financials: November 18<sup>th</sup>, 2021

