

Clear Blue Technologies International Inc.

The Smart Off-Grid Company

Q2 2020 Earnings Call



Forward looking statements

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- This presentation contains forward-looking statements, which can be identified by the use of forward-looking terminology, such as but not limited to: “may”, “intend”, “expect”, “anticipate”, “estimate”, “seek”, or “continue”, or the negative thereof or other variations thereon or comparable terminology. In particular, any statements, express or implied, concerning trends, future operating results, growth, performance, business prospects and opportunities or the ability to generate revenues, income or cash flow are forward-looking statements. These statements reflect management’s current beliefs, including beliefs as to future financial and operating results, and they are based on information currently available to management.
- Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to known and unknown risks and uncertainties. Such risks include but are not limited to: the impact of general economic conditions, market volatility, fluctuations in costs, and changes to the competitive environments, as well as other risks disclosed in the public filings of Clear Blue and its publicly filed press releases.
- Certain forward looking information should also be considered future-oriented financial information (“FOFI”) as that term is defined in National Instrument 51-102. The purpose of disclosing FOFI is to provide a general overview of management’s expectations regarding anticipated results or market conditions. Readers are cautioned that FOFI may not be appropriate for other purposes.
- These factors should be considered carefully and undue reliance should not be placed on forward-looking statements. Although the forward-looking statements are based upon what management believes to be reasonable estimates and assumptions, Clear Blue cannot ensure that actual results will not be materially different from those expressed or implied by these forward-looking statements.
- Unless specifically required by law, Clear Blue does not assume any obligations to update or revise these forward-looking statements to reflect new events or circumstances. Clear Blue seeks safe harbor.

Agenda



QUICK OVERVIEW
OF CLEAR BLUE

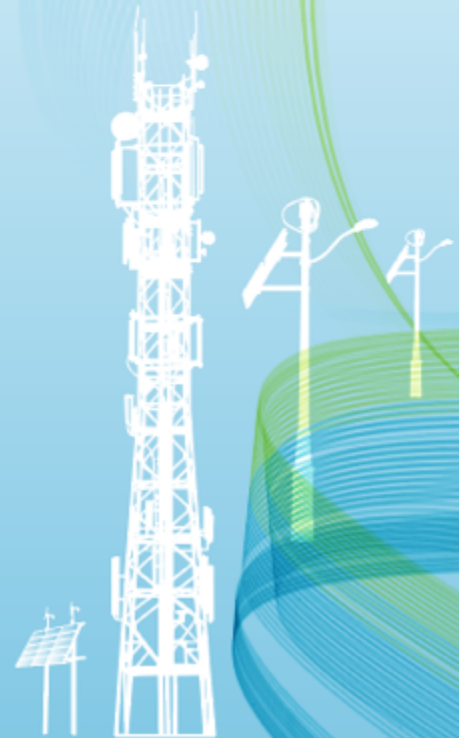


DISCUSSION OF Q2
2020 RESULTS



OUTLOOK

Clear Blue Technologies Overview



Clear Blue Technologies

What We Do

We deliver clean managed wireless power – anywhere and anytime.



Clear Blue Technologies delivers clean, managed, wireless power – anywhere and anytime.

Sample Customers

Telefonica

IHS
Towers of strength



INTELSAT.
Envision. Connect. Transform.

VANU

vodafone

raeanna

TORONTO

CLEARBLUE
TECHNOLOGIES

Clear Blue Smart Off-Grid powers mission critical applications in 37 countries around the world.



Maximum uptime



Longest Life



Easy to install and maintain



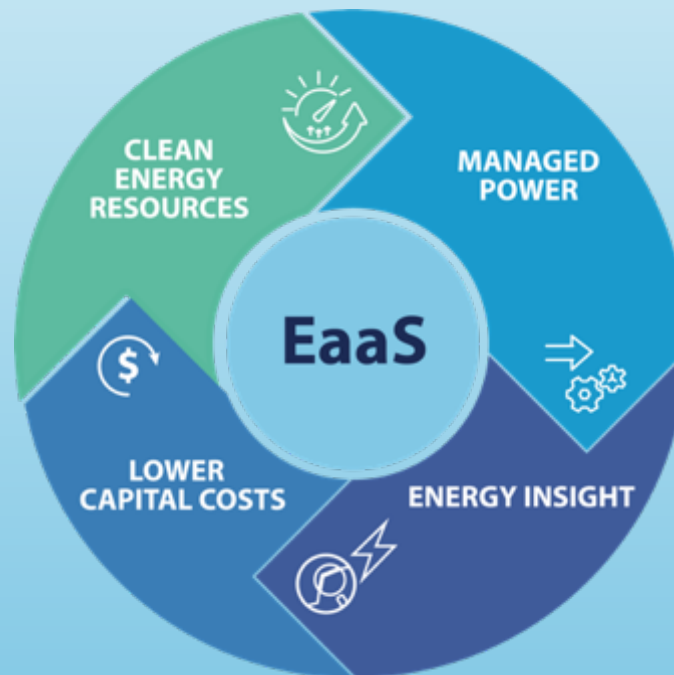
What Clear Blue Technologies' Delivers



Clear Blue sells an integrated Smart Off-Grid power solution which includes ongoing Remote Power Management Service. This allows mission critical devices to be installed anywhere, powered by clean energy, and monitored, managed and controlled over the Internet.

How we Deliver Energy as a Service

We manage and operate the power service and systems for our customer on an ongoing basis.

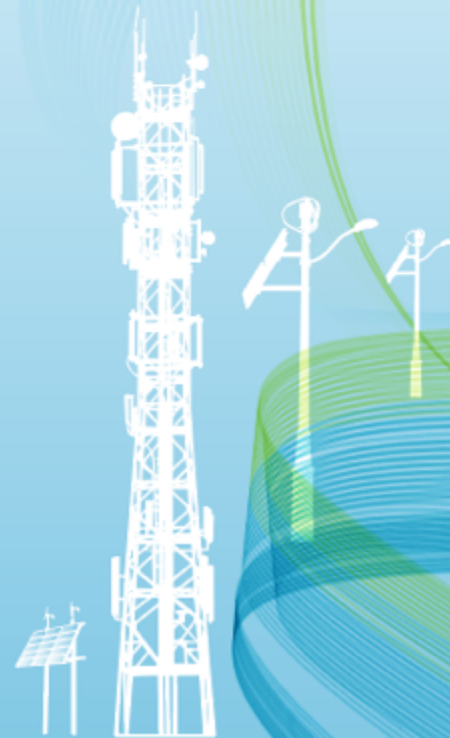


Strong Global Traction



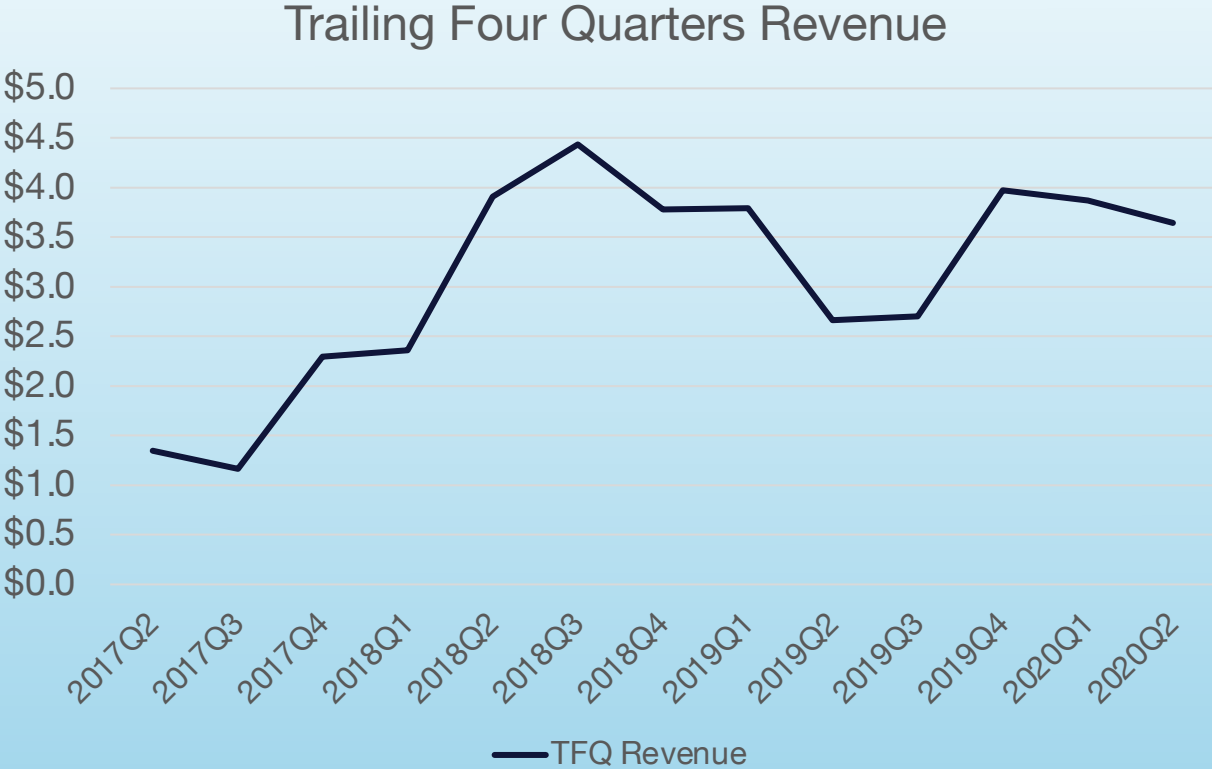
Marquee Customers – Strategic Partners
Telecom & Street Infrastructure – Global Presence

Clear Blue Technologies Q2 2020 Results



Revenues

- Revenue for the three months ended June 30, 2020 was **\$340,345** a **40%** decrease from the same period ended June 30, 2019.
- TFQ revenue for the period ended June 30, 2020 was **\$3,641,514** a **37%** increase over the TFQ ended June 30, 2019.



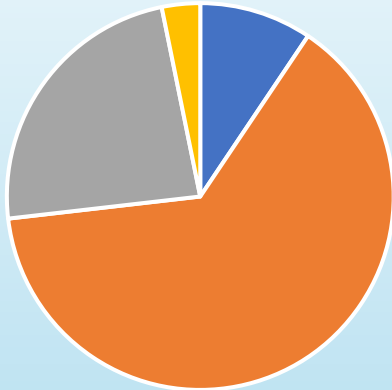
Q2 2020 Sector & Regional Results

Q2 2020 Revenue by Sector



■ Lighting ■ Telecommunications ■ Security/IoFT/Other

Q2 2020 Regional Results



■ Canada
■ USA
■ MEA
■ Other

Revenue by Vertical	Three months ended June 30		%
	2020	2019	
Lighting	356,102	486,865	-27%
Telecom	(18,066)*	74,470	-124%
Security/IoFT	2,309	6,702	-66%
Total	340,345	568,037	-40%

Regional Results	Three months ended June 30		%
	2020	2019	
Canada	34,235	26,167	31%
USA	231,846	467,262	-50%
MEA	85,901	53,757	60%
Other	(11,638)	20,850	-156%
Total	340,345	568,037	-40%

- Telecom projects in 9 countries are underway. Q2 Telecom revenue was actually \$65K, however a correction to the previously reported Q1 allocations causes the net Q2 number to be negative. The YTD Telecom revenue is \$212,618, up 36% from the same period last year.

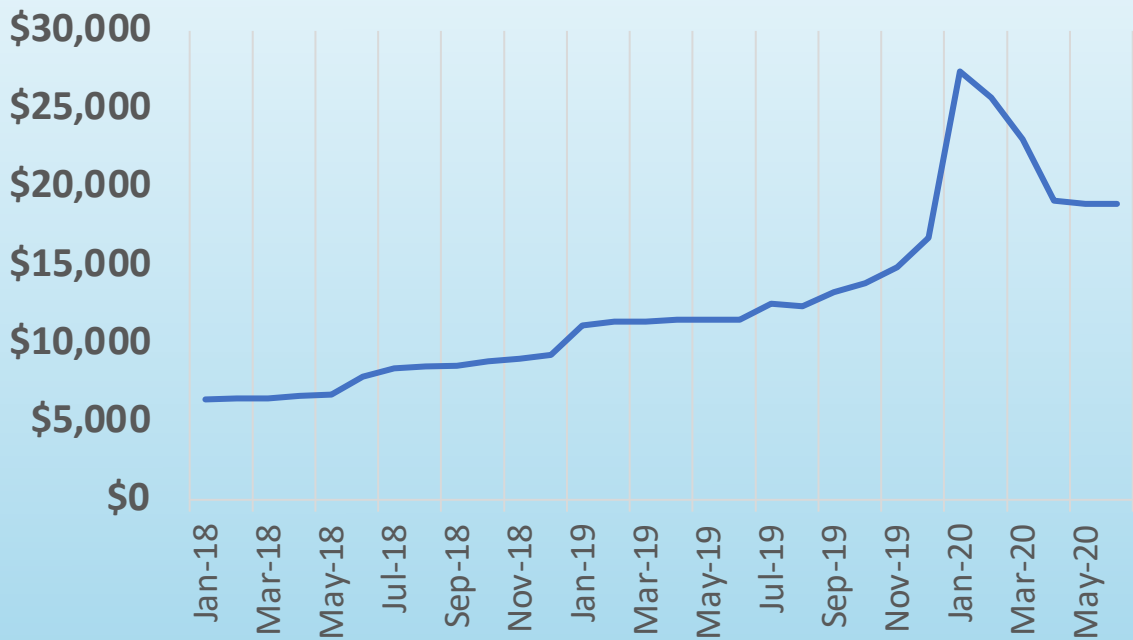
Bookings

- As Clear Blue's recurring revenue begins to grow, more of its sales is in the form of prepaid ongoing service revenue;
- 40% of each Illumient N.A. sale is now prepaid deferred revenue;
- While we are unable to provide traditional guidance, our recurring revenue model provides visibility on Bookings, which we define as:
 - All future Illumience and EaaS deferred revenue that has been pre-purchased by customers;
 - Projects where we have begun production and have purchase orders and/or deposits;and which are not included in Revenues.
- As of June 30, 2020, Clear Blues Bookings are \$2,094,729 which will be delivered over the next three years in the case of Illumience/EaaS and typically in the next 1-4 months in the case of production orders.

Recurring Revenue

- Our Monthly Recurring revenue is growing quite nicely, increased by 65% in Q2 2020 as compared to Q2 2019.
- Impact of the EaaS service, which launched at the end of Q2 2019 resulting in accelerated growth of MRR.
- 2020 Sales for the EaaS service has been very strong and will yield significant increases in recurring revenue this year.

Monthly Recurring Revenue



	June 30, 2020	June 30, 2019	Change
Deferred Revenue	\$620,719	\$283,237	119%

Gross Profit

- Gross profit for Q2 was **\$144,568** or **42%**
- Gross Profit for TFQ was **\$881,224** or **24.2%** down slightly from the TFQ of the previous period gross profit of **\$787,198** or **29.5%**

TFQ Gross Margin by Percentage of Revenues



- This is largely the result of a reallocation from operating expenses to COGS beginning in Q4. Without this, Gross Profit for the previous TFQ would have increased to **\$1,011,355** or **28%**

Operating Expenses

Operating expenses	Quarter Ended June 30	
	2020	2019
Salaries, wages and benefits	283,375	516,848
Research and development	416,293	511,792
General and administrative	105,692	215,111
Government Subsidy	(309,084)	
Bad debt expense(recovery)	(195,394)	
Stock-based compensation	4,072	38,833
Travel	2,232	94,589
Business development and marketing	68,760	169,595
Rent	57,827	26,589
Professional fees	62,741	120,981
Depreciation of property and equipment	33,270	54,517
Total operating expenses	529,784	1,748,855

- Operating expenses for the quarter ended June 30, 2020 were **\$529,784** a decrease of **\$1,219,071** or **70%** for the same period in 2019.
- Core operating expenses* of the company were reduced by 40% as compared to Q2 2019
- Reduction in expenses was aided by Government Subsidy (CEWS)

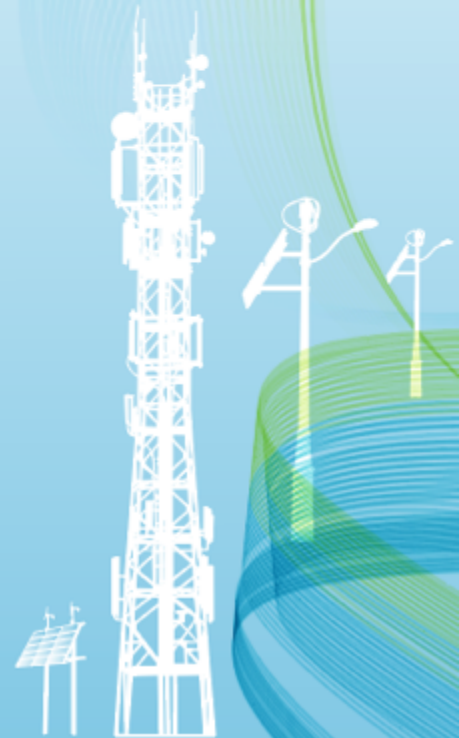
* Core Operating expenses = Salaries, R&D, G&A, Travel, Bus Dev, Rent, & Prof Fees

Adjusted EBITDA

Result of Operations	Three months ended			TFQ ended		
	June 30, 2020	June 30, 2019	Change	June 30, 2020	June 30, 2019	Change
Revenue	340,345	568,037	-40%	3,641,514	2,665,967	37%
Cost of sales	195,777	442,663	-56%	2,760,290	1,878,769	47%
Gross profit	144,568	125,374	15%	881,224	787,198	12%
Gross margin %	42%	22%		24%	30%	
Non-IFRS Operating expenses	559,041	1,620,328	-65%	3,474,123	6,456,432	-46%
Non-IFRS Adjusted EBITDA*	(414,473)	(1,494,954)	-72%	(2,592,899)	(5,669,234)	-54%

- 54% improvement in TFQ adjusted EBITDA
- 72% Improvement in quarterly Adjusted EBITDA

Clear Blue Technologies Outlook



Market Outlook 2020 & Covid

- Economic and Market Uncertainty due to Covid continues to advise caution in forward outlooks;
- Renewables and Connectivity are ever more important and stronger sectors of today and tomorrow's economy. Covid has highlighted this;
- Energy as a Service and Solar Off-Grid lighting are critical tools that municipalities and governments are using more and more to deploy cost effective and environmentally sustainable infrastructure;
- Rural Telecom across Africa is happening with many players, lead by the largest Telcos and Operators. Clear Blue is active in at least 9 countries with multiple partners for these initiatives;
- While Covid has had an impact over the last 6 months, the larger roll out phases are expected to move out of the planning stages quite soon

Renewables + Telecom + Infrastructure = Clear Blue

Our Vision for 2020

Investment in Telecom
Yields Large contract
rollouts

- Installations in 9 countries, each linked to larger long-term rollouts with more projects coming on board

EaaS traction in North
America

- Grow recurring revenue creating a growing bookings backlog and increased shareholder value with every recurring dollar of revenue

Gross Margin & EBITDA
strong growth

- Strong gross margin of 42% and reduced expenses yielded 54% improvement in TFQ EBITDA
- New Product Development & R&D strengthens our value

Make Lemonade

- Are we ready to scale? COVID-19 has benefited our preparations

Build Investor Community
& Stock Value

- CBLU is the perfect ESG/Cleantech investment. And we are a key component of the infrastructure which supports the growth in our tech heavy weights such as Facebook, Apple, Google et al.

Have Questions?

Sales:

sales@clearbluetechnologies.com

Media Contact:

Becky Nye

Director

Montieth & Company

155 E 44th St., New York, NY 10017

bnye@montiethco.com

+1 646.864.3517

Investor Relations:

Miriam Tuerk

Co-Founder and CEO

+416-433-3952

(Please use email if at all possible)

miriam@clearbluetechnologies.com

investors@clearbluetechnologies.com

<http://www.clearbluetechnologies.com/en/investors>