



CLEARBLUE

TECHNOLOGIES

Q1 2022 Earnings Call



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TSX-V: CBLU. OTCQB: CBUTF. FRA: OYA

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 Q1 2022 Results



Future Outlook

Overview

Clear Blue Technologies and its Markets



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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



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	0.000000000001	10^{-12}	one trillionth
femto (f)	-15	0.000000000000001	10^{-15}	one quadrillionth
atto (a)	-18	0.000000000000000001	10^{-18}	one quintillionth



The Need for Smart Off-Grid Power

Demand for Smart Cities



Solar Street Lights

Growth of Telecom



Telecom

Internet Access Expansion



Satellite Wi-Fi/IoT

Easier, Lower Cost Power Infrastructure



Grid Resiliency & Independence



Power Reliability & Advanced Management



Growth Capabilities

Smart Off-Grid, Wireless Power

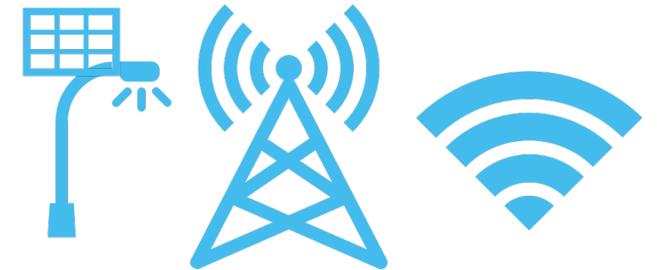


Clear Blue Technologies provides a complete, mini, solar **off-grid power system** for use in street lighting, telecom, IoT and other **mission-critical devices**.

Off-Grid Power

Management & Control

Mission Critical Devices



With systems managed and operated as an ongoing service, Clear Blue ensures **maximum uptime, longest life, and ultimate reliability.**

Clear Blue's Core Technology



Smart Off-Grid in Telecom

Moving from Analog to Digital



Everyone Else



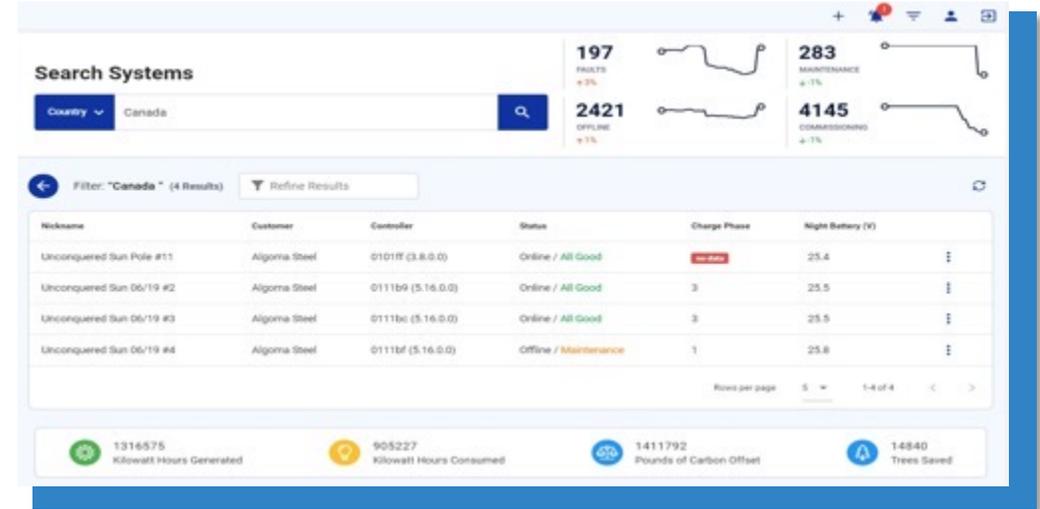
Clear Blue



Illumience Intelligent Power Management

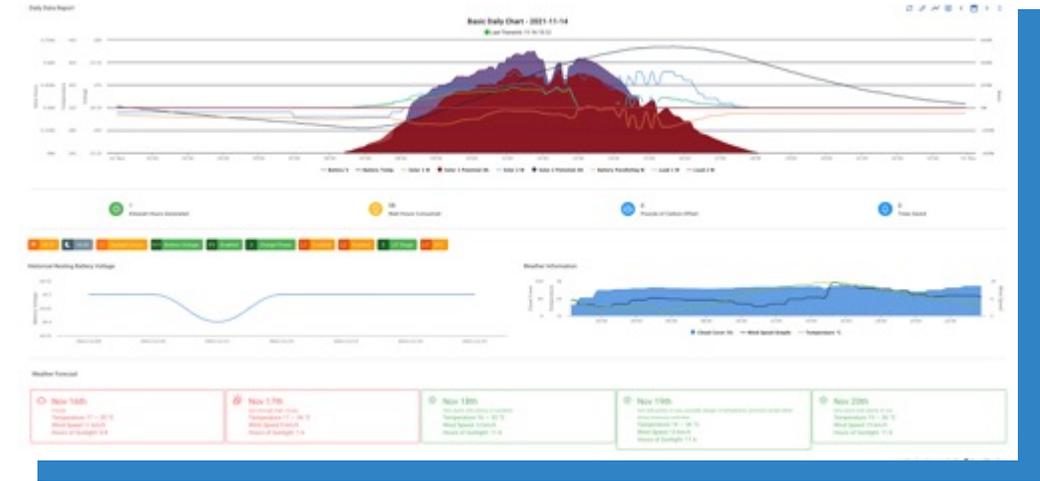
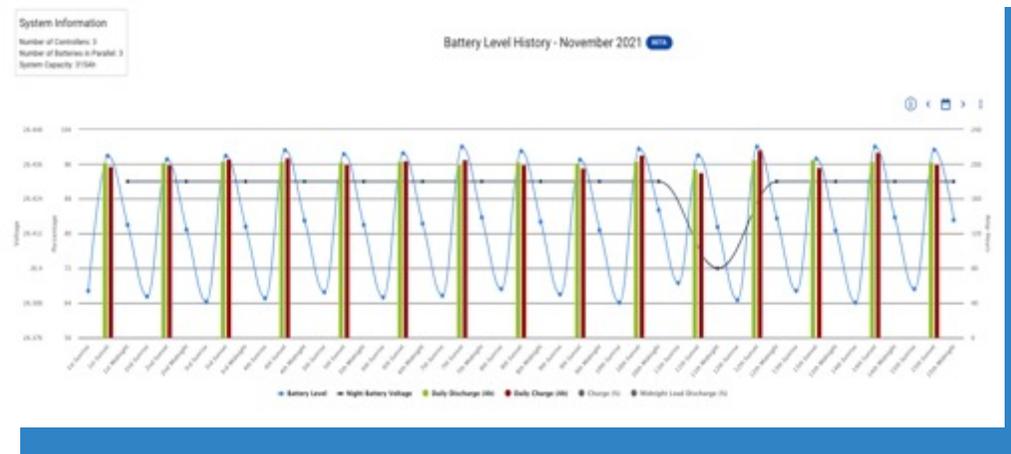
Energy & Weather Forecasting

Maintenance, Troubleshooting & Remediation



Battery Life Cycle Management

Potential Energy Analysis



Why Clear Blue is Different



Lowest TCO through modularity, parallelization, & sizing efficiencies

Energy & weather forecasting, remote troubleshooting and remediation tools

Expert service team and Illumience advanced remote management and control



Peru
Remote Repeater



DRC
2G, 3G



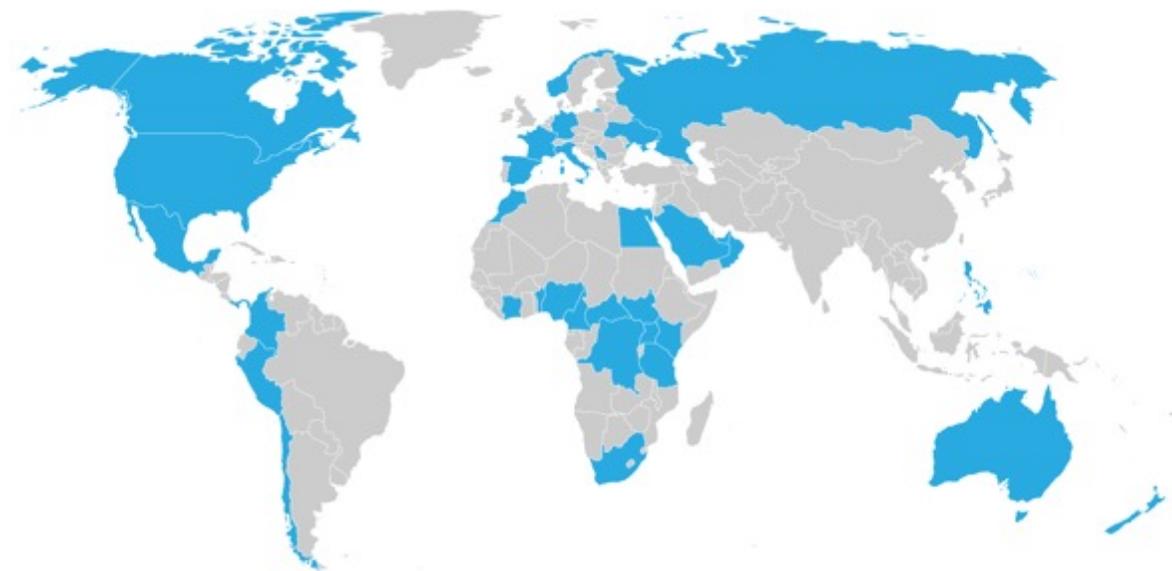
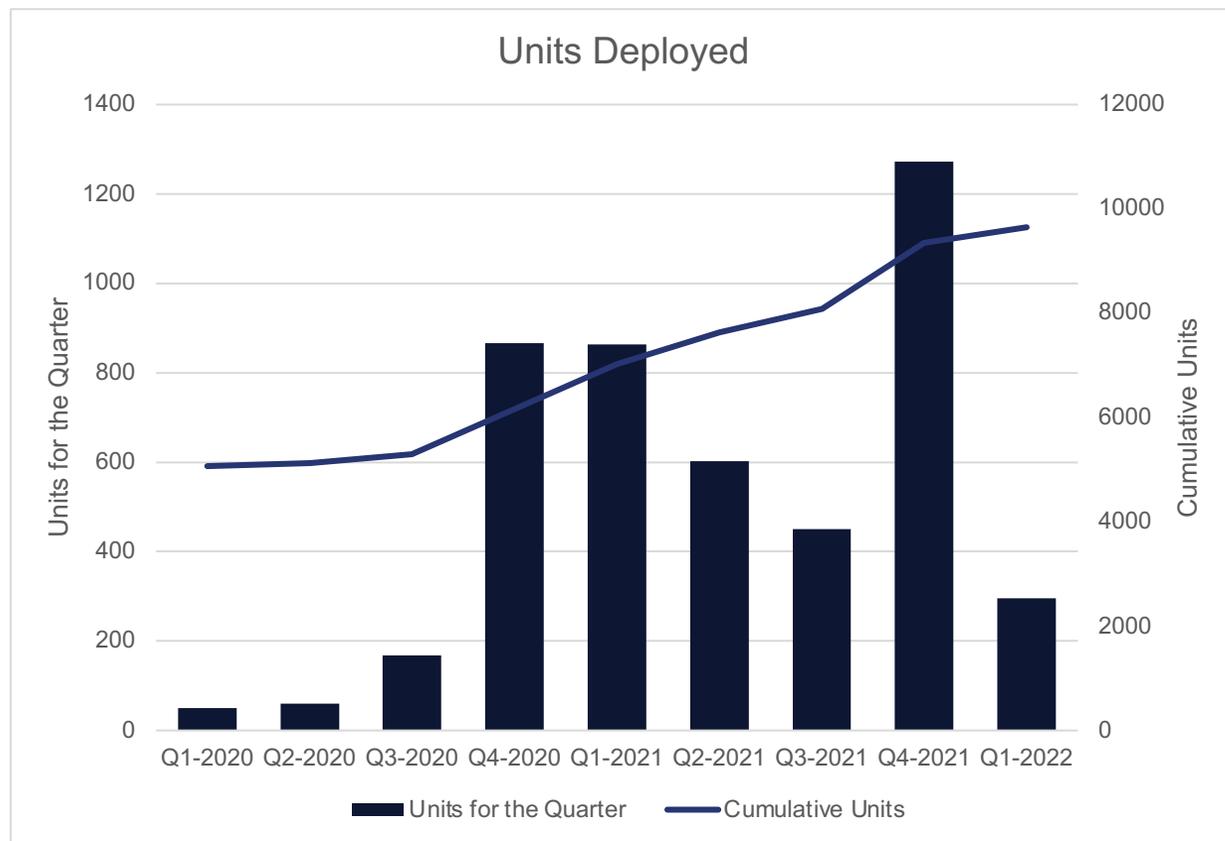
Nigeria
Remote 4G / 2G

Marquis Global Brands are our Customers





Strong Global Traction



**Chart corrected after Q1 Earnings Call*

37
Countries

27/9
States & provinces

>400
Customers

>9,600
Units deployed

>8.7 million
Days of operation

>10 Billion
Cloud Transactions



The Future is Pico

Now let's talk about Satellite
Wi-Fi, IoT and Clear Blue's
Ground-Breaking Pico-Grid



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

The Pico-Grid Power System



Smart Off-Grid services connect to Illumience cloud platform



Pico-Grid

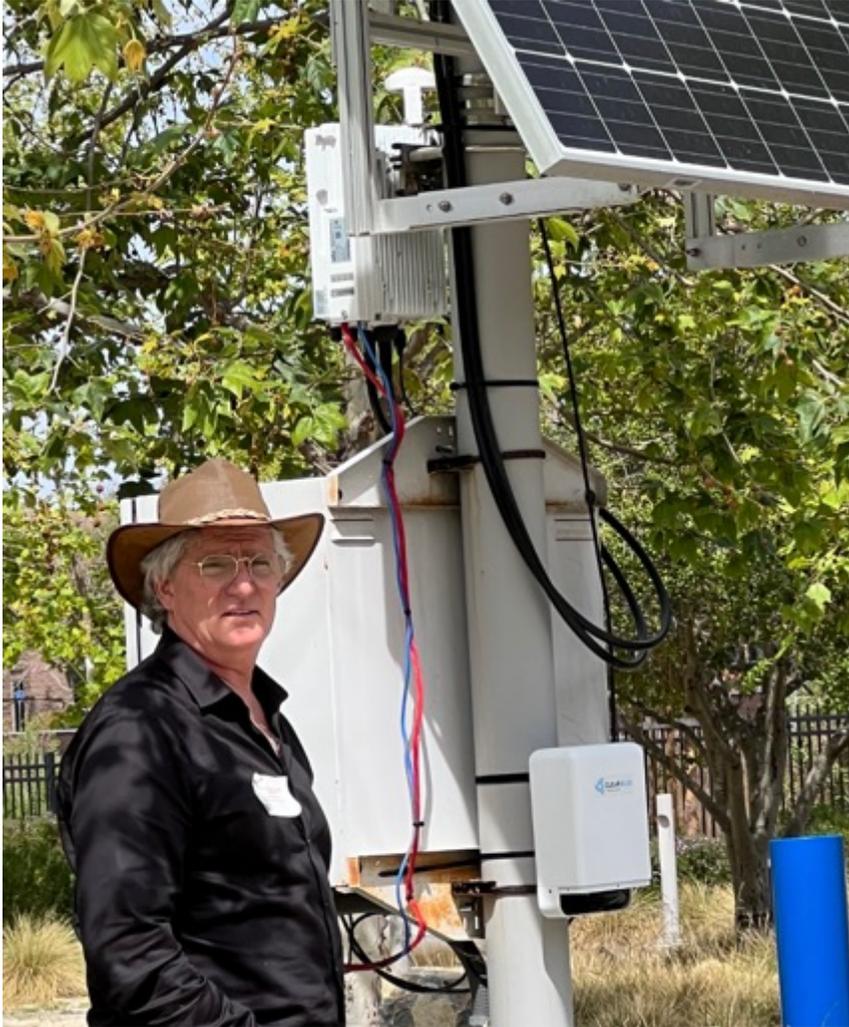
A full solar power system for WiFi and IoT Applications

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

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*

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, unparalleled 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



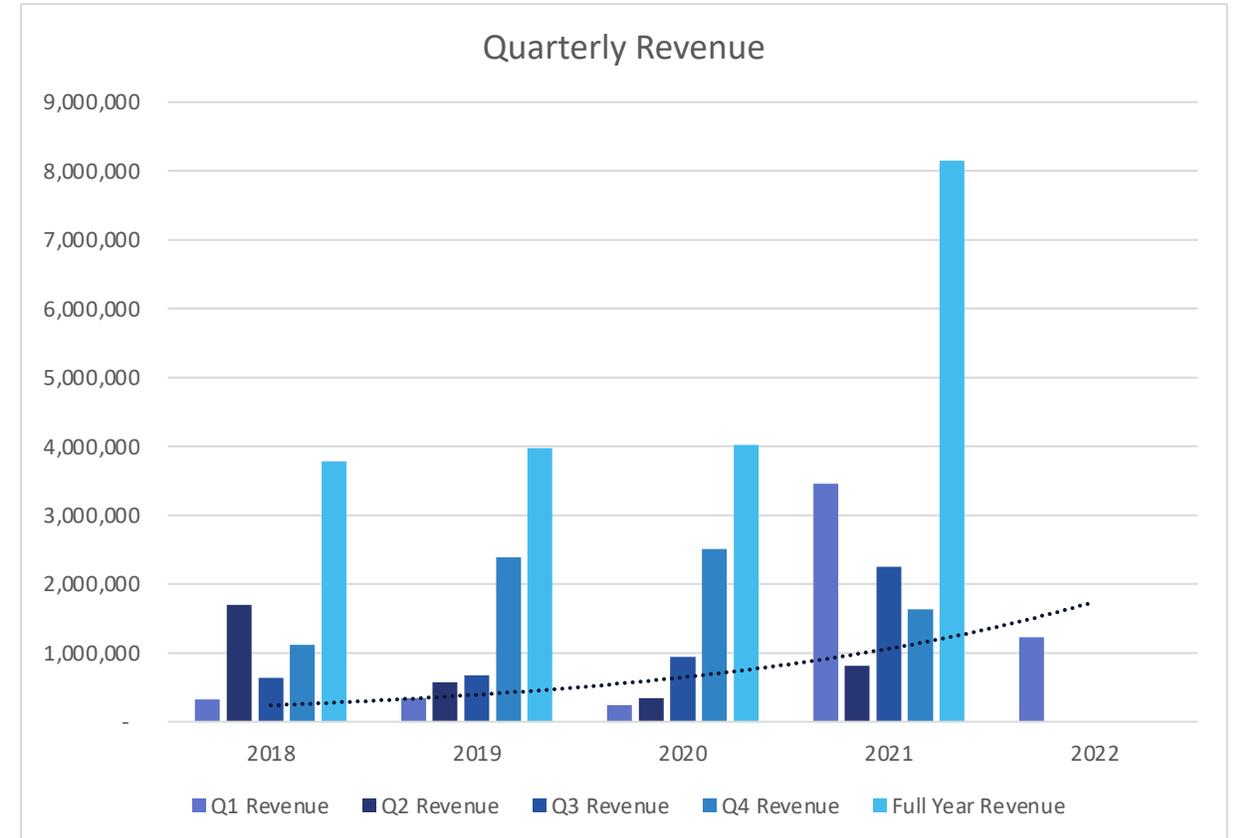
2022 Q1 and Fiscal Year Results



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Revenues & Guidance Step Change

- Revenue for the trailing twelve months (TFQ) period ended March 31, 2022, was **\$5,914,758**.
 - 18% decrease over the TFQ ended March 31, 2021 due to an unusual Q1 in 2021.
- Revenue for the three months ended December 31, 2021, was **\$1,225,106**.
 - 65% decrease* from the three months ended March 31, 2021.
 - Strong growth over historical norms where Q1 is typically 6-9% of annual revenues.

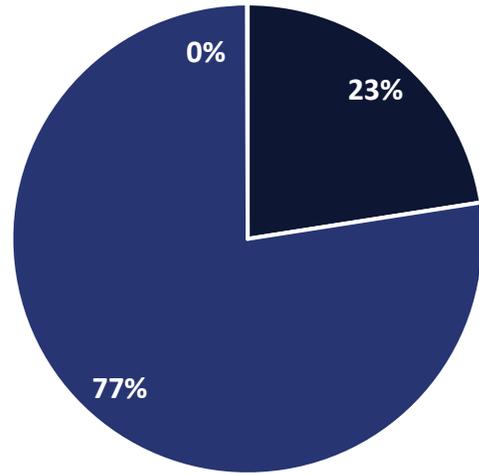


	2018	2019	2020	2021	2022
Q1 Revenue	324,816	340,266	238,171	3,459,006	1,225,106
Q2 Revenue	1,697,696	568,037	340,344	810,407	
Q3 Revenue	636,944	670,159	940,849	2,247,856	
Q4 Revenue	1,120,720	2,392,839	2,504,446	1,631,390	
Full Year Revenue	3,780,176	3,971,301	4,023,811	8,148,659	

Q4 TFQ Revenue - Sector & Regional Results

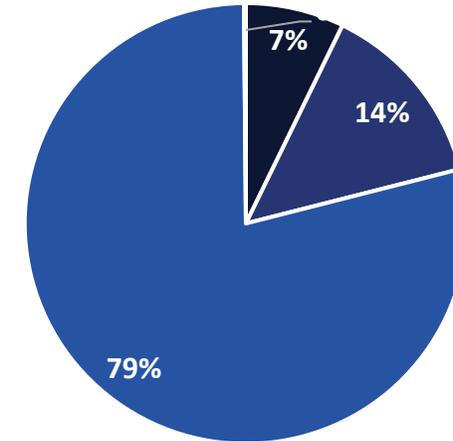


TTM Q4 2022 Revenue by Vertical



■ Lighting ■ Telecommunications ■ Security/IoT/Other

TFQ Q1 2022 Revenue by Region



■ Canada ■ USA ■ MEA ■ Other

Revenue by Vertical	TFQ ended Mar 31		%
	2022	2021	
Lighting	1,332,171	1,676,569	-21%
Telecom	4,580,829	5,540,954	-17%
Security/IoT	1,759	27,124	-94%
Total	5,914,759	7,244,647	-18%

Revenue by Region	TFQ ended Mar 31		%
	2022	2021	
Canada	426,031	424,828	0%
USA	817,704	1,114,283	-27%
MEA	4,662,638	5,688,916	-18%
Other	8,386	16,619	-50%
Total	5,914,759	7,244,647	-18%

Bookings are up 32%



Bookings as of March 31, 2022	Total	Year 1	Revenue Year 2 and Beyond
Illumience / EaaS Deferred Revenue	875,890	485,428	390,462
Purchase Orders	<u>1,139,256</u>	<u>1,038,367</u>	<u>100,889</u>
Total Bookings	2,015,146	1,523,795	491,351

Ongoing 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

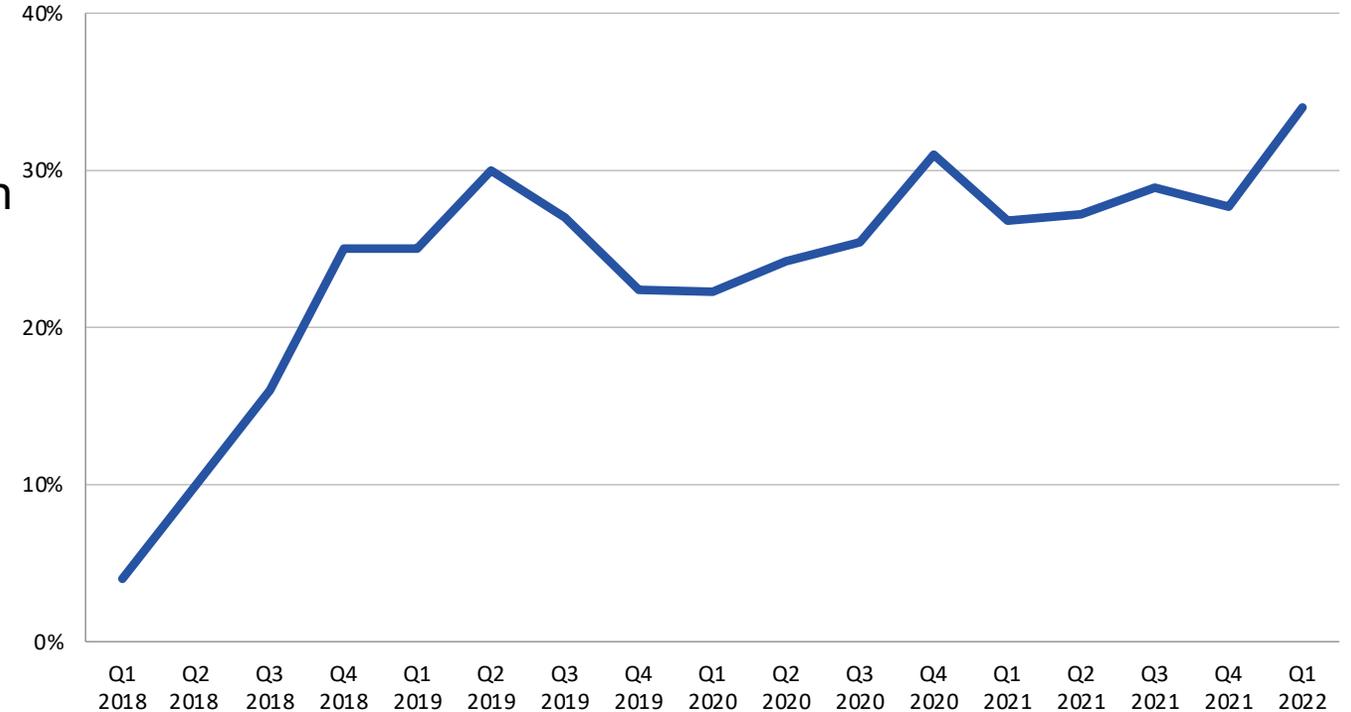
- Bookings will be delivered over the next three years in the case of Illumience/EaaS and typically in the next 4-6 months in the case of production orders
- As of March 31, 2022, Clear Blue’s bookings are **\$2,015,146**, up 32% from \$1,536,118 as at Dec 31 2021 with \$1,523,795 anticipated in the next 12 months with the remaining being beyond next year

Gross Profit



- Gross Profit for TFQ for March 31, 2022, was **\$2,011,797** or 34%, compared to TFQ gross profit of \$1,941,028 or 27%*.
- Gross profit for the three months ended March 31, 2022, was **\$507,500** or **41%** as compared to \$751,163 or 22% in the comparable prior period.
- While Q1 was stellar from a margin perspective, short-term margin pressures continue to exist in our global markets such that we expect near term margins to be in the low 30s with growth to the mid to high 30s over the longer term.

TFQ Gross Margin by Percentage of Revenues

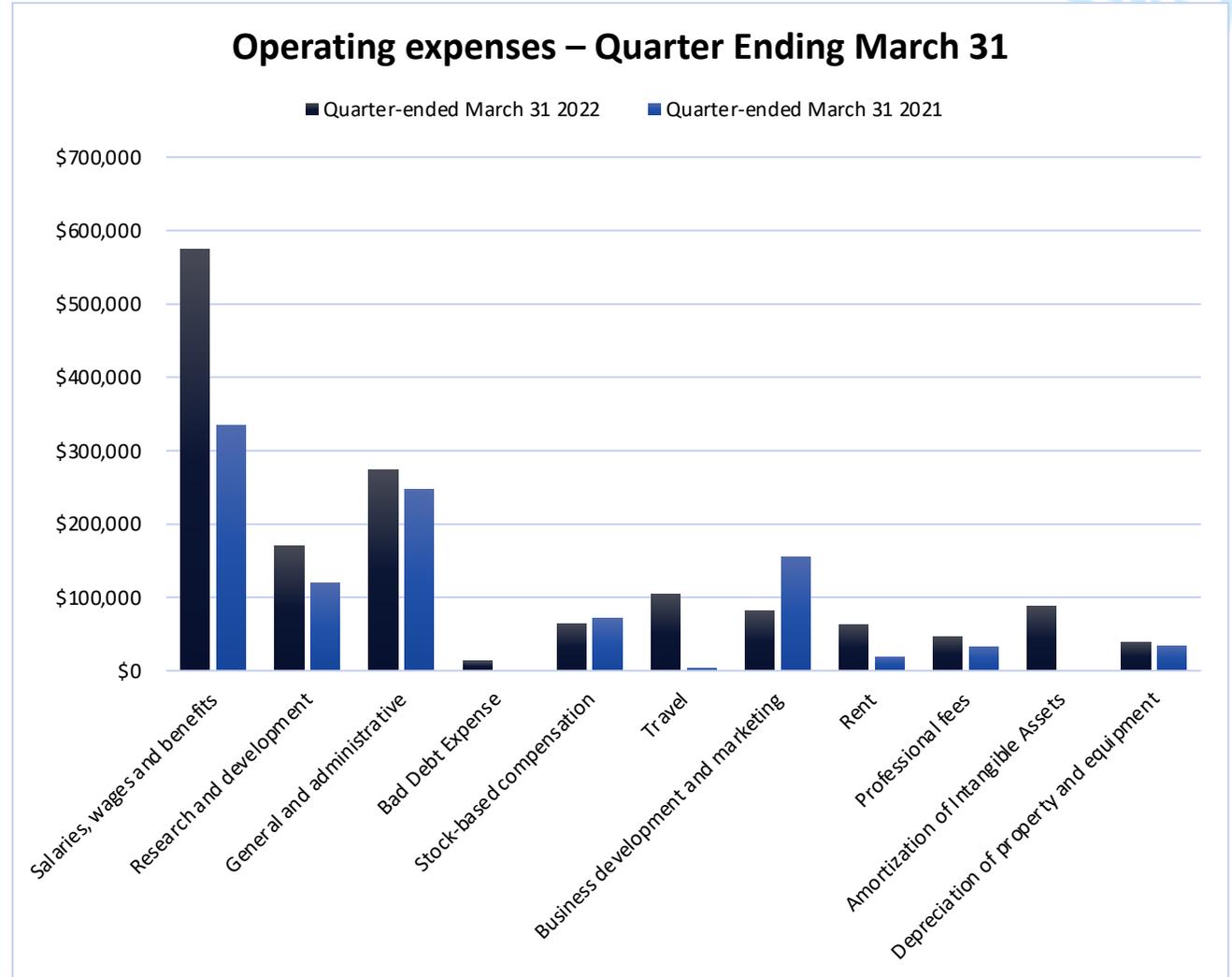


*Chart corrected after Q1 Earnings Call

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 \$620,574 for the Quarter ended March 31, 2022.
- Operating expenses for the quarter ended March 31, 2022, were **\$1,525,455** representing an increase of **\$500,591** or 48% over the same period in 2021, mainly attributed to Covid-19 related government grants received in 2021 and amortization of intangibles related to completed R&D projects.
- Operating expenses for the TFQ ended March 31, 2022, were **\$5,512,836** an increase of **\$1,123,085** or **25%** compared to the same period in 2021. The increase can be attributed to lower government grants received as part of the government's response to the Covid-19 pandemic.



Adjusted EBITDA (\$ CAD)



Result of Operations	Three months ended March 31			TFQ ended March 31		
	2022	2021	Change	2022	2021	Change
Revenue	\$1,225,106	\$3,459,007	-65%	\$5,914,758	\$ 7,244,647	-18%
Cost of sales	\$717,606	\$2,707,844	-73%	\$3,902,961	\$ 5,303,619	-26%
Gross profit	\$507,500	\$751,163	-32%	\$2,011,797	\$1,941,028	4%
Gross margin %	41%	22%		34%	27%	
Non-IFRS operating expenses	\$1,359,390	\$1,168,132	16%	\$5,010,052	\$5,044,858	-1%
Non-IFRS adjusted EBITDA	\$(851,890)	\$(416,969)	-104%	\$(2,998,255)	\$ (3,103,830)	-3%

Summary:

Q1 2022 Positions Clear Blue well for another growth year

- Q1 results were the second highest in history and support our guidance of around \$10 million
- Gross profit was very strong and supports an FFQ gross margin in the low 30s
- New **partnership with YahClick**, a leading global *satellite services operator*, **MOU with ISAT** for **\$2M**, & **selected by GCES** as a preferred partner
- Launched the ***new Illumient STRADA and CAMMI Series*** of Smart Off-Grid lighting products to meet growing customer demand



Outlook & Guidance



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2022 is Poised for Growth

- Viasat announcement subsequent to the quarter, key strategic partnership where Clear Blue is Smart Solar Off-Grid provider to Viasat with first initiative to power Viasat's Community Internet in Nigeria
- Launch of new Pico-Grid Product
- Clear Blue' viewed as a leader in its field with CEO Miriam Tuerk interviewed by BNN Bloomberg.
- Secured funding for growth and improved cash position with the closing of two tranches of a non-brokered unit offering for gross proceeds exceeding \$1.6M.



WATCH on BNN Bloomberg TV - Live Wed, May 18th - 11:50AM ET

Outlook – Solid 2022 within Strong Macro Economic Headwinds

- Smart Off-Grid Solar is a great market to be in during a global market downturn
 - Our business and product delivers significant and compelling cost savings to our customers
 - Our products support mission critical infrastructure – telecom cell communications, satellite Wi-Fi and public sector infrastructure projects are all strong sectors during this downturn
- Clear Blue FFQ guidance projects continued growth with around \$10 million revenue
- Financial Stability moving into Q2 with Gross Margin targeting of 30-35% on track, improved pro-forma cash position and right-sizing to reduce ongoing operating expenses
- More new products on the horizon for Illumient and official launch of Pico-Grid with early orders and field trials with key customers expected in 2022

Have Questions?

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