



CLEARBLUE
TECHNOLOGIES

Q2 2022 Earnings Call



CLEARBLUE
TECHNOLOGIES

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 Q2 2022 Results



Future Outlook

Overview

Clear Blue Technologies and its Markets



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	0.000000000001	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/LoT

Easier, Lower
Cost Power
Infrastructure



Grid Resiliency &
Independence



Power Reliability
& Advanced
Management



Growth
Capabilities

Smart Off-Grid, Wireless Power & Energy Services



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

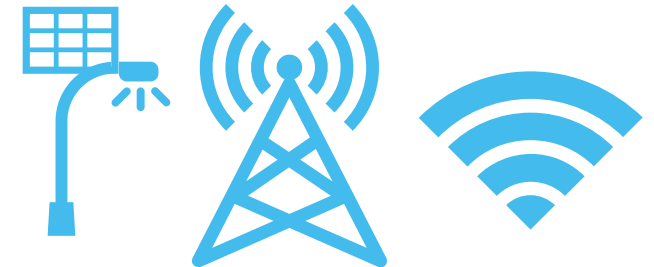
Off-Grid Power



Operations
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



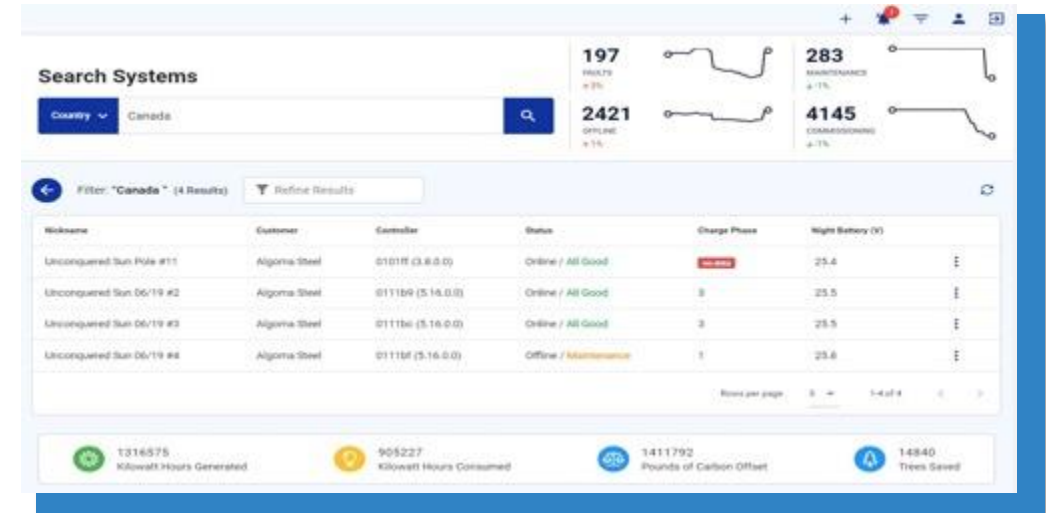
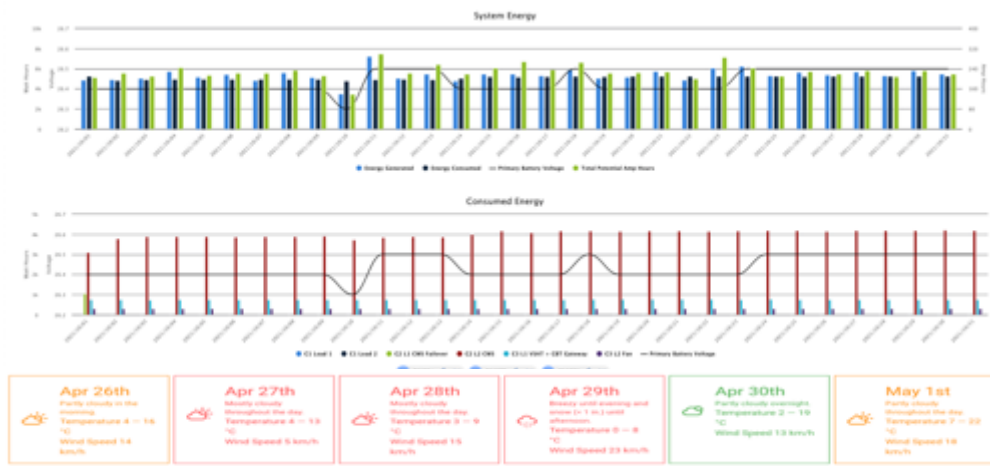
Clear Blue

Illumience Intelligent Power Management



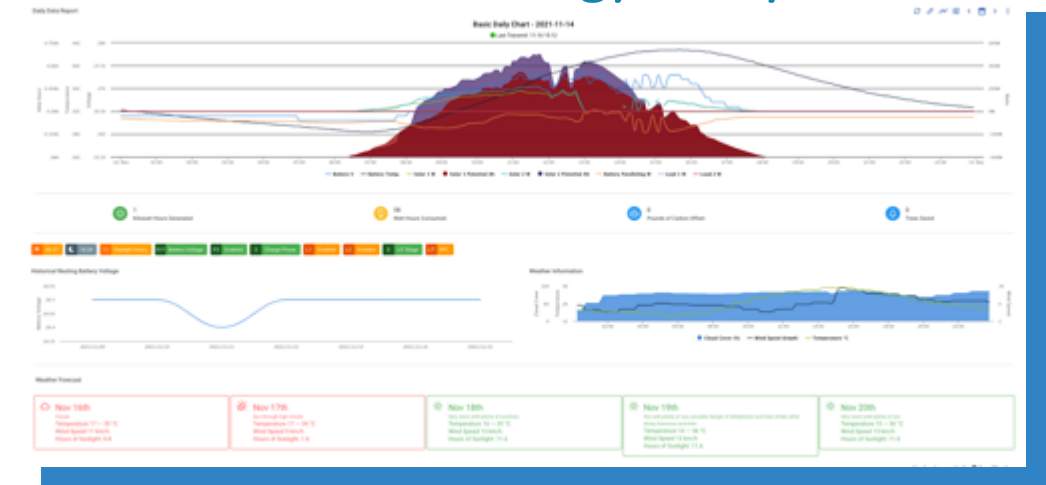
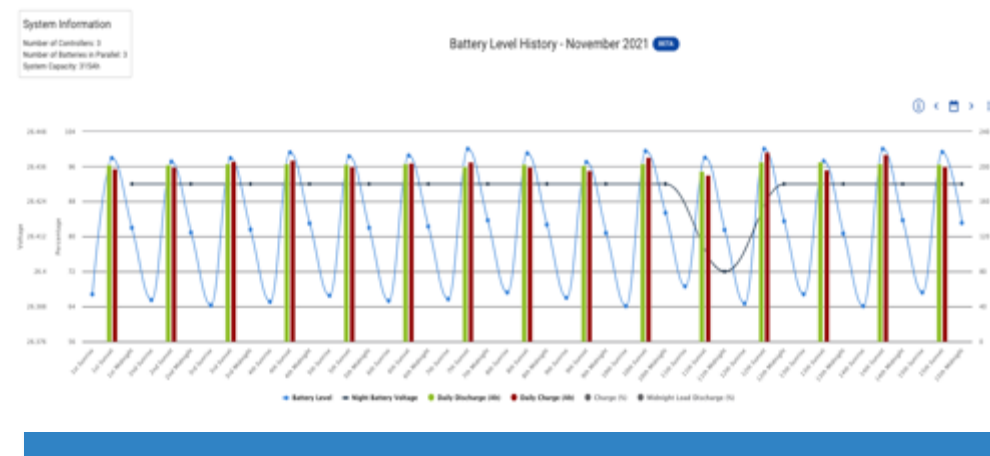
Energy & Weather Forecasting

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

Viasat™



شركة تنمية نفط عُمان
Petroleum Development Oman



North Dakota
Department of Transportation



New York State
Department of Transportation



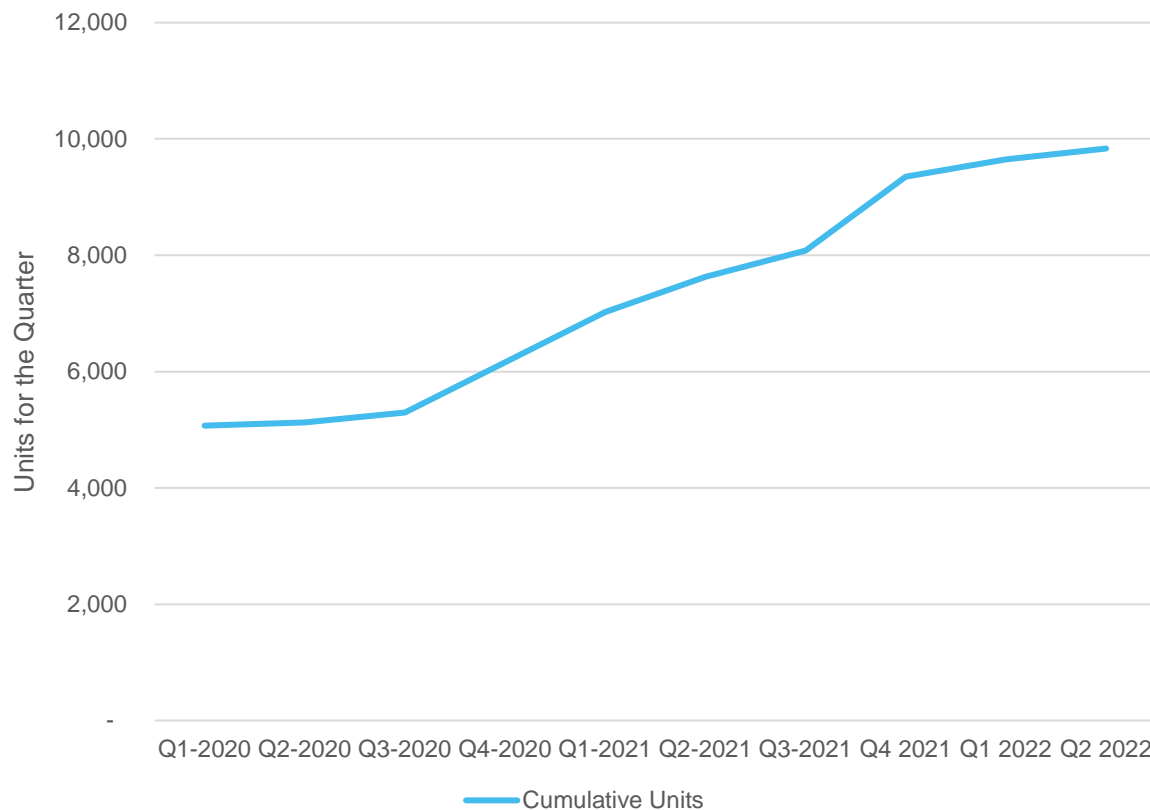
Hamilton



City of
Philadelphia



Strong Global Traction



37
Countries

27/9
States & provinces

>400
Customers

>9,800
Units deployed

>10.14 million
Days of operation

>10 Billion
Cloud Transactions

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 announced Q1 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
- Shipping in 2023
- ALL systems come with EaaS services for recurring revenue for Clear Blue



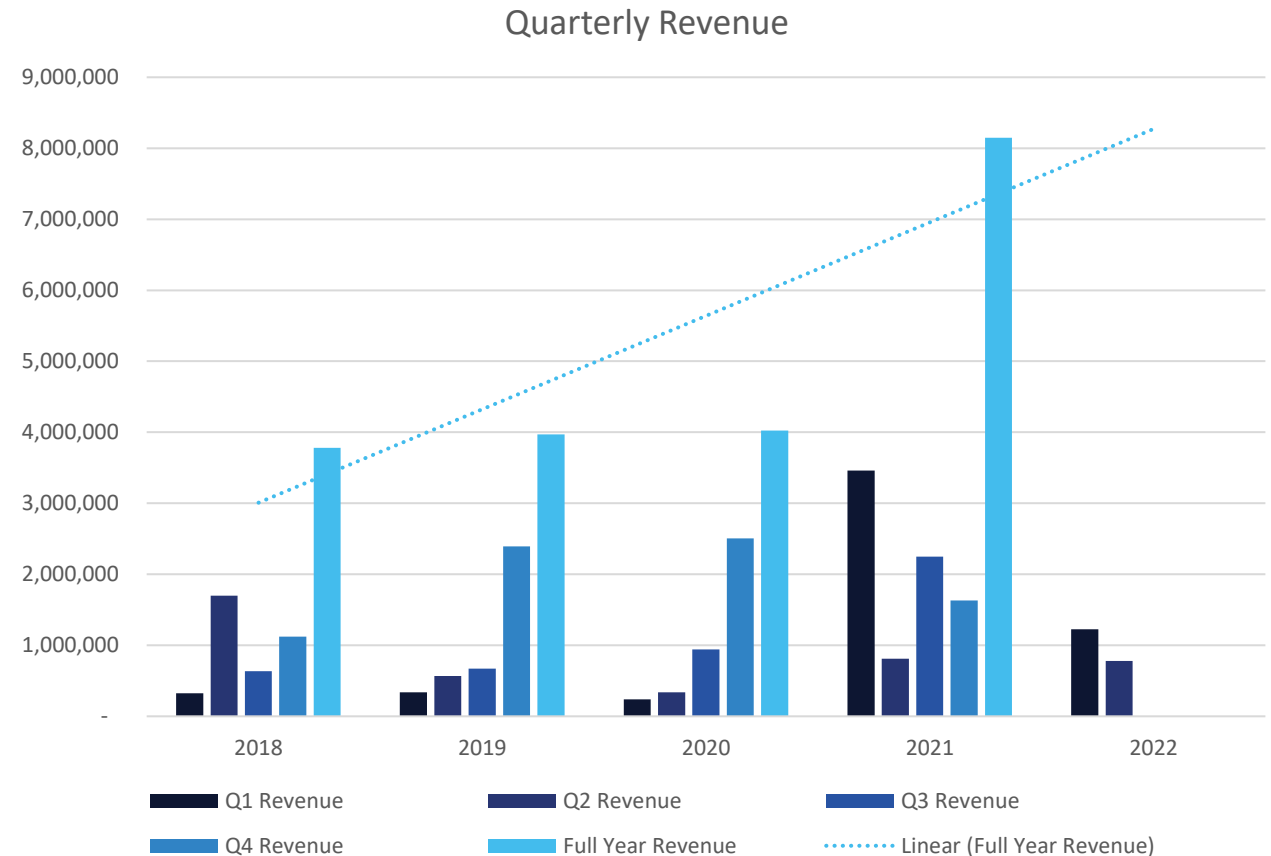
2022 Q2 and Fiscal Year Results



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Revenues & Guidance Step Change

- Revenue for the trailing twelve months (TFQ) period ended June 30, 2022, was **\$5,886,453**.
 - 24% decrease over the TFQ ended June 30 2021.
- Revenue for the three months ended June 30, 2021, was **\$782,101**.
 - 3% decrease* from the three months ended June 30, 2021.
 - Q2 is generally a soft quarter for the Company, and therefore the revenue is consistent with prior year.

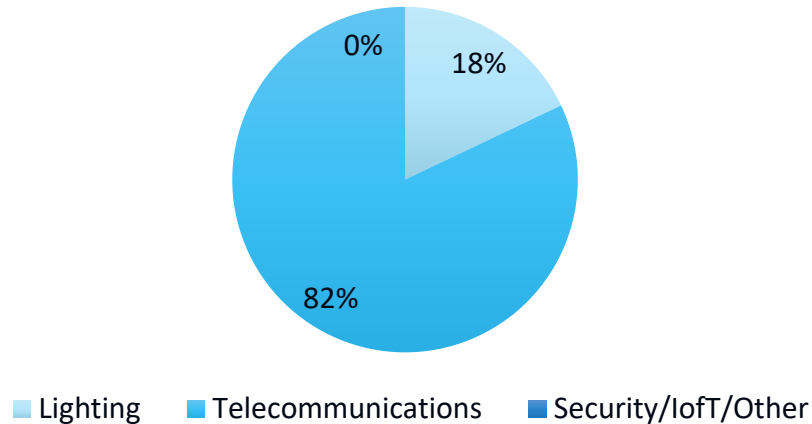


	2018	2019	2020	2021	2022
Q1 Revenue	324,816	340,266	238,171	3,459,007	1,225,106
Q2 Revenue	1,697,696	568,037	340,344	810,406	782,101
Q3 Revenue	636,944	670,159	940,849	2,247,856	
Q4 Revenue	1,120,720	2,392,839	2,504,446	1,631,390	
Full Year Revenue	3,780,176	3,971,301	4,023,810	8,148,659	

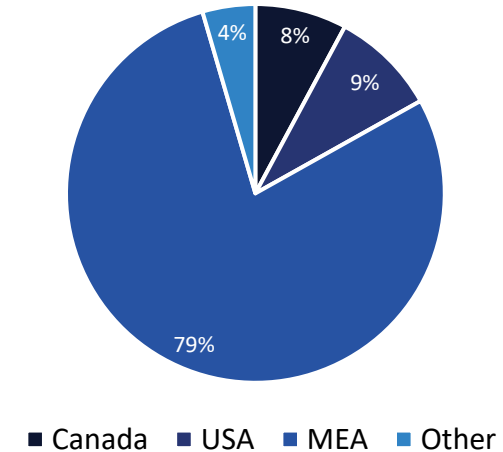
Q4 TFQ Revenue - Sector & Regional Results



TFQ Q2 2022 Revenue by Vertical



TFQ Q2 2022 Revenue by Region



Revenue by Vertical	TFQ ended June 30		%
	2022	2021	
Lighting	1,056,018	1,751,709	-40%
Telecom	4,829,431	5,937,125	-19%
Security/IoT	1,005	25,875	-96%
Total	5,886,453	7,714,709	-24%

Revenue by Region	TFQ ended June 30		%
	2022	2021	
Canada	461,690	414,570	11%
USA	531,901	1,257,255	-58%
MEA	4,627,218	6,010,961	-23%
Other	265,644	31,923	732%
Total	5,886,453	7,714,709	-24%

Bookings are up 37%



Bookings as of June 30, 2022	Revenue		
	Total	Year 1	Year 2 and Beyond
Illumience / EaaS Deferred Revenue	794,945	474,896	320,049
Purchase Orders	<u>1,309,364</u>	<u>1,144,045</u>	<u>165,319</u>
Total Bookings	2,104,309	1,618,941	485,368



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

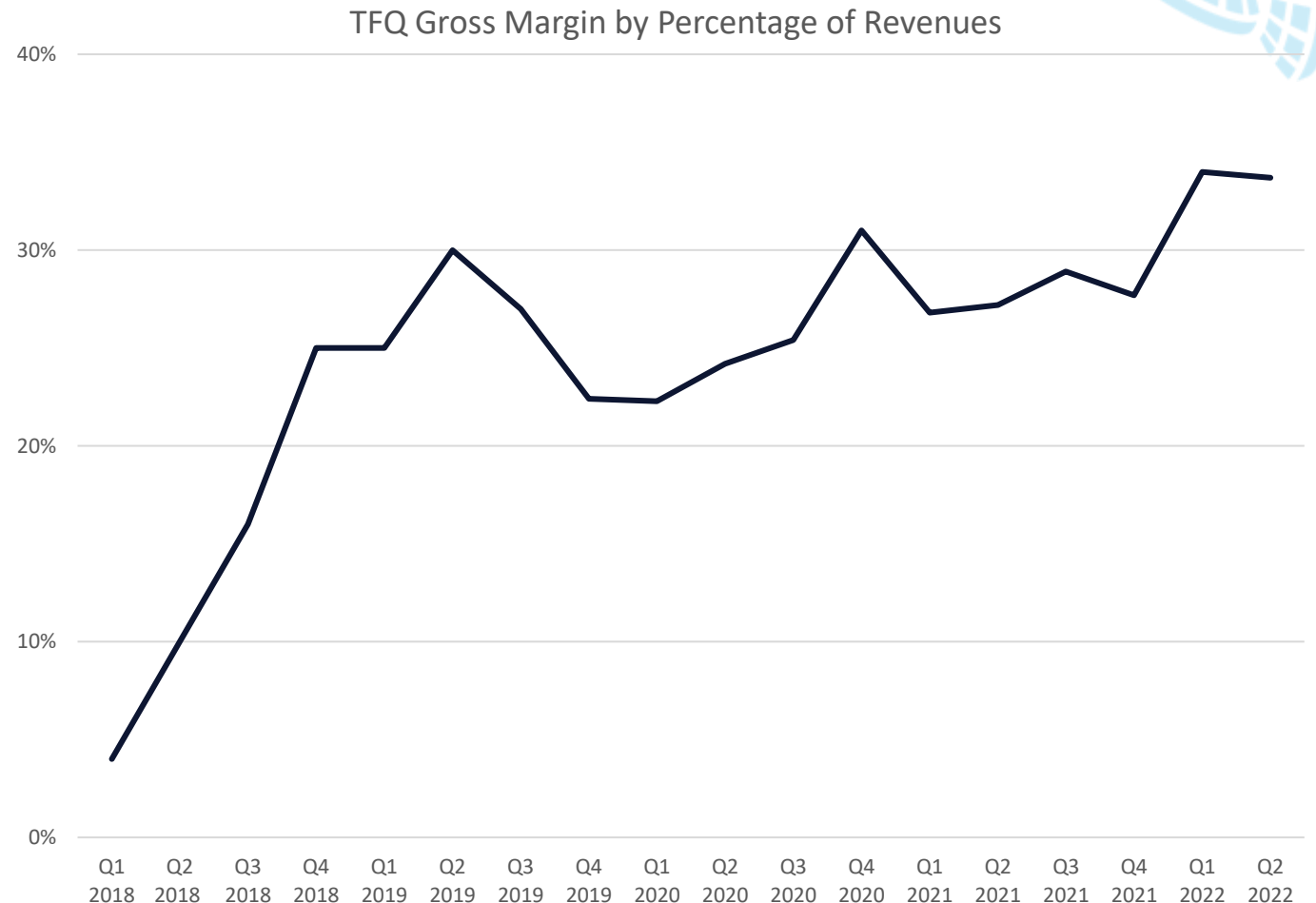


Bookings

- Bookings will be delivered over the next three years in the case of Illumience/EaaS and typically in the next 4-6 months in the case of production orders
- As of June 30, 2022, Clear Blue's bookings are **\$2,104,309** up 37% from \$1,536,118 as at Dec 31 2021 with \$1,618,941 anticipated in the next 12 months with the remaining being beyond next year.

Gross Profit

- Gross Profit for TFQ for June 30, 2022, was **\$1,984,809** or 34%, compared to TFQ gross profit of \$2,100,743 or 27%.
- Gross profit for the three months ended June 30, 2022, was **\$277,295** or **36%** as compared to \$304,283 or 38% in the comparable prior period.



Operating Expenses

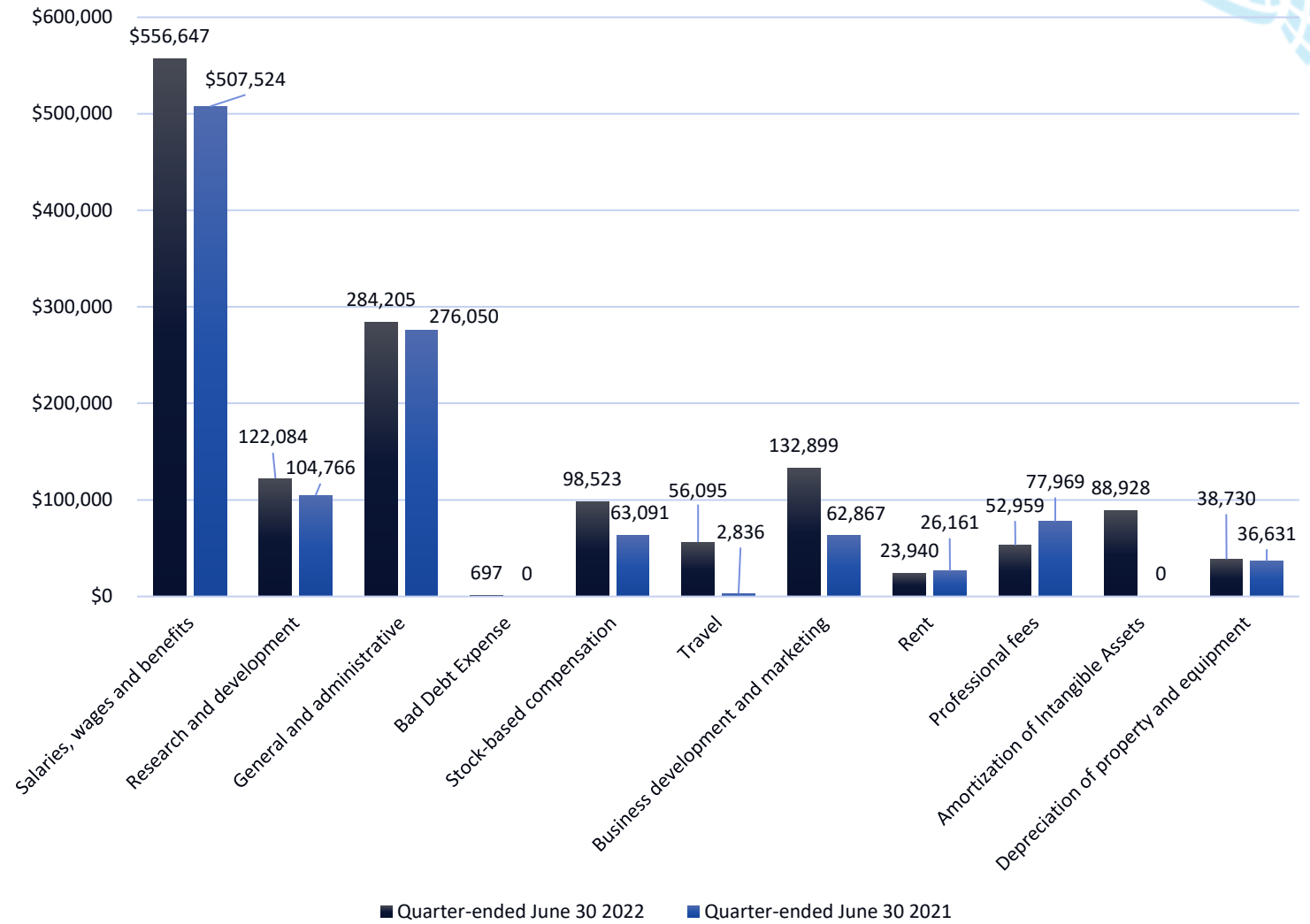


- Operating expenses for the TFAQ ended June 30, 2022, were **\$5,810,648** an increase of **\$792,786** or approximately **16%** compared to the same period in 2021.

The increase can be attributed to lower government grants received as part of the government's response to the Covid-19 pandemic.

- Operating expenses for the quarter ended June 30, 2022, were **\$1,455,707** representing an increase of **\$297,812** or **26%** over the same period in 2021.

Operating expenses - Quarter



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

Adjusted EBITDA (\$ CAD)



Result of Operations	Three months ended Jun 30		Change	TFQ ended Jun 30		Change
	2022	2021		2022	2021	
Revenue	782,101	810,406	-3%	5,886,453	7,714,708	-24%
Cost of sales	504,806	506,123	0%	3,901,644	5,613,965	-31%
Gross profit	277,295	304,283	-9%	1,984,809	2,100,743	-6%
Gross margin %	35%	38%		34%	27%	
Non-IFRS Operating expenses	1,266,793	1,137,778	11%	5,126,075	5,119,118	0%
Non-IFRS Adjusted EBITDA	(989,498)	(833,495)	19%	(3,141,266)	(3,018,375)	4%

Summary: Q2 2022 Continues Growth for Clear Blue

- Bookings backlog was up 37%
- Q2 Revenue was flat as compared to 2021
- Gross margin % is growing and trending up
- Balance sheet was strongly improved by almost \$6 million
 - Strong investor support (Thank You !) closing a \$1.6M equity financing in Q2
 - As a result of Government of Canada \$4 million, 10 year, 0% Interest loan
- Short term cash is being managed and while tight, the Fedev loan and other items will increase cash position thru the rest of the year
- New **partnership with Viasat**, a leading global satellite services operator is of key strategic importance for Clear Blue and its new Pico-Grid product



Funded by:
Federal Economic Development
Agency for Southern Ontario

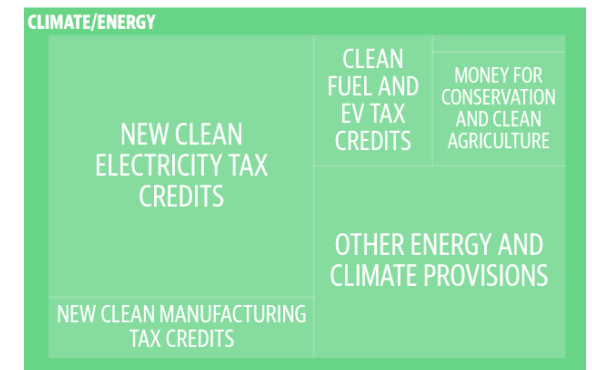


Outlook & Guidance



Other Notable Milestone in Q2 & early Q3

- Clear Blue ranked #13 of publicly traded Cleantech companies
- Clear Blue opens Nigeria subsidiary
 - By 2050, 3rd most populous country in the World
 - Internet usage will grow by 50% or 40million people over next 5 years
- Expense management & right-sizing exercise
- First large Latam customer rollout began
- U.S. Inflation Reduction Act – Largest Climate Bill in History
- U.S. Infrastructure Act



Outlook – Solid 2022 within Strong Macro Economic Headwinds

- Higher sales forecast for the second half of 2022.
- Quality and certainty of our sales funnel is increasing – more follow on, high prob, and strategic partner related projects. As a result, 2023 is looking stronger.
- The key uncertainty is timing of the deals for remainder of 2022. As a result, our guidance is a range of \$5.5M - \$9.5M revenue for 2022;
 - Two customer deals have potential to exceed revenue guidance range – one is expanding their # of sites by 5x and other is forecasting much larger quantities than in our guidance.
- We are maintaining our guidance of 30-35% margin for 2022 (up from 28% in 2021) and medium/long term we forecasts margins of 33-38%.
- With improving margins and expense management, adjusted EBITDA break even is forecast at \$12-15 million.
- Lastly, the Fedev loan will bring \$1.75M into Q3 strengthening our balance sheet.

Have Questions?

Sales: sales@clearbluetechnologies.com

Investor Relations:

Miriam Tuerk, Co-Founder and CEO
miriam@clearbluetechnologies.com

investors@clearbluetechnologies.com
www.clearbluetechnologies.com/en/investors

Media Contact:

Nikhil Thadani,
Sophic Capital

+1 437 836 9669

Nik@SophicCapital.com



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