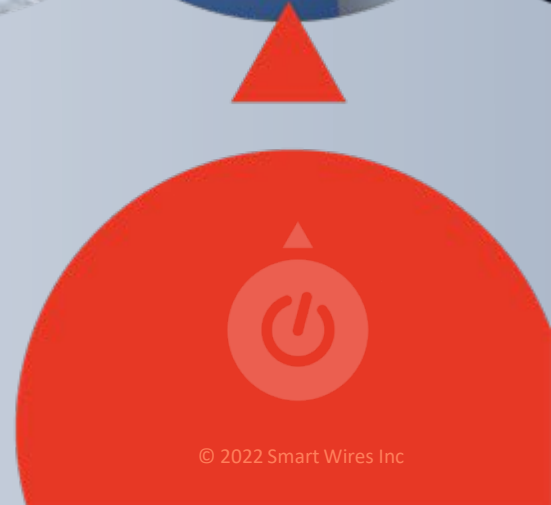




Smart Wires Technology Ltd Q4 2021 Results

24 March | North Carolina, USA



Presenters



Peter Wells, CEO



Julie Andrews, CFO



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.






I. Business Update

II. Q4 2021 Highlights & Financials

III. 2022 Outlook and Summary

IV. Q&A's

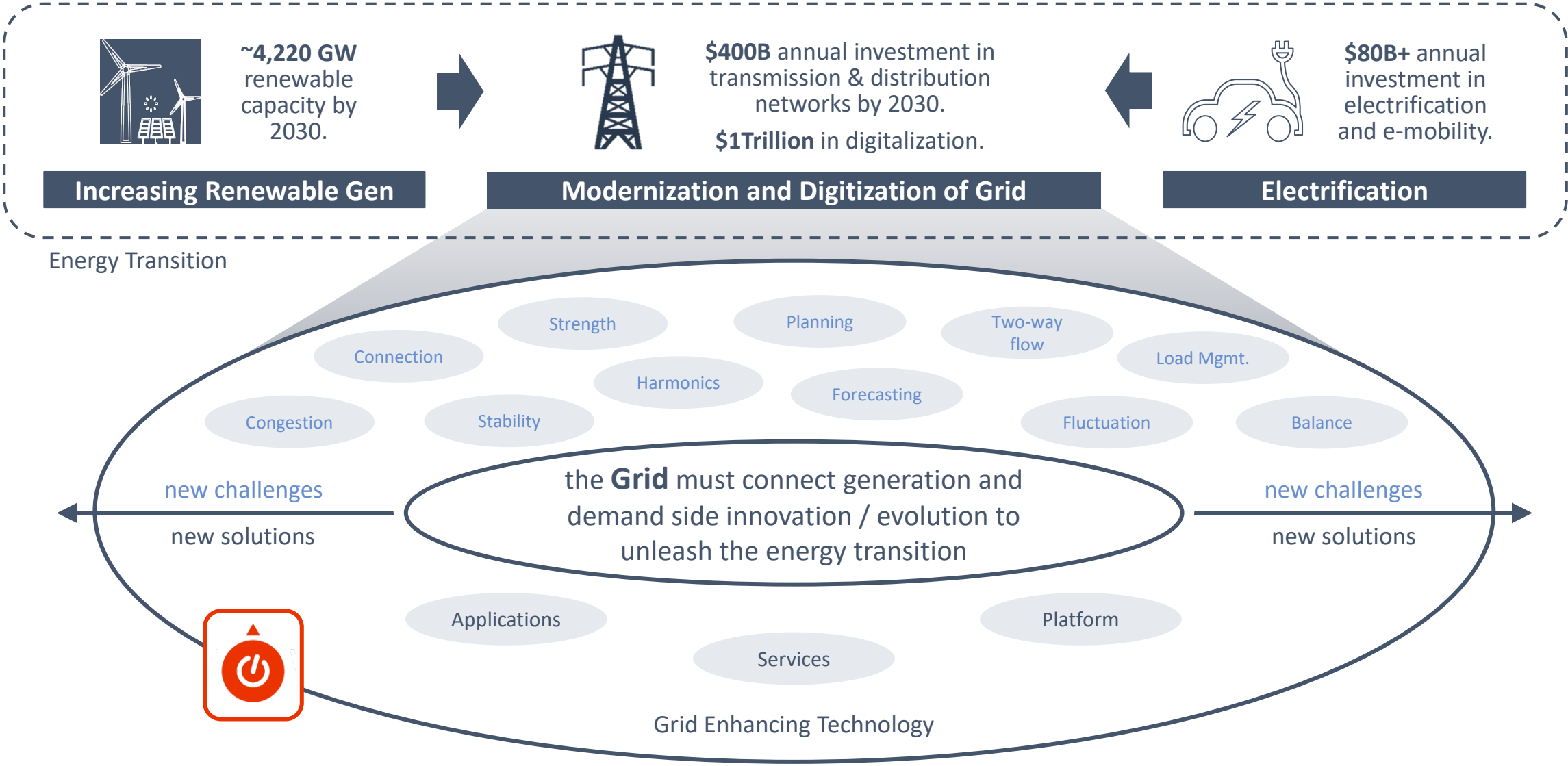


The GRID: the greatest invention of the 20th Century ...needs to be the greatest tech story of the 21st too ...

Smart Wires: digitalizing and modernizing the GRID with unique power flow control technology and solutions.



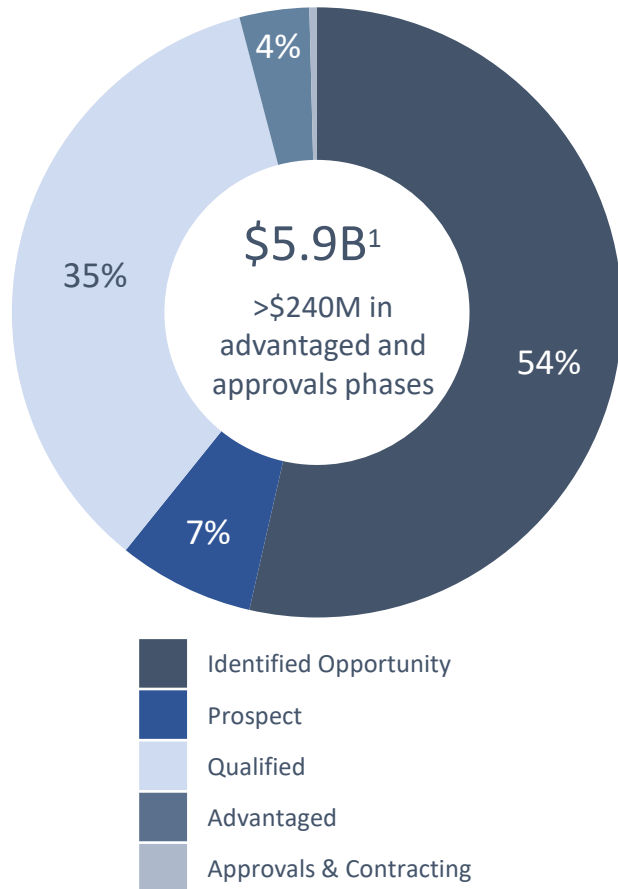
Grid challenges and solutions



Technology Adoption and Backlog

2022 Orders Expected to be \$100M - \$120M

Pipeline Evolution



¹ Pipeline captures order opportunities through 2032

Demand Creation

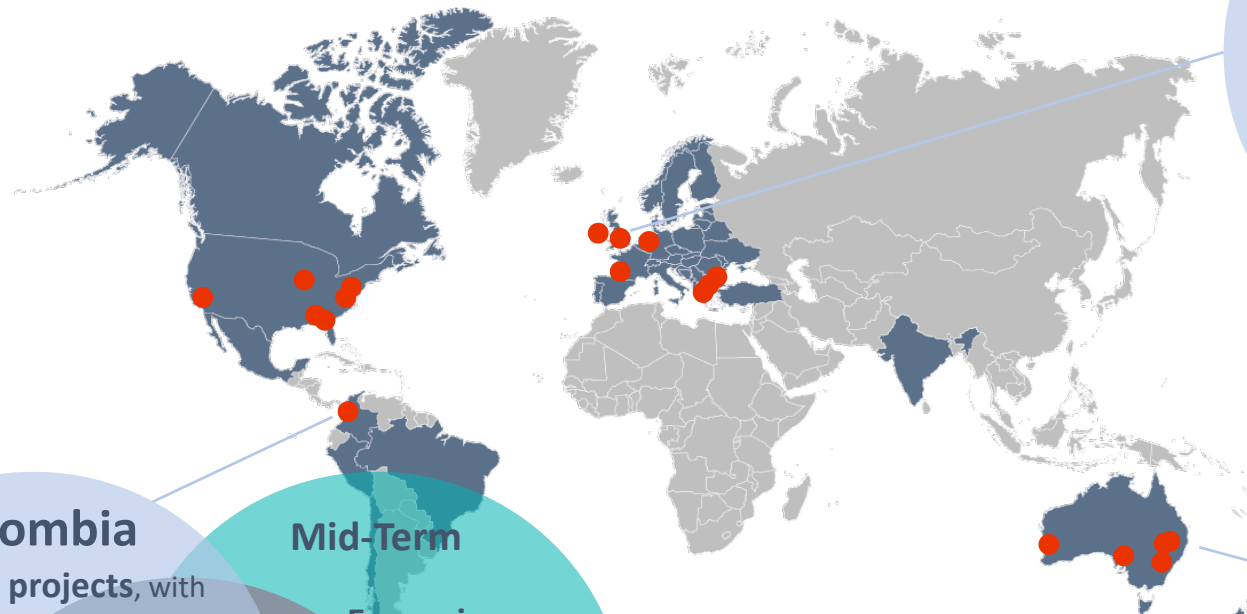
- Compared to Q3, Advantaged, Approvals & Contracting up \$48M to >\$240M
- Backlog for 2022 at \$58M with \$4M - \$5M in Approvals & Contracting and a further \$20-40M of deal flow with potential partial revenue in 2022
- Platform adoption strategy progressing well, with lighthouse customers in Europe, Latin America and Australia driving 60% - 80% of 2022 revenue
- Regional mix 2022 to 2023 and key trends as follows

Region	2022	2023	Trends
APAC	10%	9%	Significant acceleration in energy transition - coal retirements happening 2-3x faster than anticipated
Europe	26%	48%	COP26 pushes more countries to adopt 2050 targets
LatAm	52%	18%	National priorities clearly defined and aligned with clean energy, increased discussions re: regional interconnection and synchronization
NorthAm	12%	25%	Infrastructure spending allocated and importance of grid investment dominates conversation



Global Programs

Repeat orders with lighthouse customers validate technology



Colombia

Multiple projects, with multiple customers. Adding **252 MW capacity** for the renewable energy transition.

Less infrastructure in urban areas and **lowering consumer costs.**

Expansion of projects ... + new projects.

2022

Mid-Term

Expansion across the country and throughout the region.

UK- 2021

Multiple projects, 45 SmartValve™ units deployed, unlocking over **1.5 GW capacity.**

Generating **£387M** in project savings.

2022

Mid-Term

Expansion projects for network reinforcement.

25-50 units per year.

Expansion projects ...20+ for +500MW.

Australia

Multiple projects delivered and in progress, unlocking over **185 MW capacity.**

Generating **\$190M** in project savings.

2022

Mid-Term

Expansion integrated system plans accelerate transition.

Expansion + new projects for + 200MW.

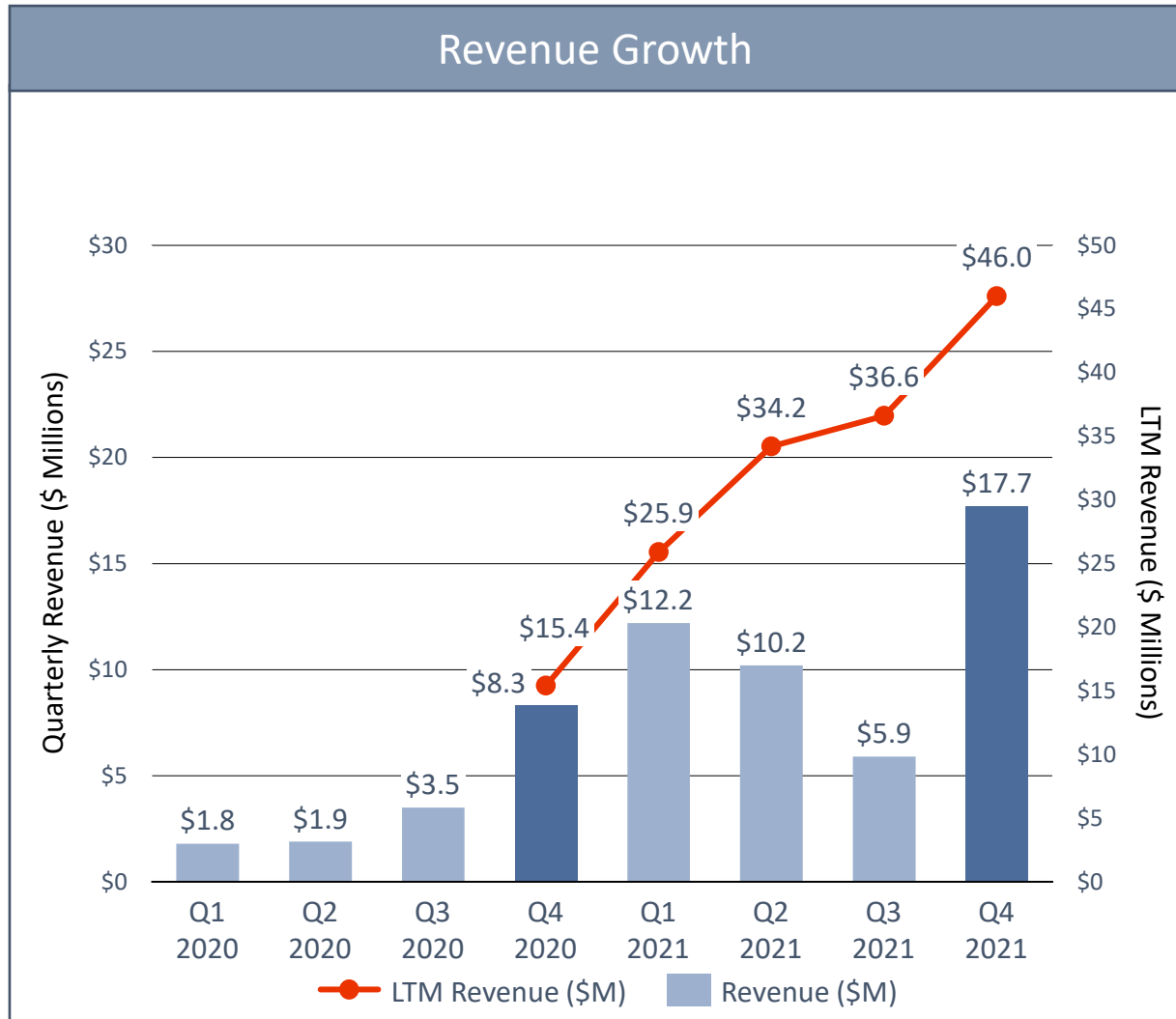


Q4 2021 Highlights: Operational

- **Multiple project successes in Q4...** IPTO in Greece, Ausnet in Australia, APG in Austria, and GEB in Colombia... brings 2021 to 80+ commissioned SmartValves for 9 customers in 6 countries
- **Continued recognition...** the Cleantech Impact Award in North Carolina, and the Collaborate to Innovate (C2I) 2021 Energy & Environmental award by The Engineer in the UK
- **Amprion complete the technical evaluation...** and testing of Smart Wires technology for optimizing grid loading in Germany... with positive assessment and approval
- **Expanded patent portfolio...** 63 grants worldwide... focused on core tech and value-added features... no prior art
- **Secured \$50 million debt...** facility in December, drawing down \$30 million in first tranche.



Q4 Revenue Outperformed Expectations

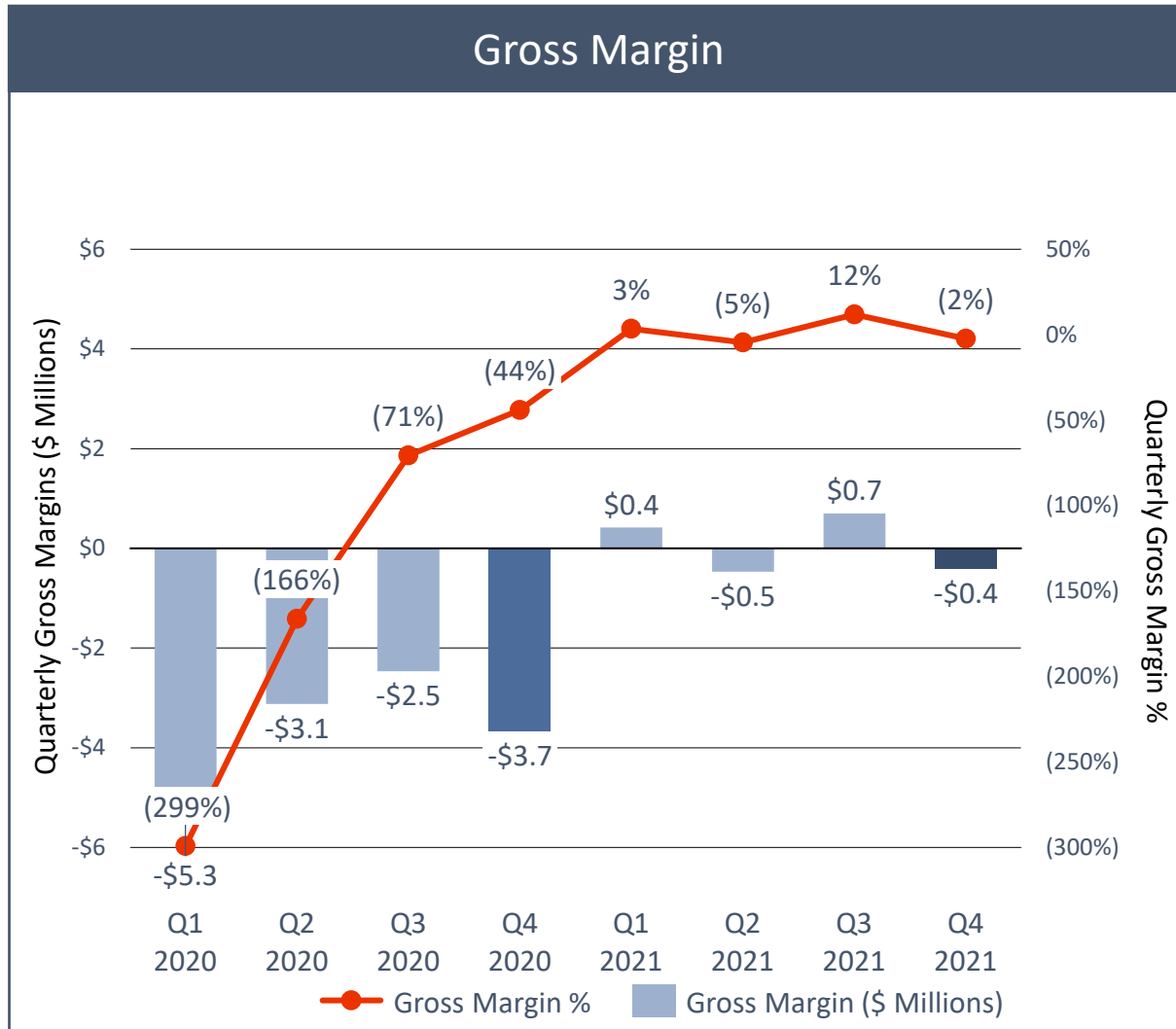


Note: unaudited financial statements presented herein are prepared in accordance with U.S. Generally Accepted Accounting Principles.

- 3x revenue growth in 2021 vs. 2020 driven by continued SmartValve™ technology adoption
- Exceeded previously provided revenue guidance of \$38 to \$42 million as production and delivery supply chain recovery out-performed expectations
- Q4 revenue of \$17.7 million (+114% vs. Q4-2020) on higher-than-expected deliveries of SmartValve devices



Gross Margin Steadily Improving as Production Ramps Up



- Q4 gross margins of (2%) improved +42 percentage points vs. Q4 2020
- Y-O-Y gross margin improvement driven by volume leverage on fixed manufacturing costs and product mix
- Full year 2021 gross margins of 1% were 95 percentage points higher than 2020

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



Summary Financials

Earnings

\$ in millions	Q4 21	Q4 20	YTD 21	YTD 20
Revenue	\$17.7	\$8.3	\$46.0	\$15.4
Cost of revenue	(18.1)	(12.0)	(45.8)	(30.0)
Gross profit	(\$0.4)	(\$3.7)	\$0.2	(\$14.6)
Margin	(2%)	(44%)	1%	(94%)
OPEX	(10.7)	(12.2)	(55.3)	(45.2)
Net profit	(\$18.2)	(\$16.9)	(\$66.4)	(\$63.1)
EBITDA	(\$9.8)	(\$15.2)	(\$52.0)	(\$57.5)
EBITDA margin	(55%)	(184%)	(113%)	(372%)
EPS (actual \$)	(\$0.18)	(\$4.15)	(\$1.04)	(\$15.14)

Balance Sheet and Cash Flow

\$ in millions	12/31/21	12/31/20
Cash and Restricted Cash	\$101.5	\$9.6
Current assets	137.5	35.5
Total assets	149.4	40.1
Current liabilities	\$30.6	\$33.1
LT Liab. & Equity	118.8	7.1
Net working Capital	\$106.9	\$2.4
Cash Flow (Ops)	(64.8)	(66.5)
Cash Flow (Investment)	(2.4)	(2.2)
Cash Flow (Financing)	159.1	49.1

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



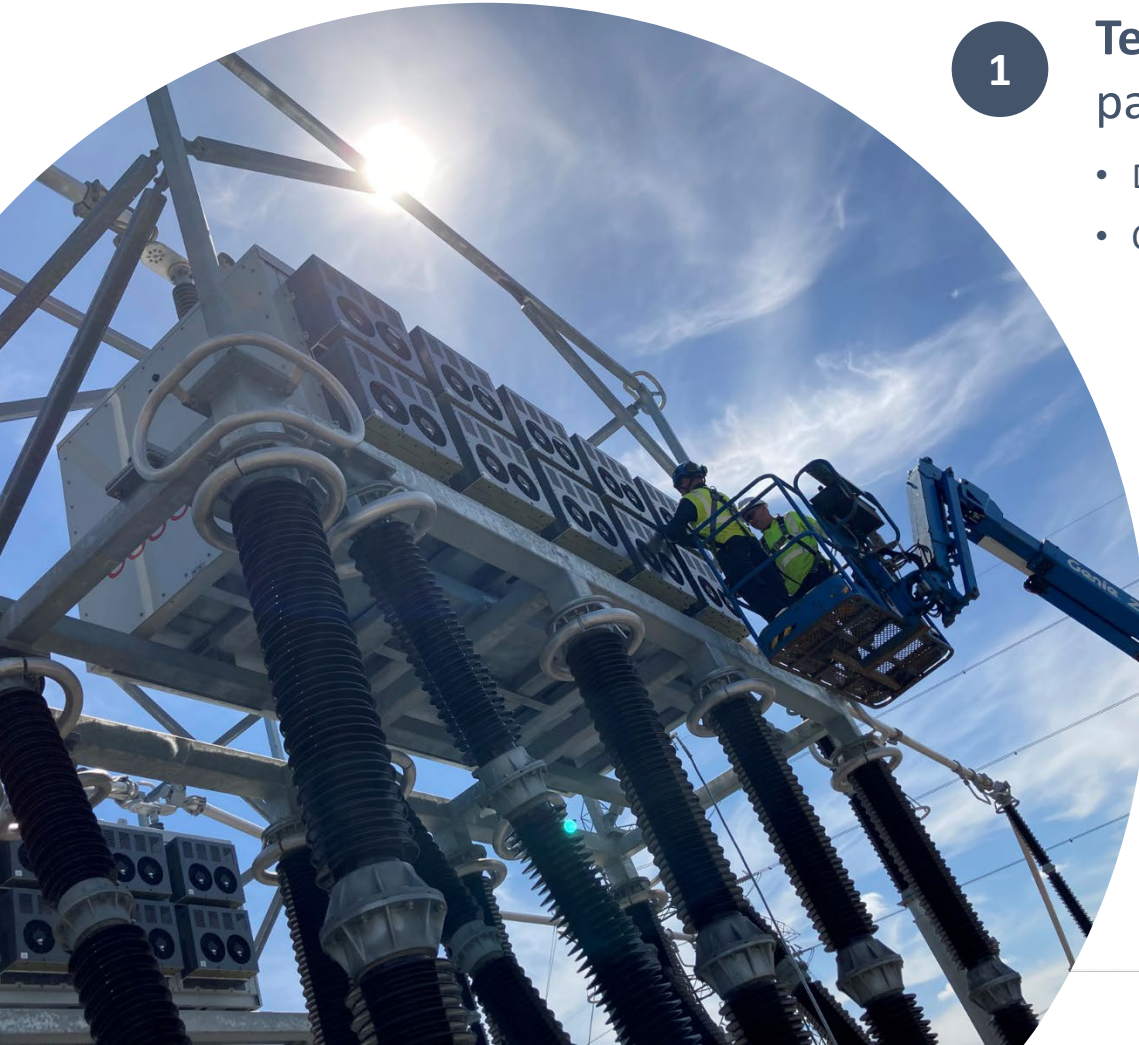
2022 Outlook

	2022 Guidance	2021 Results	
Orders	\$100m to \$120m	\$60m	<ul style="list-style-type: none">• Order guidance ~40% to 50% conversion of pipeline at advantaged, approvals, and contracting stage
Revenue	\$65m to \$70m	\$46.0m	<ul style="list-style-type: none">• Revenue guidance includes current backlog of \$58M plus late contracting stage projects
Gross Profit Margin	12% - 14%	1%	<ul style="list-style-type: none">• Gross profit margin improvement due to volume leverage on fixed manufacturing costs
EBITDA	(\$62m) to (\$57m)	(\$52.0m)	<ul style="list-style-type: none">• EBITDA decline due to investments in next generation product launch, technology adoption, and industrialization and scaling



Summary

We're in the business of energy transition. Then market fundamentals are clear. Our future success depends on our ability to meet the challenges of Energy Transition and the needs of our customers.



1

Technology Adoption: wide-scale adoption of patented, transformational technology.

- Differentiation: 63 granted patents, no prior art
- Customer Satisfaction: NPS >30

2

Industrialization: process control, improvement and productivity.

- On Time Delivery: >80%
- Unit Cost: 10% reduction year over year

3

Growth: capture growth and enhance margins.

- Pipeline > Orders: \$100M - \$120M 2022 Orders guidance
- Gross Margin: 12% - 14%



Terms & Definitions

Orders: Signed contract with a customer for a purchase

Orders Backlog: Revenue not yet recognized on orders that have not yet been fulfilled, installed and/or commissioned into service

Gross Profit: Revenue from customer contracts less direct product and labor costs, freight, installation and project management costs, warranty costs and inventory reserves

Gross Profit Margin: Gross profit as a percentage of revenue

EBITDA: Earnings before Interest, tax, depreciation and amortization and other non-cash expenses like stock-based compensation and foreign exchange gains and losses

EBITDA Margin: EBITDA as a percentage of revenue

Net Working Capital: Total net amount of cash, restricted cash, accounts receivable, inventory, prepaid and other current assets less accounts payable, accrued expenses and other current liabilities, deferred revenue and customer deposits



SMART  WIRES
REIMAGINE THE GRID

