

# 2022

## Q1 Interim Report





## Recent Business Highlights and Guidance

- ▷ Low volume first quarter was in-line with expectations
- ▷ On track to deliver full year guidance, with greater than 70% of annual revenue expected in H2
- ▷ Q1 Revenue of \$2.7 million, -78% vs. Q1 2021
- ▷ Q1 Net loss of \$21.2 million, -31% vs. Q1 2021
- ▷ Q1 non-GAAP adjusted EBITDA loss of \$19.1 million, -52% vs. Q1 2021
- ▷ 2022 Full-year revenue guidance of \$65 million to \$70 million
- ▷ 2022 Orders expected of \$100 million to \$120 million
- ▷ Current order backlog at \$60 million slated for 2022 delivery
- ▷ 2022 Full-year gross margins of 12% to 14%
- ▷ 2022 Full-year non-GAAP adjusted EBITDA loss of \$57 million to \$62 million
- ▷ Advanced opportunities in pipeline grew by 54% to over \$370 million
- ▷ Strengthen commercial leadership with appointments of Jessica Joyce as Senior Vice President, Americas and Hêdd Roberts as General Manager, Europe
- ▷ Strengthened technical leadership with appointments of Jeremy Knepper as Senior Vice President, Quality and Sundar Baladhandapani as Senior Director of Controls & Communication
- ▷ Industry leader Dr. Michael Howard appointed Chairperson of Smart Wires Board of Directors

## Key Figures (Unaudited)

(\$ in millions, unless stated otherwise)	Q1 2022	Q1 2021	Change
<b>Revenue</b>	<b>\$ 2.7</b>	<b>\$ 12.2</b>	<b>(78%)</b>
Cost of revenue	7.2	11.8	(39%)
<b>Gross profit</b>	<b>\$ (4.5)</b>	<b>\$ 0.4</b>	<b>(1160%)</b>
<i>Gross margin</i>	<i>(165%)</i>	<i>3%</i>	<i>(168%)</i>
Operating Expenses	16.2	13.5	(20%)
Net Profit (loss)	\$ (21.2)	\$ (16.2)	(31%)
EBITDA <sup>1</sup>	\$ (19.1)	\$ (12.6)	(52%)
<i>EBITDA margin</i>	<i>(709%)</i>	<i>(103%)</i>	<i>(606%)</i>
<b>Ending cash, including Restricted Cash</b>	<b>\$ 68.5</b>	<b>\$ 24.2</b>	<b>183%</b>
<b>Net working capital</b>	<b>\$ 82.4</b>	<b>\$ 34.1</b>	<b>141%</b>
Cash flows from operations	\$ (26.9)	\$ (21.3)	(26%)

<sup>1</sup> EBITDA is a non-GAAP measure. Please refer to page 9 for the reconciliation of EBITDA to Net Loss.

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

Due to rounding the number presented may not add to the totals provided.

## Strong market momentum

The global momentum we saw building last year continued in the first quarter as more and more governments, companies and consumers realized the importance of taking action to transform how electricity is made, transferred and consumed.

U.S. Senator Edward J. Markey introduced the Connecting Hard-to-reach Areas with Renewably Generated Energy (CHARGE) Act, legislation pushing a modernization of the country's electric grid, while the European Commission has created RePowerEU, a proposal to reduce the region's fossil fuel dependency. After the period ended, we saw the U.S. Federal Energy Regulatory Commission (FERC) release a Notice of Proposed Rulemaking (NOPR) requiring investor-owned utilities to consider grid-enhancing technologies like advanced power flow control as part of their traditional transmission planning.

These are significant market moves, and although the world is only at the beginning of this critical undertaking, increasing interest and action to introduce new technology to modernize grid systems globally will bring us closer to reaching the international goal of net zero carbon emissions by 2050.

Smart Wires continued to play a key role in this transition during the first quarter and took additional steps to help ensure it has the products and team to reach new customers and markets.

First quarter 2022, was in-line with expectations for low volume as we closed the northern California facility and moved to North Carolina, transitioned through the end of the 10-3600 v1.03 production run, and continued to work through the supply chain challenges impacting companies around the world. The company continued to complete testing and certification of the new 10-1800 v1.04 product platform, as well as prepare for the production ramp up of SmartValve™ v1.04. As mentioned, in our Q4 2021 release, we anticipate a back-end loaded year in 2022 with more than 70% of our revenue coming in second half.

We saw our late-stage deal flow jump 54% to \$370M, strongly reinforcing our guidance for orders of \$100M to \$120M in 2022. The planned move of operations, new product launch, supply chain diversification and production shift caused low revenue of ~\$3M as expected. We anticipate revenue in the second half of 2022 to account for more than 70% of our annual revenue, for a total year performance of \$65M to \$70M.

The gross margin for the first quarter was -165%, due to low production volume, one-time costs relating to warranty provisions for earlier production runs and projects. Scaling and industrialization in the second half of the year remain on-track and our mid-term outlook on growth, profitability

and cash flow remains positive as we transition to a longer-range backlog, and annuity streams from platform deployment. Demand remains strong as the technology gains traction with global grid operators, and we continue to see margins rising to 12-14% for the full-year 2022 as we start to see the benefits of volume over our fixed manufacturing costs.

We had a good net cash position of \$58M at the end of Q1, even with a slightly higher cash burn due to investments in key personnel, facilities and product development. We expect our working capital needs to ramp with production through the year, so we are managing disbursements through careful management of quarterly profiles, driving improved payment terms (collections and disbursements) and exploring strategic opportunities.

Smart Wires was bolstered by key appointments during the quarter. Dr. Michael Howard was appointed chairman of the board. He is a seasoned executive and energy industry leader with over 40 years of global experience accelerating technology and policy toward cleaner energy pathways.

We strengthened the commercial team with the additions of Jessica Joyce join as Senior Vice President, Americas and Hëdd Roberts as General Manager, Europe. Both bring significant renewable energy adoption and electricity grid experience, as well as decades of commercial, regulatory and strategic skills to the team. They will play a key role in the expansion of our business in the Americas and Europe.

We also added respected leaders to key technical management roles including Jeremy Knepper as Senior Vice President, Quality and Sundar Baladhandapani as Senior Director of Controls & Communications. They will play important roles in ensuring we deliver an exceptional customer experience in every phase of our business and helping Smart Wires develop world-leading products and technology.

### Market outlook – Rising revenue and increasing margins

The power grid technology market is expected to see massive growth in the coming years as the energy transition advances. Increased renewable generation, grid decentralization and demand-side electrification will create significant strain on existing networks and drive the need to modernize and replace decades-old infrastructure. This is expected to push total global annual grid investments well above \$400 billion by 2030 and more than \$600 billion by 2050. With much of this investment needed to modernize and digitalize the grid, Smart Wires is well positioned to support this needed grid evolution.



Peter Wells  
CEO

We expect:

- ▷ 2022 revenue of \$65M to \$70M, with a significant ramp up in H2 2022 as we transition to 10-1800 v1.04
- ▷ 2022 orders of \$100M to \$120M, with 50% or more coming from key light-house customers in the UK, Australia and Colombia – based on a conversion rate of 40% to 50% of the Q4 2021 late-stage pipeline of \$240M
- ▷ 2022 gross margins rising to 12% to 14%
- ▷ 2022 EBITDA loss remains between \$57M to \$62M as higher revenue and gross margins are offset by investments to grow

We have a growing backlog of approximately \$60M for 2022 deliveries with more commitments expected in Q2, and a strong pipeline of projects for 2023, 2024, and beyond. Interest in our technology continues to grow and supports our projection for three phases of growth; applications of SmartValve technology to solve grid challenges, followed by services layered on top of our technology delivering system integration and flexibility, and ultimately new business models and opportunities like PaaS and SaaS.

The grid must become a holistic and seamless digital platform that enables renewable energy adoption and demand-side electrification at the scale and pace needed for a net zero world. Smart Wires has the technology and expertise needed to deliver on this vision and reimagine the grid.

Thank you for following Smart Wires,

Peter Wells  
CEO, Smart Wires

## Earnings – Q1 2022

### Revenue and gross profit

Total revenue for the quarter was \$2.7 million a decrease of 78% compared to Q1 2021. Q1 revenue was in line with our expectations as the company transitions from the 10-3600 v1.03 product to the 10-1800 v1.04 SmartValve and manage through continued supply chain challenges.

Gross margins declined by 168 percentage points in Q1 2022 to (165%) from gross margin of 3% in Q1 of 2021. This was driven primarily by lower production volumes in the quarter driving deleverage of the fixed manufacturing cost base. In addition, a warranty provision of \$1 million for earlier generation products (v1.03) was recorded which had a negative 37 percentage point impact to gross margins. While the company believes this provision to be adequate for potential issues relating to a limited production run of the v1.03, the company will continue to assess on a quarterly basis and adjust as necessary.

### EBITDA

EBITDA decreased by \$6.5 million or 52% to a loss of \$19.1 million in Q1 2022 from a loss of \$12.6 million in Q1 2021, driven largely by the lower revenue and gross margins as well as increased operating expenses to support expansion and relocation to the company's new headquarters in Durham, North Carolina, new product introductions and engineering solutions.

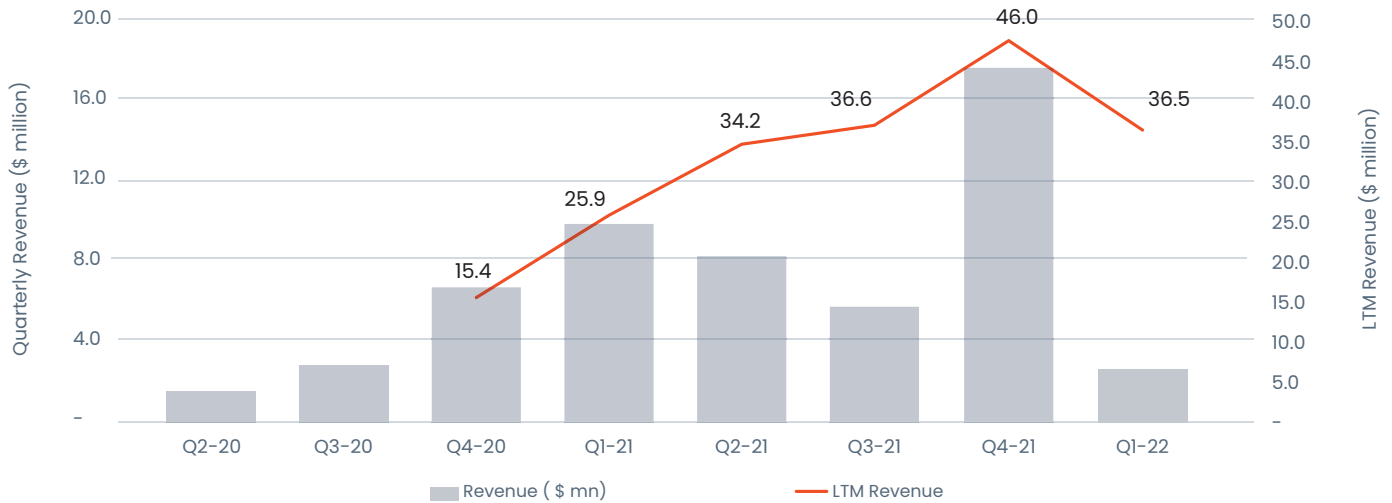
### Net loss and loss per share

The net loss in Q1 2022 increased by 31% to \$21.2 million vs. \$16.2 million in Q1 2021. The increase was driven by the reduction in EBITDA as described above but was partially offset by lower interest expense and a loss on the extinguishment of debt of \$1.8 million in Q1 2021.

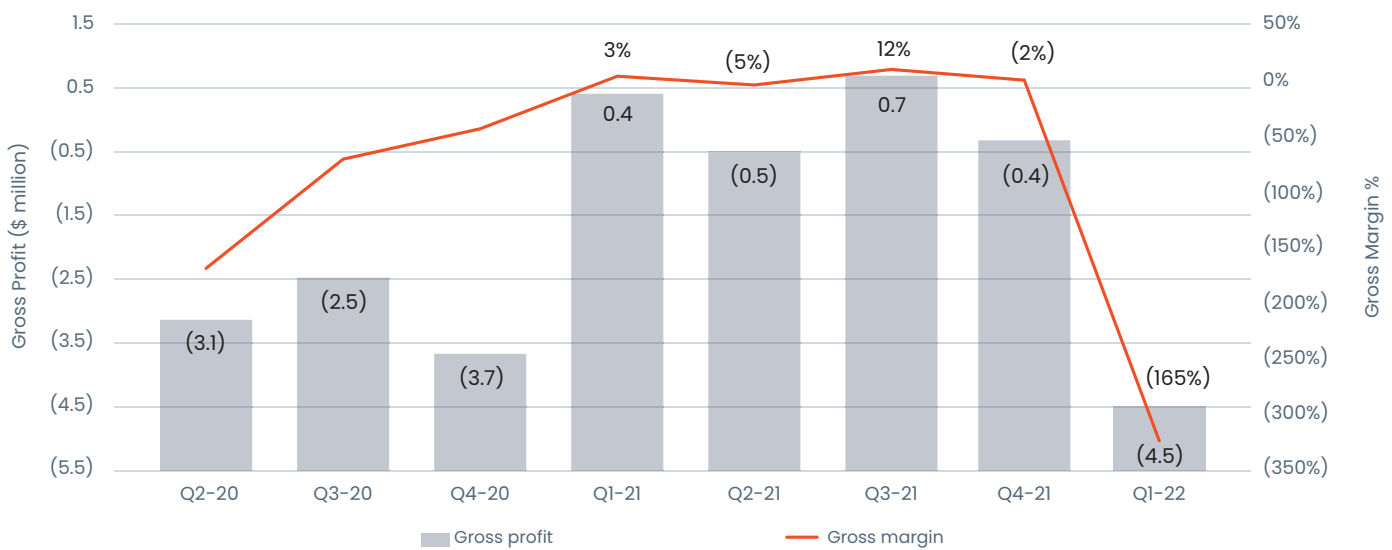
Net loss per share on a fully diluted basis improved from a loss of \$3.77 per share in Q1 2021 to a loss of \$.21 in Q1 2022 due to the increased number of shares issued at the time of the initial public offering on May 18th, 2021.



## Revenue Growth



## Gross Profit vs Margin



## Balance Sheet and Cash Flow

### Liquidity and financial position

As of March 31, 2022, the balance of cash, cash equivalents and restricted cash was \$70.4 million including \$11.8 million of restricted cash related to advanced payment and performance guarantees for certain customers. Inventory and prepaid assets increased by \$9 million from the prior quarter due to purchases and deposits for raw material associated with the launch of the 10-1800 v1.04 product. Total current assets were \$112.4 million compared with current liabilities of \$29.9 million that consist of \$9.3 million of trade payables, \$8.8 million of accrued expenses and \$11.1 million of deferred revenue and customer deposits. The deferred revenue represents milestone payments received to date that are expected to be recognized in the next twelve months. In Q1, the company recorded a right-of-use asset in the amount of \$9.7 million and a long-term lease liability of \$10.5 million related to

the new company headquarters and research facility Durham, North Carolina. The company anticipates receiving and recording a tenant improvement allowance of approximately \$5.1 million in Q2 of 2022. In December 2021, the company entered into a senior secured term loan agreement for a \$50 million facility subject to certain milestones being achieved. The first tranche of \$30 million was funded on December 31, 2021. A second tranche of \$20 million is available from April 2023 to September 2023 provided the company achieves \$40 million in trailing six months revenue.

### Cash flow activities

Cash flow from operating activities for the three months ended March 31, 2022, was negative \$26.9 million compared with negative \$21.3 million for the same period in the prior year. The primary use of cash is to fund ongoing operating expenses and manufacturing and

inventory procurement needs.

Cash used in investing activities for the three months ended March 31, 2022, included \$4.2 million in capital expenditures, due primarily to construction of the new facility in Durham, North Carolina, which is scheduled to open in Q2 of 2022. The company anticipates receiving a \$5.1 million tenant improvement allowance in Q2 2022. Cash flow from financing activities was immaterial in the three months ended March 31, 2022, compared with \$35.9 million during the same period in the prior year which was the result of net proceeds from borrowings and the issuance of convertible notes payable and convertible preferred stock.

## Net Working Capital

	Mar-22	Mar-21	Dec-21
<b>(\$ in millions)</b>			
Cash and cash equivalents	\$ 58.5	\$ 24.2	\$ 90.7
Restricted cash	10.0	-	10.0
Accounts receivable	0.3	2.7	1.3
Inventory	23.9	22.3	18.7
Prepaid expenses and other current assets	19.6	1.6	16.7
<b>Current assets</b>	<b>\$112.4</b>	<b>\$50.9</b>	<b>\$137.5</b>
Accounts payable	9.3	3.4	5.0
Accrued expenses and other current liabilities	8.8	6.6	12.7
Deferred revenue and customer deposits	11.1	6.7	12.2
Derivative liability	0.7	-	0.7
<b>Current liabilities</b>	<b>\$29.9</b>	<b>\$16.7</b>	<b>\$30.6</b>
<b>Net Working Capital</b>	<b>\$82.4</b>	<b>\$34.1</b>	<b>\$106.9</b>

Due to rounding the number presented may not add to the totals provided.

## Other Disclosures

### During Q1 2022

**On 27th January, Smart Wires and Austrian Power Grid (APG) announced a SmartValve mobile deployment, under a cooperation agreement between the companies.**

The success of the SmartValve deployment, combined with detailed network studies, has demonstrated the potential of this technology to utilize the capacity on the existing transmission grid and improve operational reliability in Austria.

**On 8th February, Smart Wires, National Grid Electricity Transmission (NGET), and Omexom were jointly awarded the Collaborate to Innovate (C2I) 2021 Energy & Environment Award by The Engineer for the ‘Working smarter to get to net zero’ projects.**

The project involved deploying cutting-edge modular power flow control technology, SmartValve, on five circuits at three National Grid substation sites in the north of England in 2021, releasing a total of 1.5 GW of extra network capacity – enough to power one million homes in the UK with renewable energy. The award recognizes the results of 5+ years of a successful partnership delivering impact via innovation.

**On 8th February, Smart Wires and Amprion announced the successful completion of a project that tested the use of innovative technology for optimizing grid loading in Germany.**

As part of this cooperation, Amprion carried out extensive studies and technical analyses of SmartValve. The project demonstrated that SmartValve can optimally utilize the capacity of Amprion’s lines through targeted load flow change, and has strong potential to use the grid more efficiently and to reduce the need for redispatch in the future.

**On 14th February, Smart Wires announced the appointment of Dr. Michael Howard as Chairperson of its Board of Directors.** Dr. Howard is a seasoned industry executive with over 40 years of global experience accelerating technology and policy towards cleaner energy pathways. He served as President and CEO at Electric Power Research Institute (EPRI) from 2010 until his retirement in 2020

and was honored as CEO Emeritus. Dr. Howard began his career in 1980 with the Westinghouse Electric Corporation and currently serves on a variety of boards, including the World Energy Council, and the CMU Scott Institute for Energy Innovation, and he is a Senior Fellow of the Enel Foundation.

**On 10th March, Smart Wires and Grupo Energía Bogotá (GEB) announced the installation of SmartValve to improve supply of electricity in the Caribbean region and unlock 252 MW capacity.**

By using the network more efficiently, SmartValve is releasing new transmission capacity for the Termocandelaria power plant on the existing network. This newly released capacity provides greater availability of energy to meet demand and improves reliability of supply, alleviating dispatch restrictions and supporting economic development in the region. This marks the second installation of SmartValve in Colombia, with more projects to be delivered in 2022 to further strengthen the national transmission network. The use of FACTS devices (such as SmartValve) is incentivized in Colombia’s 2020-2034 Transmission Expansion Plan, which includes multiple FACTS projects over the coming years.

**On 17th March, power flow control technologies were featured in the newly introduced CHARGE Act.**

This act was introduced by Senator Edward J. Markey (D-MA) to support the efficient delivery of electric infrastructure. It calls on FERC to establish a transmission planning and cost-allocation process that ensures transmission providers use grid enhancing technologies such as Smart Wires’ SmartValve.

**On 29th March, Smart Wires announced the appointment of Jessica Joyce as Senior Vice President – Americas.** Jessica Joyce is an experienced executive with over two decades of leadership experience across the renewable energy and logistics sectors. Jessica joins from Vestas where she spent six years as Director Service Sales.

### After Q1 2022

**On 21st April, FERC released a**

**Notice of Proposed Rulemaking (NOPR) requiring investor-owned utilities to consider grid enhancing technologies as part of their traditional transmission planning process.**

FERC’s NOPR is the first large-scale action taken regarding the Commission’s effort to reform or revise existing regulations to improve how regional transmission grids are planned, how costs are allocated to various stakeholders and the process by which new generation connects to the grid. Today’s transmission planning process does not require the evaluation of grid enhancing technologies (GETs). These changes would require electric utilities to consider the use of technologies like advanced power flow control in their annual transmission planning processes.

**On 22nd April, Smart Wires announced the appointment of Hëdd Roberts as General Manager, Europe.**

Hëdd is an experienced energy industry leader having worked in various leadership, commercial and engineering roles with National Grid Electricity Transmission (NGET) over the past two decades, covering charging and access development, investment management and customer and commercial services. Hëdd joins from the global utility National Grid, where he was on the electricity transmission executive team in the UK and most recently Director of Regulation.

**On 11th May, Smart Wires announced the appointment of Jeremy Knepper as Senior Vice President, Quality and Sundar Baladhandapani as Senior Director of Controls & Communication.**

Jeremy brings over 20 years of experience in quality within multiple industries, including aerospace, military and defense, renewable energy, and agriculture. Jeremy joins from Collins Aerospace where he held various positions of increasing scope and was responsible for integrating teams, establishing a customer satisfaction program, and elevating overall quality performance. Sundar spent more than 25 years in the embedded and IoT systems areas of various manufacturing companies, most recently as an engineering director at Aprilaire.



## Smart Wires Technology Ltd. Consolidated Financial Statements March 31, 2022

## Consolidated Statements of Operations (Unaudited)

In thousands, except per share amounts

	Q1 2022	Q1 2021	2021 Jan- Dec
Revenues			
Product revenue	\$2,700	\$10,026	43,862
Construction revenue	-	2,186	2,186
Total Revenues	2,700	12,212	46,048
Cost of Revenues	7,151	11,792	45,803
Gross Margin	(4,451)	420	245
Operating Expenses			
Research and development	6,109	5,500	25,998
Selling, general and administrative	10,032	7,957	29,092
Other operating expenses	53	-	192
Total operating expenses	16,193	13,457	55,282
Loss before other Income (Expenses)	(20,644)	(13,038)	(55,037)
Preferred stock warrant liability revaluation gain (loss)	-	-	(6,528)
Financial expenses, net	(549)	(3,142)	(5,757)
Net Loss	\$ (21,193)	\$ (16,179)	\$ (67,322)
Less:			
Net loss attributable to Non-redeemable Non-controlling interests	(456)	-	(926)
Net Loss attributable to Smart Wires Technology Ltd	\$ (20,737)	\$ (16,179)	\$ (66,396)
(Loss) per share attributable to Smart Wires Technology Ltd Common Stockholders			
Basic	\$ (0.21)	\$ (3.77)	\$ (1.04)
Weighted-average common shares outstanding:			
Basic	99,979	4,291	63,762
Reconciliation of Loss before Other Income (Expenses) to EBITDA			
Loss Before Other Income (Expenses)	(20,644)	(13,038)	(55,037)
Add: Depreciation and amortization	434	475	1,641
Add: Stock Based Compensation	1,106	25	1,159
Add: Impairment changes	-	-	124
Add: Loss on Asset	-	-	192
Deduct: Bank Fees	(40)	(51)	(71)
<b>EBITDA</b>	<b>(19,143)</b>	<b>(12,589)</b>	<b>(51,993)</b>

Due to rounding numbers presented may not add to the totals provided.

## Smart Wires Technology Ltd. Consolidated Financial Statements March 31, 2022

## Consolidated Balance Sheets (Unaudited)

In thousands, except par value amounts

	March 31, 2022	March 31, 2021	December 31, 2021
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 58,499	\$ 24,192	\$ 90,729
Restricted cash	10,028	–	10,020
Accounts receivable	299	2,691	1,277
Inventory	23,942	22,348	18,750
Prepaid expenses and other current assets	11,122	1,190	6,359
Unbilled receivables	8,469	431	10,319
<b>Total current assets</b>	<b>112,358</b>	<b>50,852</b>	<b>137,454</b>
Property and equipment, net	13,161	3,698	9,087
Right-of-use asset	9,764	–	–
Deposits and other assets	3,345	255	2,282
Deferred financing costs	464	–	464
Intangible assets, net	91	230	91
<b>Total assets</b>	<b>\$ 139,183</b>	<b>\$ 55,036</b>	<b>\$ 149,377</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>			
Current Liabilities			
Accounts payable	\$ 9,323	\$ 3,430	\$ 5,030
Accrued expenses and other current liabilities	8,788	6,597	12,650
Deferred revenue and customer deposits	11,062	6,675	12,158
Derivative liability	736	–	736
<b>Total current liabilities</b>	<b>29,909</b>	<b>16,702</b>	<b>30,574</b>
Long-Term debt, net of debt issuance costs and discounts	28,615	48,798	28,585
Lease liability	10,527	–	–
Other long-term liabilities	38	47	38
Series I convertible preferred stock	–	308,792	–
Stockholders' equity (deficit)			
Common Stock, \$0.01 par value	994	0	994
Additional paid-in capital	461,075	7,553	459,969
Accumulated deficit	(393,338)	(326,858)	(372,600)
<b>Total Smart Wires Technology Ltd stockholders' equity (deficit)</b>	<b>68,732</b>	<b>(319,305)</b>	<b>88,363</b>
Non-redeemable Non-controlling interests	1,362	–	1,817
<b>Total liabilities and stockholders' equity (deficit)</b>	<b>\$ 139,183</b>	<b>\$ 55,036</b>	<b>\$ 149,377</b>

Due to rounding the number presented may not add to the totals provided.

## Smart Wires Technology Ltd. Consolidated Financial Statements March 31, 2022

## Consolidated Statements of Cash Flows (Unaudited)

In thousands

	Three-Month ended March 31,	
	2022	2021
Cash flows from Operating Activities		
Net loss	\$ (21,193)	\$ (16,179)
Adjustments for non-cash items	2,252	2,520
Changes in operating assets and liabilities:		
Accounts receivable	978	(243)
Inventory	(5,192)	(273)
Prepaid expenses and other current assets	(2,945)	(308)
Operating liabilities	(846)	(6,848)
<b>Net cash used in operating activities</b>	<b>\$ (26,946)</b>	<b>\$ (21,331)</b>
Cash flows from Investing Activities		
Purchase of property and equipment	(4,244)	-
Other	-	0
<b>Net cash used in investing activities</b>	<b>\$ (4,244)</b>	<b>\$ 0</b>
Cash flows from Financing Activities		
Net proceeds from borrowings	(0)	23,961
Repayment and borrowings	-	(313)
Net proceeds from issuance of common stock	-	(219)
Proceeds from the issuance of convertible notes payable	-	4,626
Proceeds from the issuance of convertible preferred stock, net	-	7,838
Repurchase of early exercised options to purchase common stock	-	(12)
<b>Net cash provided by financing activities</b>	<b>\$ (0)</b>	<b>\$ 35,882</b>
Net Increase (Decrease) in Cash, cash equivalents and restricted cash	\$ (31,191)	\$ 14,551
Cash, cash equivalents and restricted cash, beginning of period	101,538	9,641
<b>Cash, cash equivalents and restricted cash, end of period</b>	<b>\$ 70,347</b>	<b>\$ 24,192</b>

**Reconciliation Statement of Cash Flows to Consolidated Balance Sheet**

Cash and Cash equivalents as shown on consolidated balance sheet	\$ 58,499
Restricted Cash as shown on consolidated balance sheet	10,028
Restricted Cash included in deposits on consolidated balance sheet	1,820
<b>Total Cash, cash equivalents and restricted cash as shown in the statement of cashflows</b>	<b>\$ 70,347</b>

Due to rounding the number presented may not add to the totals provided.

## Smart Wires Technology Ltd. Consolidated Financial Statements March 31, 2022

## Consolidated Statements of Convertible and Redeemable Preferred Stock and Stockholders' Equity (Deficit)

In thousands, share and per share amounts

	Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Smart Wires Technology Ltd Stockholders' Equity (Deficit)	Non-controlling Interests	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount					
Balances at January 1, 2021	546,400	\$282,179	3,523	\$ 0	\$7,502	\$(305,486)	-	-	\$(297,984)
Issuance of Series I-1 and Series I-2 convertible preferred stock at \$.6165 per share in exchange for convertible notes payable and beneficial conversion feature	44,637	13,759	-	-	-	-	-	-	-
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	25,675	7,838	-	-	-	-	-	-	-
Issuance of convertible preferred stock in connection with conversion of restricted stock units	82	55	-	-	-	-	-	-	-
Financing costs incurred in connection with proposed public offering	-	(232)	-	-	-	-	-	-	-
Accretion of convertible preferred stock cumulative dividends	-	5,193	-	-	-	(5,193)	-	-	(5,193)
Issuance of common stock in exchange for services	-	-	-	-	-	-	-	-	-
Issuance of common stock upon exercise of stock options	-	-	15	0	13	-	-	-	13
Repurchase of early exercised stock options	-	-	(117)	0	(12)	-	-	-	(12)
Stock-based compensation and other	-	-	-	-	50	-	-	-	50
Net loss	-	-	-	-	-	(16,179)	-	-	(16,179)
<b>Balances at March 31, 2021</b>	<b>616,795</b>	<b>\$308,792</b>	<b>3,422</b>	<b>\$ 0</b>	<b>\$ 7,553</b>	<b>\$(326,858)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$(319,305)</b>

	Convertible Preferred Stock		Common Stock		Additional, Paid-In Capital	Accumulated Deficit	Total Smart Wires Technology Ltd Stockholders' Equity (Deficit)	Non-controlling Interests	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount					
Balances at January 1, 2022	-	-	99.43	\$ 994	\$ 459,969	\$(372,600)	\$ 88,363	\$ 1,817	\$ 90,180
Stock-based compensation	-	-	-	-	1,106	-	1,106	-	1,106
Net loss	-	-	-	-	-	(20,737)	(20,737)	(456)	(21,193)
<b>Balances at March 31, 2022</b>	<b>-</b>	<b>\$ -</b>	<b>99.43</b>	<b>\$ 994</b>	<b>\$ 461,075</b>	<b>\$(393,338)</b>	<b>\$68,732</b>	<b>\$ 1,362</b>	<b>\$ 70,093</b>

**Note:** the above Parent ordinary shares excludes outstanding options and warrants. On a fully diluted basis, total ordinary shares equivalent is 117,445,967 shares as of March 31, 2022.

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

Due to rounding the number presented may not add to the totals provided.

# Information and Contacts

## EARNINGS CALL INFORMATION

**Smart Wires Technology LTD,**

**Audiocast with teleconference, Q1, 2022**

Time: Thursday May 12

9:00 Stockholm (CET)

Language: English

Speakers: Peter Wells, CEO and Julie Andrews, CFO

Webcast:

<https://tv.streamfabriken.com/smart-wires-q1-2022>

Teleconference:

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### NEXT EARNINGS CALL:

August 11, 2022 for Q2-22

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

### 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.

