

Clear Blue Technologies International Inc.

The Smart Off-Grid™ Company

Q4 2021 and Fiscal Year 2021 Earnings Call



CLEARBLUE
TECHNOLOGIES

Forward Looking Statements

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



Overview of Clear Blue and its Market



Discussion of Fiscal 2021 Results



Future Outlook

Overview



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Global Implications

Increasing Oil Prices

Brent crude oil price

\$140 per barrel



Source: FactSet • By The New York Times

Global Fuel Shortages

February 9, 2022
9:58 PM EST
Last Updated a month ago

Energy



Analysis: After oil, gas and coal, global fuel shortage spreads to diesel



Grid Resiliency & Independence

Experts consider grid strength, climate change resilience, in the wake of power outages in Michigan

Michigan Radio | By Caroline Llanes
Published August 17, 2021 at 9:01 PM EDT



What We Do

Deliver clean managed wireless power – anywhere and anytime



Pair highly reliable clean energy power source with Clear Blue's proprietary control & built-in communications.



Deliver in preconfigured, prewired power packs simplifying upgrades for local installers.

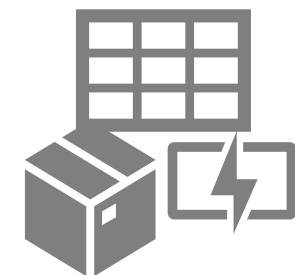


Provide maximum uptime & availability with the ability to remotely control and proactively manage.



Ensure the lowest TCO possible with modularity, parallelization, and sizing efficiencies.

Off-Grid Power



Mission Critical Devices



Clear Blue's Core Technology



BRAND PROMISES



Maximum uptime



Longest life



Easy to install and maintain

DIFFERENTIATORS



Energy forecasting and management



Troubleshooting and remediation

Smart Off-Grid in Telecom

Moving from Analog to Digital



Everyone Else

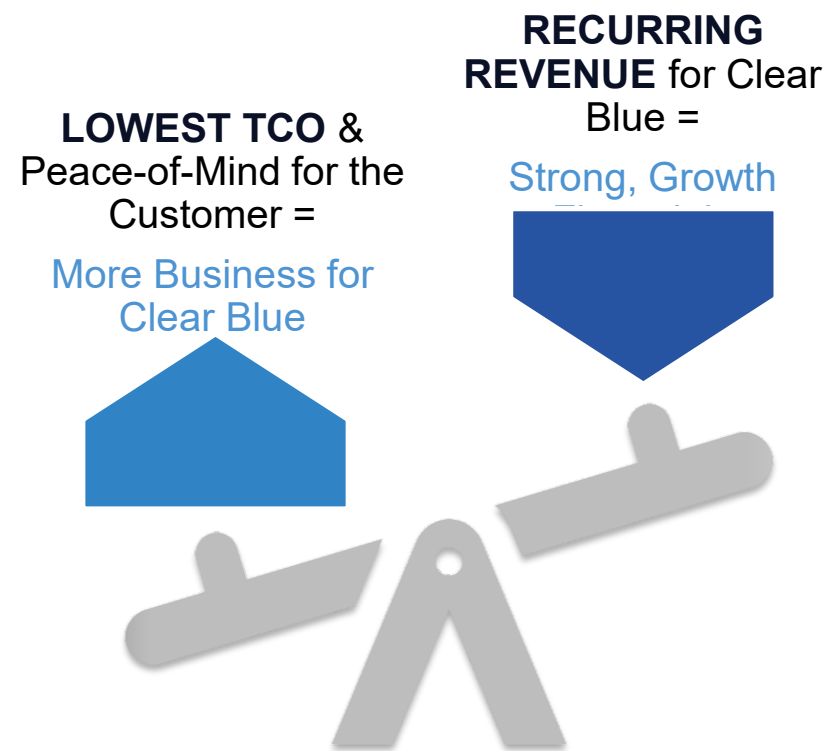
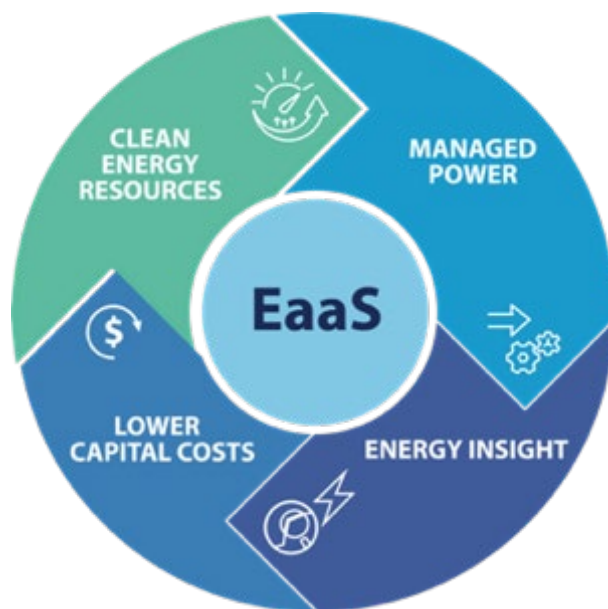
www.clearbluetechnologies.com



Clear Blue



Energy-as-a-Service Drives Value & High Margin Revenue



“Just like Amazon Web Services transformed the IT industry, we believe Energy-as-a-Service (EaaS) can transform the power industry. EaaS enables organizations to move away from having to operate and manage power systems.”

Miriam Tuerk, Co-Founder & CEO, Clear Blue

What Clear Blue Delivers



A complete off-grid power solution with the highest power reliability through ongoing remote power management service, so mission-critical devices can be **easily installed** anywhere, powered by clean energy, **remotely monitored, & managed**, for greater **uptime**, improved reliability & **lower cost**.



MANAGE



CONTROL



SERVICE

BRAND PROMISES



Maximum uptime



Longest life



Easy to install and maintain

The lowest TCO possible to allow for modularity, parallelization, and sizing, efficiencies.

Cell Phone Telecom Applications and Customers



Intelsat/MTN

Remote 2G & Wi-Fi



IHS/Nigeria

Remote 2G/3G



IHS/MTN

Microwave 2G/4G



VANU



Illumient Applications & Customers



Anywhere that trenching/cabling costs are prohibitive, the grid is unreliable or maximum uptime is needed!



Rural Intersections



Eco-friendly Cities



Reduce Grid Reliance



Safety Lighting with No-Grid



Illuminate Critical Safety Infrastructure



Light Major Roadways



Reduce Construction Disruption



Pico-Grid



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Clear Blue is all about Small Power



Most of the world's Solar focuses on Micro-Grids.



Clear Blue's Nano-grid



Clear Blue's new Pico-Grid
Super small, super easy,
But still mission critical and
reliable



Powers of 10					sciencenotes.org
Prefix	Exponent	Number	Scientific Notation	Name	
Exa (E)	18	1,000,000,000,000,000,000	10^{18}	quintillion	
Peta (P)	15	1,000,000,000,000,000	10^{15}	quadrillion	
Tera (T)	12	1,000,000,000,000	10^{12}	trillion	
Giga (G)	9	1,000,000,000	10^9	billion	
Mega (M)	6	1,000,000	10^6	million	
kilo (k)	3	1,000	10^3	thousand	
hecto (h)	2	100	10^2	hundred	
deca (da)	1	10	10^1	ten	
	0	1	10^0	one	
deci (d)	-1	0.1	10^{-1}	one tenth	
centi (c)	-2	0.01	10^{-2}	one hundredth	
milli (m)	-3	0.001	10^{-3}	one thousandth	
micro (μ)	-6	0.000001	10^{-6}	one millionth	
nano (n)	-9	0.000000001	10^{-9}	one billionth	
pico (p)	-12	0.0000000000001	10^{-12}	one trillionth	
femto (f)	-15	0.0000000000000001	10^{-15}	one quadrillionth	
atto (a)	-18	0.0000000000000000001	10^{-18}	one quintillionth	

Satellite Wi-fi Systems – Smart Off-Grid Pico-grid

The Pico-Grid Power System



Smart Off-Grid services connect to Illumience cloud platform



The global satellite internet market was estimated at US\$2.93 billion in 2020 and is expected to grow at an annual rate of 20% from 2021 to 2030 to reach US\$18.59 billion*

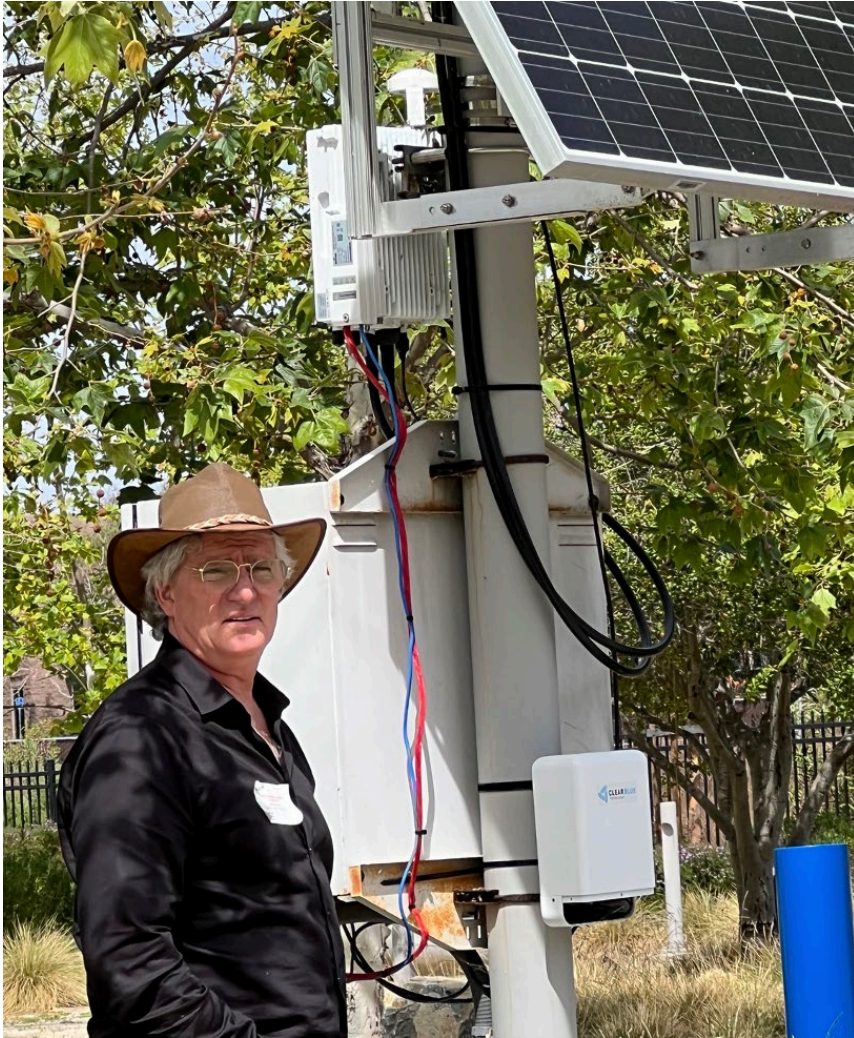
Pico-Grid

A full solar power system for WiFi and IoT Applications

Delivers highly reliable power anywhere, anytime with remote operations of mission critical applications. Commercial, business, and industrial systems will now have unparalleled:

- > Energy Forecasting & Management
- > Troubleshooting & Remediation

New Market – Satellite Wi-Fi & IoT



Pico-Grid Power Product was launched in Q1 of 2022 to meet new market demands

- Specifically for satellite Wi-Fi and IoT applications, un-paralleled functionality
- Mass market product
- Available with flexible solar panels for greater installation options
- ALL systems come with EaaS services for recurring revenue for Clear Blue

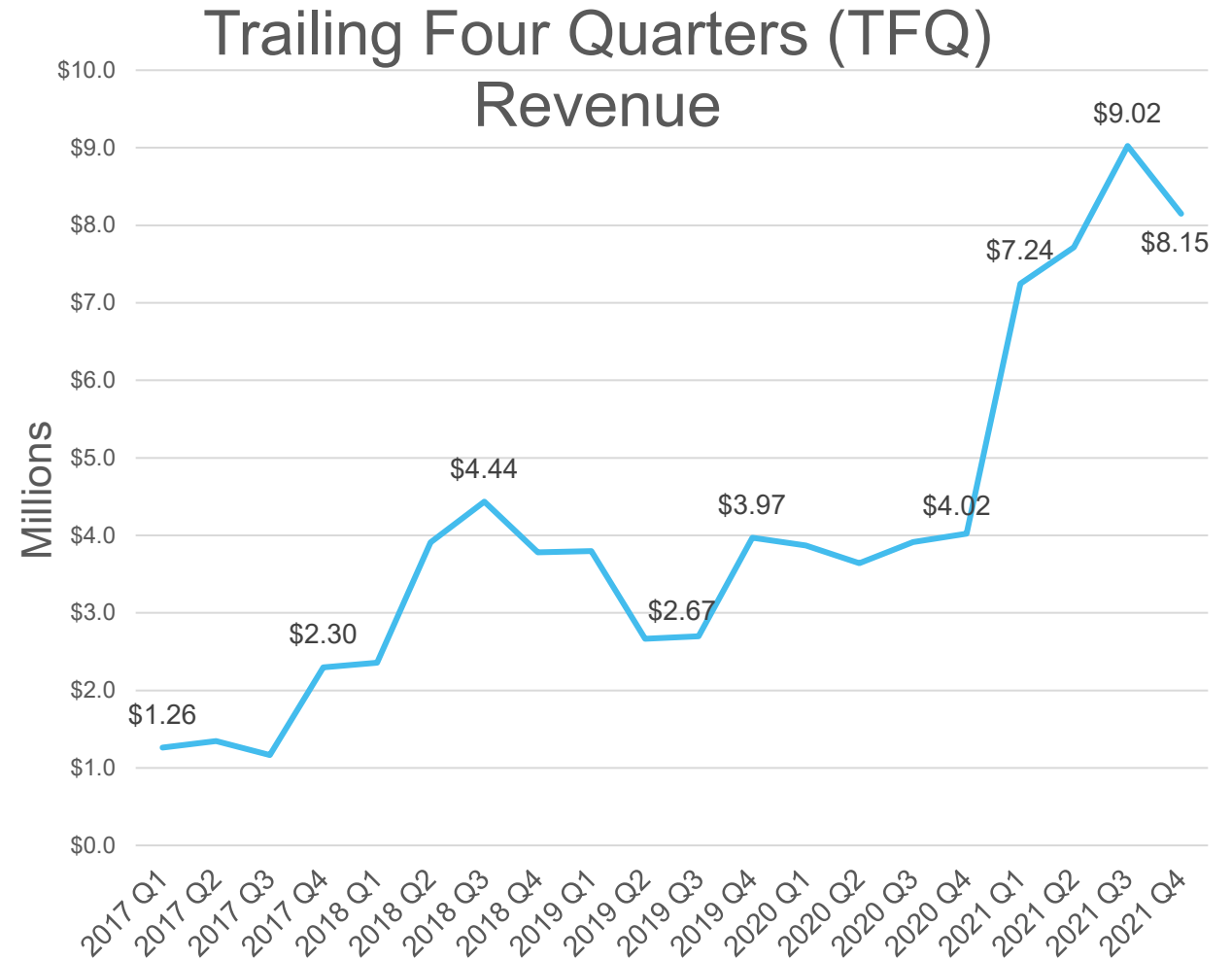


2021 Q4 and Fiscal Year Results



Revenues & Guidance Step Change

- Revenue for the trailing twelve months (TFQ) period ended December 31, 2021, was **\$8,148,659**.
 - 103% increase over the TFQ ended December 31, 2020.
- Revenue for the three months ended December 31, 2021, was **\$1,631,390**.
 - 35% decrease* from the three months ended December 31, 2020.

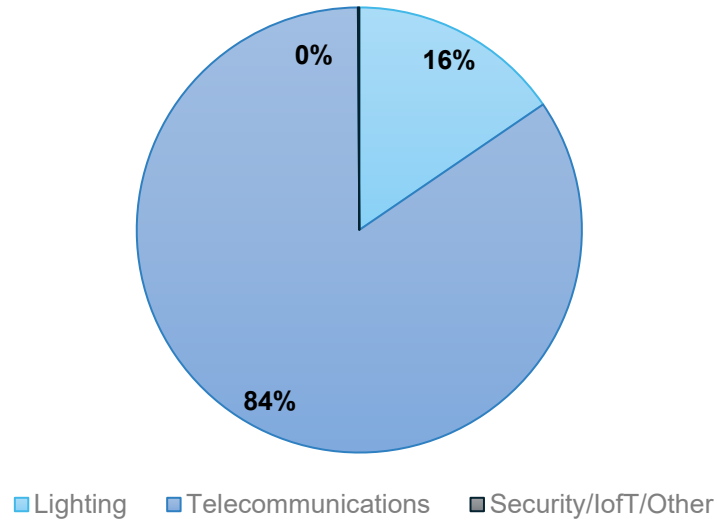


*Decrease is mainly due to timing, as 2021 revenue is more evenly spread out, compared to 2020

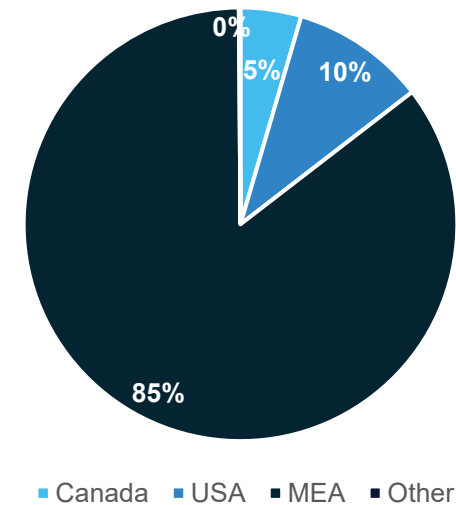
Q4 TFQ Revenue - Sector & Regional Results



TFQ Q4 2021 Revenue by Vertical



TFQ Q4 2021 Revenue by Region



Revenue by Vertical	TFQ ended Dec 31		%
	2021	2020	
Lighting	1,260,191	1,560,960	-19%
Telecom	6,880,217	2,442,525	182%
Security/IoT	8,251	20,326	-59%
Total	6,888,468	2,462,851	180%

Revenue by Region	TFQ ended Dec 31		%
	2021	2020	
Canada	368,983	414,129	-11%
USA	816,901	1,040,912	-22%
MEA	6,952,934	2,537,616	174%
Other	9,841	31,155	-68%
Total	8,148,659	4,023,811	103%

Bookings



Bookings as of December 31, 2021	Total	Revenue	
		Year 1	Year 2 and Beyond
Illumience / EaaS Deferred Revenue	950,566	488,814	461,752
Purchase Orders	585,552	508,700	76,852
Total Bookings	1,536,118	997,514	538,604

Recurring Revenue

- Clear Blue's managed services is a key differentiator that is a foundation of our market leadership position
- Key for mission critical applications
- Our base Illumience and our enhanced Energy as a Service offerings build customer loyalty and provide critical learnings to allow us to maintain our market leadership



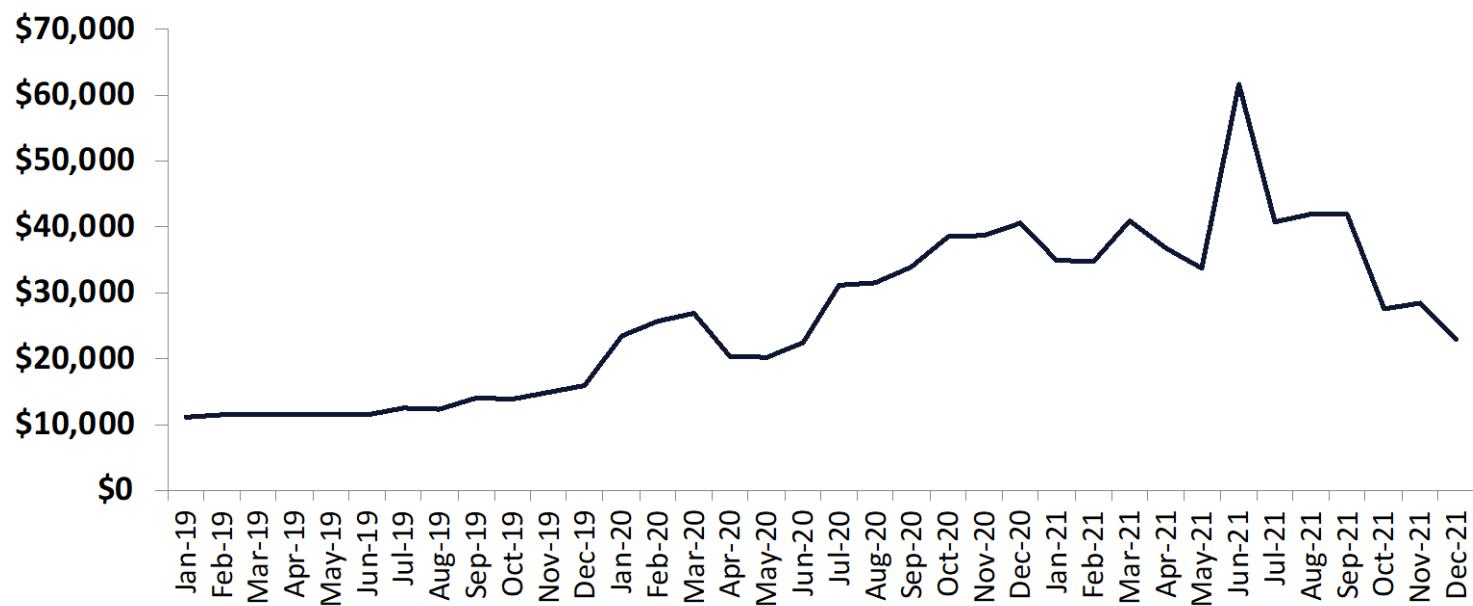
Bookings

- Bookings 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
- As of December 31, 2021, Clear Blue's bookings are **\$1,536,118**, with \$997,514 anticipated in the next 12 months with the remaining being beyond next year.

Ongoing Services Revenue

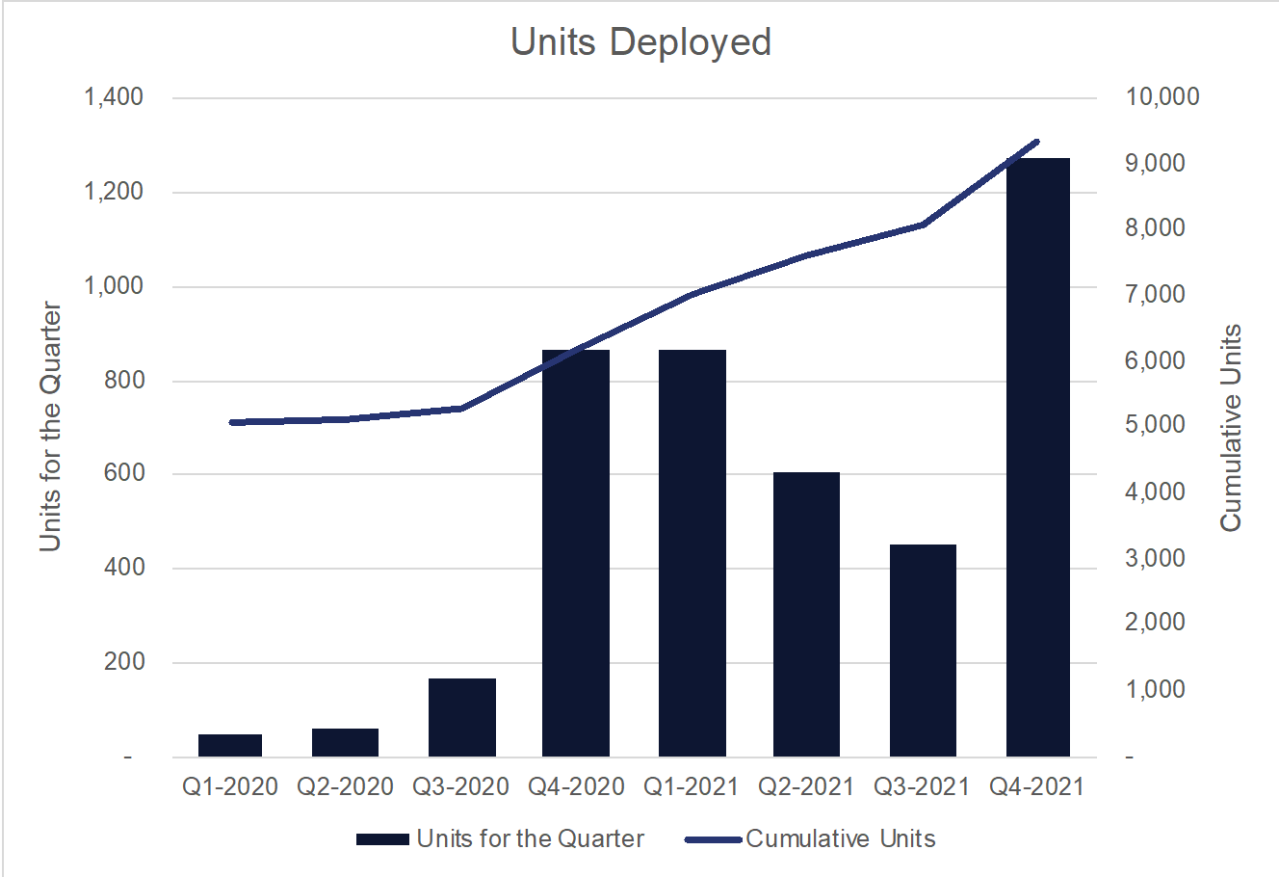
- Ongoing services revenue for 2021 **increased 29%** to \$455,194 vs. 2020 revenue of \$353,627.
- Monthly ongoing services revenue, from Illumience & EaaS, decreased **33%** in Q4 2021 versus Q4 2020, again due to short term quarterly variances.
- Since the company’s founding, every system sold includes ongoing Illumience management and monitoring.

Monthly Ongoing Service Revenue



	December 31, 2021	December 31, 2020	Change
Deferred revenue	\$950,566	\$975,664	(2.5%)

Strong Global Traction



37
Countries

27/9
States &
provinces

>400
Customers

>9,000
Units deployed

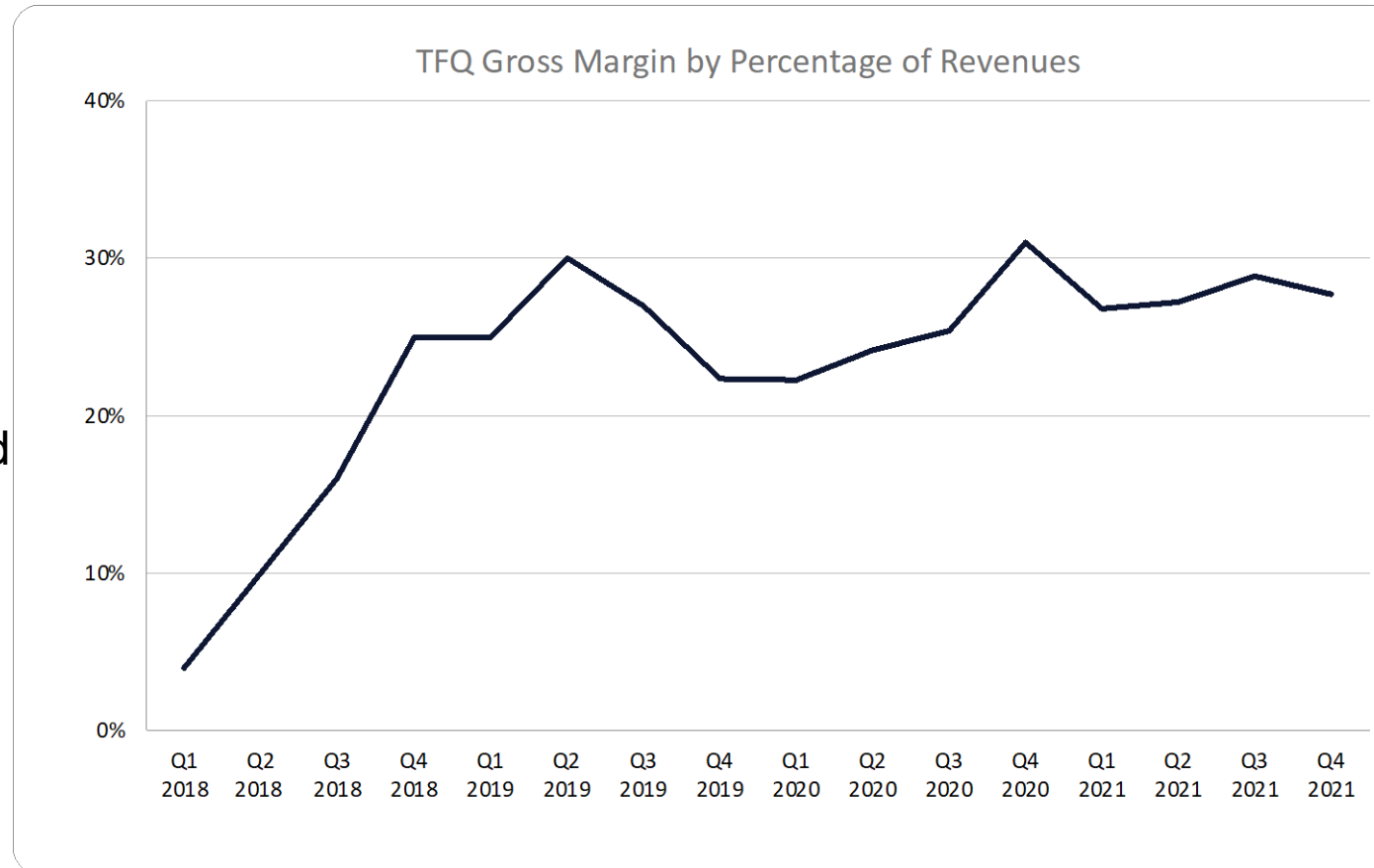
>8.4 million
Days of
operation

>10 Billion
Cloud
Transactions

Gross Profit

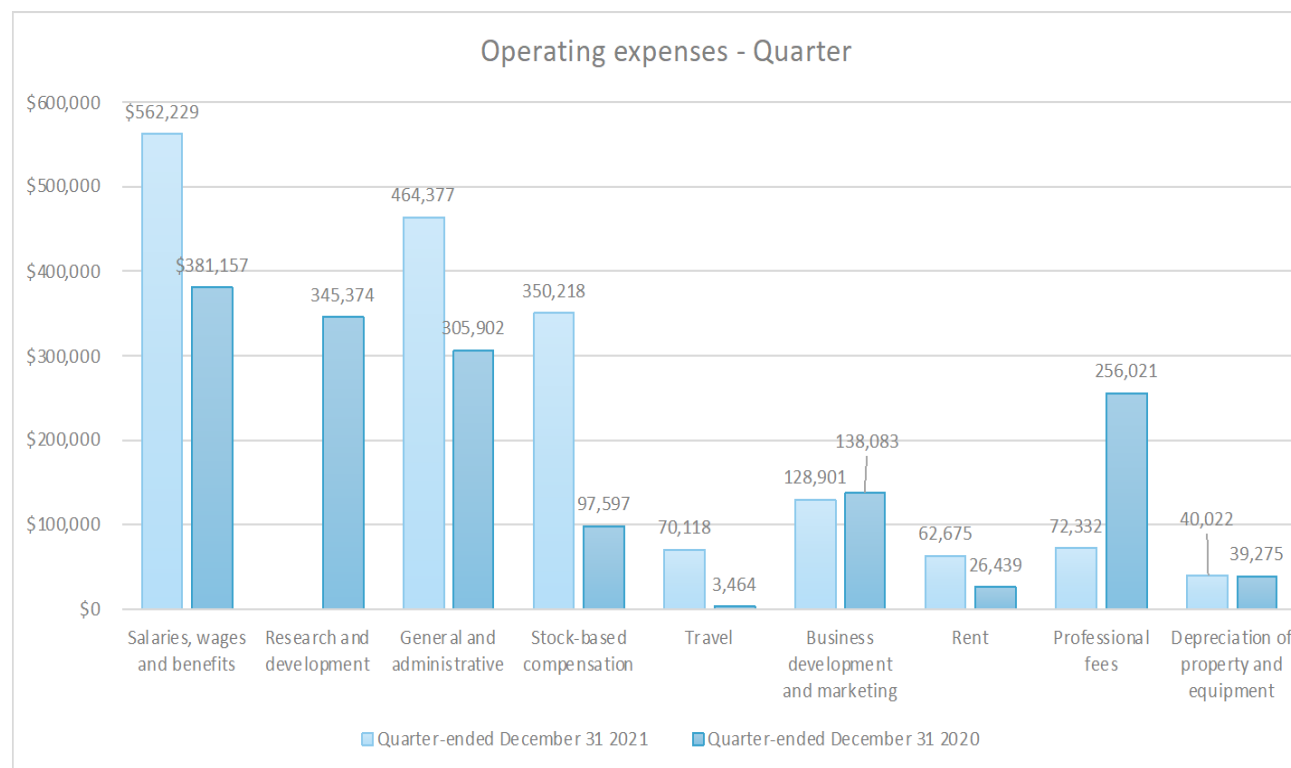
- Gross Profit for TFQ for December 31, 2021 was **\$2,255,460** or **28%**, compared to TFQ gross profit of \$1,266,999 or 31%*.
- Gross profit for three months ended December 31, 2021, was **\$317,875** or **19.5%** as compared to \$669,702 or 26.7% in the comparable prior period. Q4 is traditionally a lower Margin quarter.
- Short term margin pressures continue to exist in our global markets with short term impact of a few %, but medium term we see margins in the mid 30s.

* TFQ gross margins decreased to 28% of sales, down from a Gross Margin of 31% in 2020. This decrease is mainly attributed to a lower margin strategic one-time deal to support a major customer in their first roll-out in Africa. Excluding this one-time deal, the Gross Margin for the year to date (YTD) was 31%.



Operating Expenses

- Starting Q1 2021 the Company met the IFRS guidance on capitalizing R&D expenditure, resulting in a capitalization of R&D expenses of \$1,086,590 for the Quarter and \$2,856,835 for the year ended December 31, 2021.
- Operating expenses for the quarter ended December 31, 2021, were **\$1,550,982** representing a decrease of **\$308,650** or 17% over the same period in 2020. However, adjusting for capitalized R&D, and lower Covid CERB credit by 139,925, operating expenses increased by approximately 32%.
- Operating expenses for the TFQ ended December 31, 2021, were **\$5,012,245** a decrease of **\$412,830** or **11%** compared to the same period in 2020. However, adjusting for capitalized R&D, and lower Covid CERB credit by \$310,604, operating expenses increased by approximately 54% .



Adjusted EBITDA (\$ CAD)



Result of Operations	Three months ended December 31			TFQ ended December 31		
	2021	2020	Change	2021	2020	Change
Revenue	1,631,389	2,504,446	-35%	8,148,659	4,023,811	103%
Cost of sales	1,313,514	1,834,744	-28%	5,893,199	2,756,812	114%
Gross profit	317,875	669,702	-53%	2,255,460	1,266,999	78%
Gross margin %	19%	27%		28%	31%	
Non-IFRS operating expenses	1,294,462	1,641,320	-21%	4,818,794	4,857,284	-1%
Non-IFRS adjusted EBITDA	(976,587)	(971,618)	1%	(2,563,334)	(3,590,285)	29%

Summary: 2021 was Clear Blue's best year yet

- 2021 revenue **doubled** to \$8.1M;
- Telecom Vertical revenues **grew by 182%** to \$6.8M
- Named 2021 TSX Venture 50 **Top Performer**;
- Clear Blue partnered with Parallel Wireless for a **large project in Africa**;
- Clear Blue awarded NuRAN DRC contract for 1,333 sites with an estimated value of **over \$8 million**;
- Clear Blue partnership with **satellite services** firm Avanti Communications
- **Meta/Facebook** collaborated with Clear Blue on a Rural Telecom Field Study to validate the benefits of Smart Off-Grid power;
- Clear Blue named Globe and Mail Report on Business **Top Growing Company**;

Outlook & Guidance



2022 is starting strong

- YahClick, a leading global **satellite services operator**, selected Clear Blue;
- Launched the **new Illumient** Smart Off-Grid lighting products to meet growing customer demand;
- CEO earned the Globe's **Changemakers** award;
- **MOU** with ISAT for contract value exceeding \$2 million CAD;
- Global Communications Extension Services selects Clear Blue as preferred partner
- Clear Blue Technologies launched Pico-Grid power product, entering new satellite Wi-Fi and IoT markets;



Outlook – Strong 2022 Indicators

- Clear Blue 2022 guidance is for a minimum of \$10 million revenue;
- Gross Margin – targeting 30-35%, managing through rising costs expected in 2022 and beyond;
- Pico-grid planned to launch mid-year with early orders and field trials with key customers expected in 2022;
- EBITDA break-even at short term GM target with \$15,000,000-20,000,000 annual revenue;

Have Questions?

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