



# CLEARBLUE

TECHNOLOGIES

Q2 2022 Earnings Call



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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



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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 ( $\mu$ )	-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**.

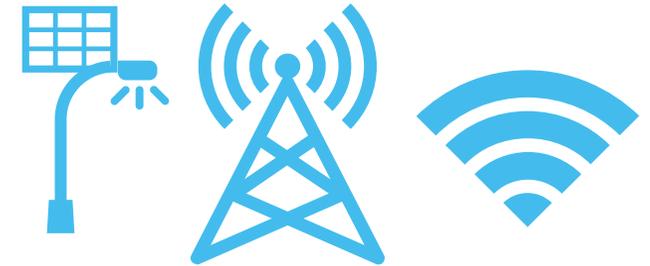
Off-Grid Power



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**



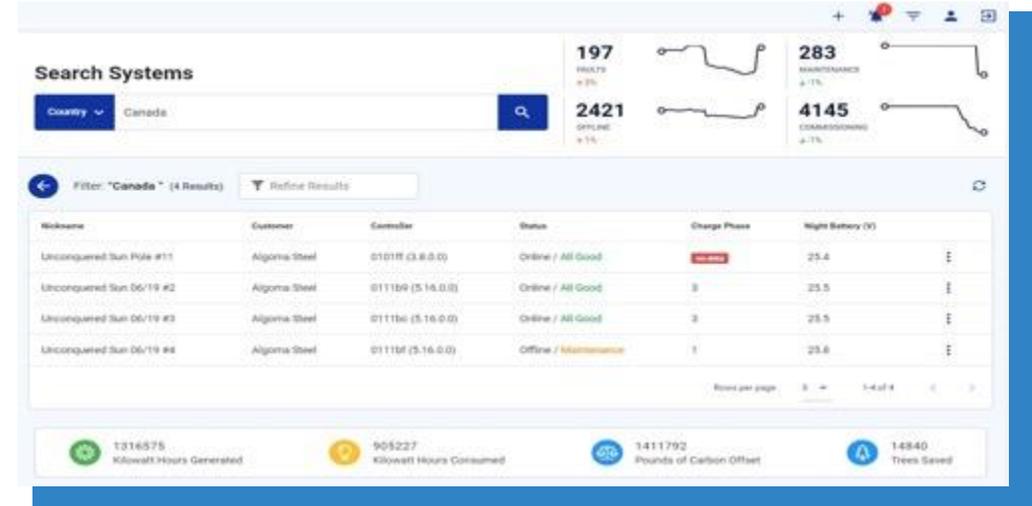
**Clear Blue**



# Illumience Intelligent Power Management

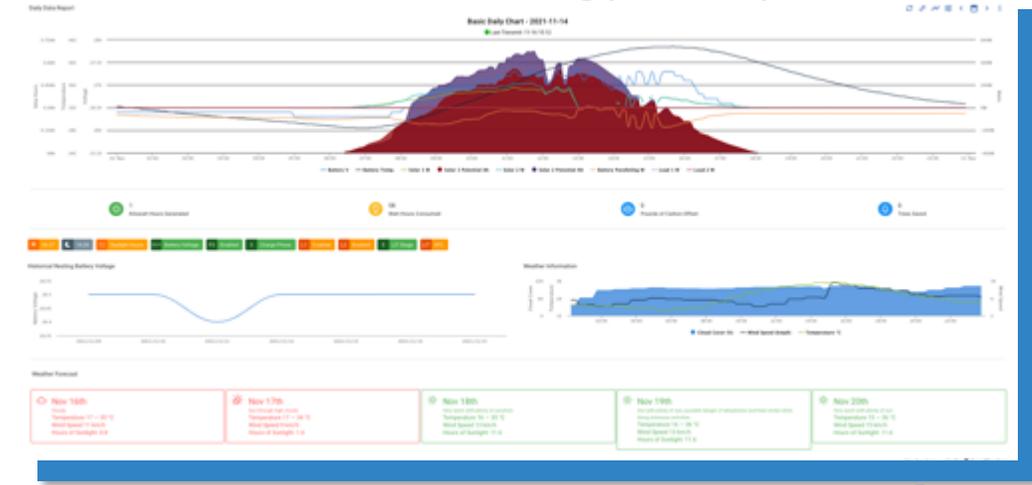
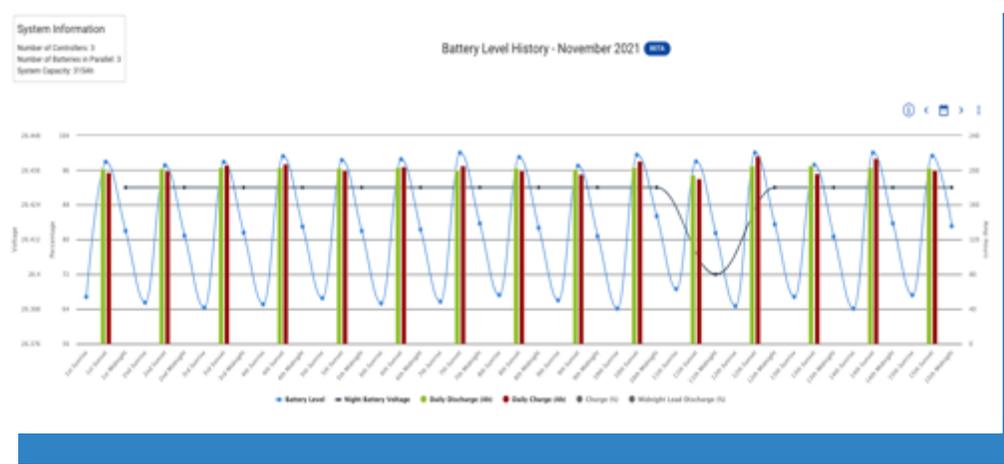
## Energy & Weather Forecasting

## 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



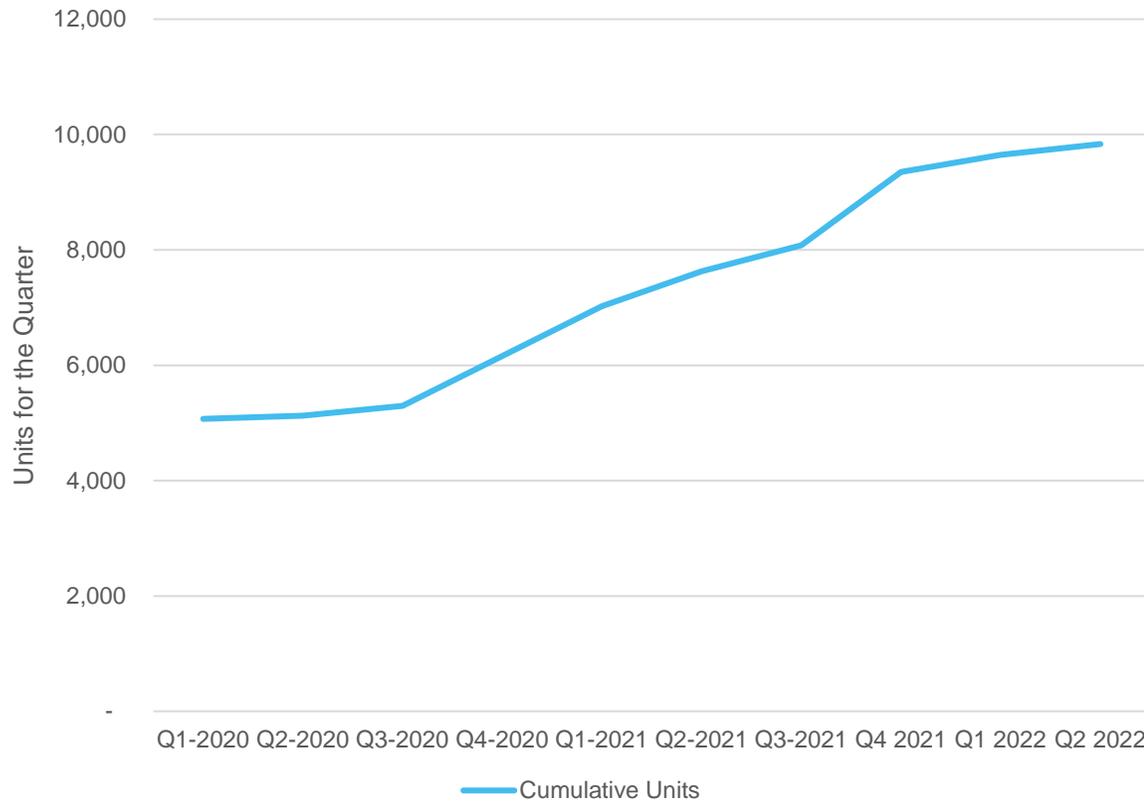
**Nigeria**  
Remote 4G / 2G

# Marquis Global Brands are our Customers





# 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



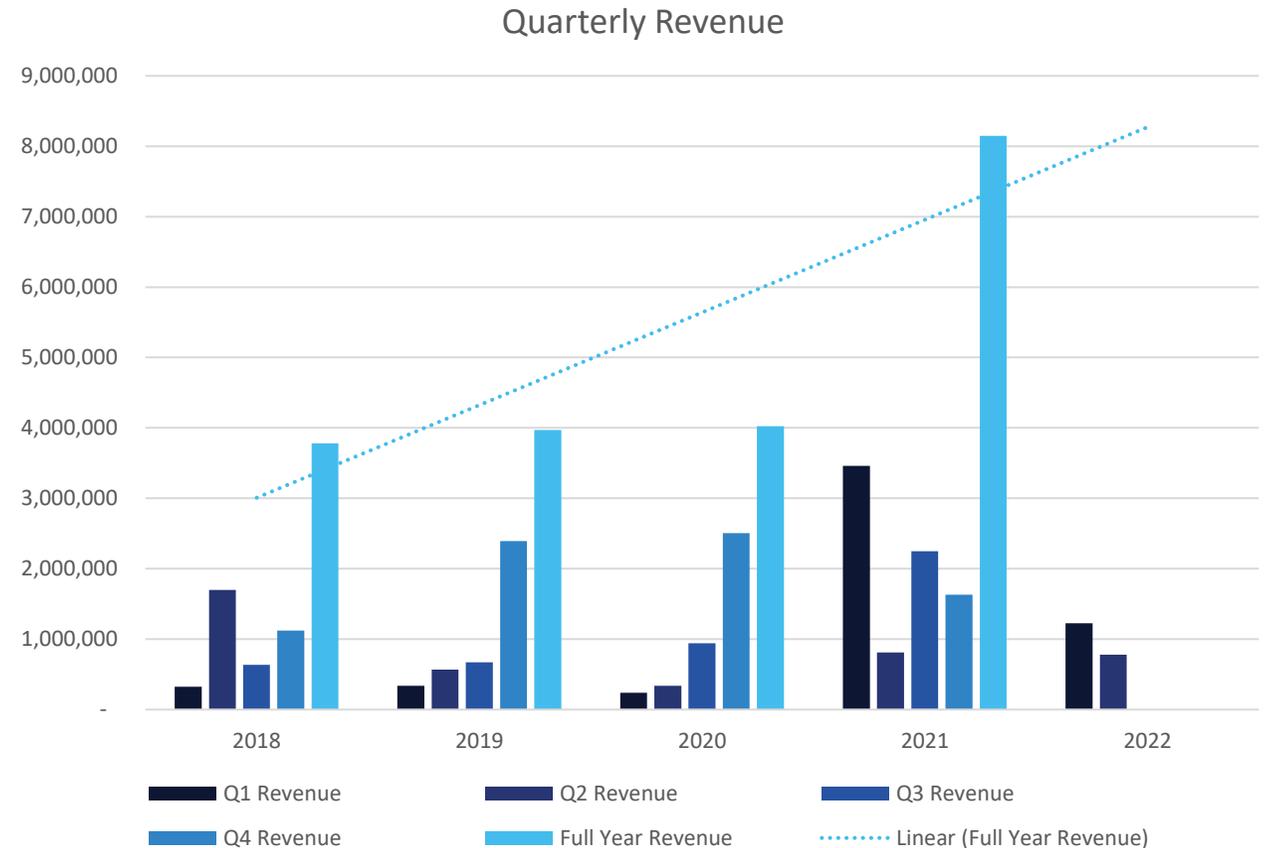
# 2022 Q2 and Fiscal Year Results



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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.

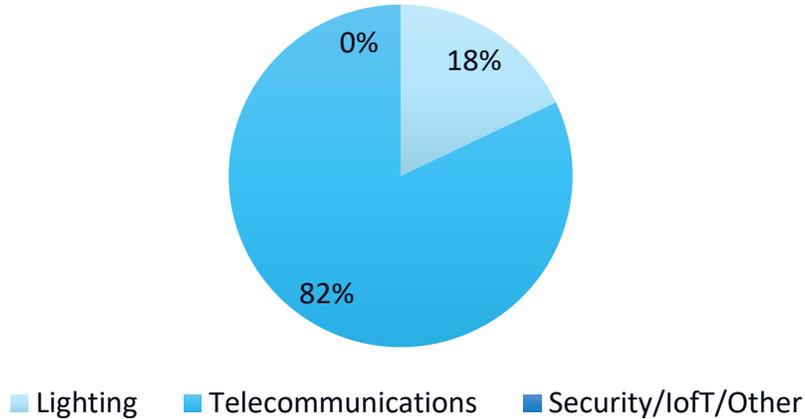


	2018	2019	2020	2021	2022
Q1 Revenue	324,816	340,266	238,171	3,459,007	1,225,106
Q2 Revenue	1,697,696	568,037	340,344	810,406	782,101
Q3 Revenue	636,944	670,159	940,849	2,247,856	
Q4 Revenue	1,120,720	2,392,839	2,504,446	1,631,390	
Full Year Revenue	<b>3,780,176</b>	<b>3,971,301</b>	<b>4,023,810</b>	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

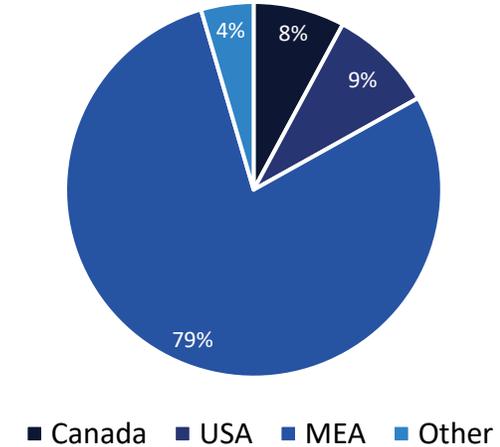
# Q4 TFQ Revenue - Sector & Regional Results



## 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%
<b>Total</b>	<b>5,886,453</b>	<b>7,714,709</b>	<b>-24%</b>

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%
<b>Total</b>	<b>5,886,453</b>	<b>7,714,709</b>	<b>-24%</b>

# Bookings are up 37%



Bookings as of June 30, 2022	Total	Year 1	Revenue 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>
<b>Total Bookings</b>	<b>2,104,309</b>	<b>1,618,941</b>	<b>485,368</b>

## 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

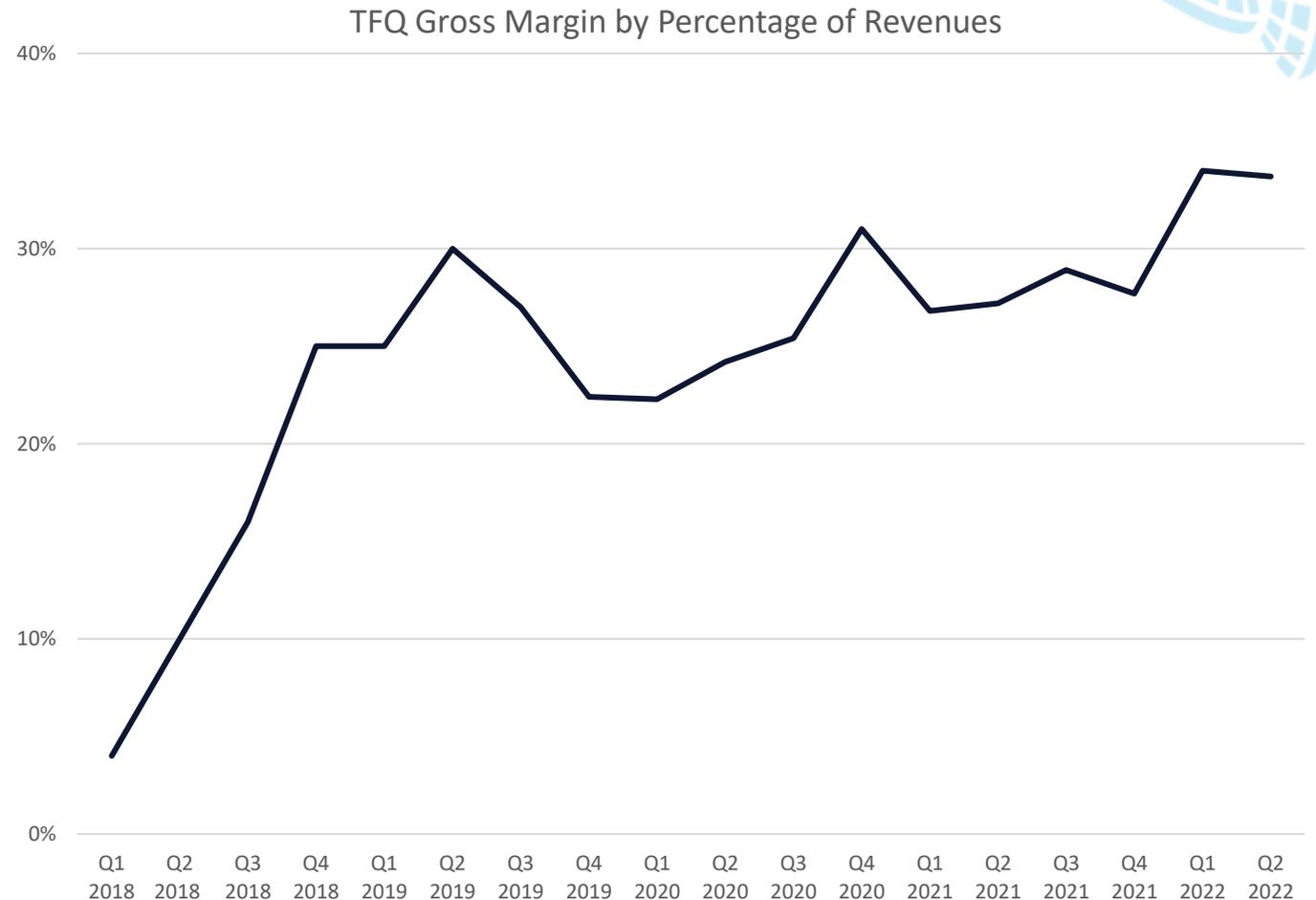
## Bookings

- 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

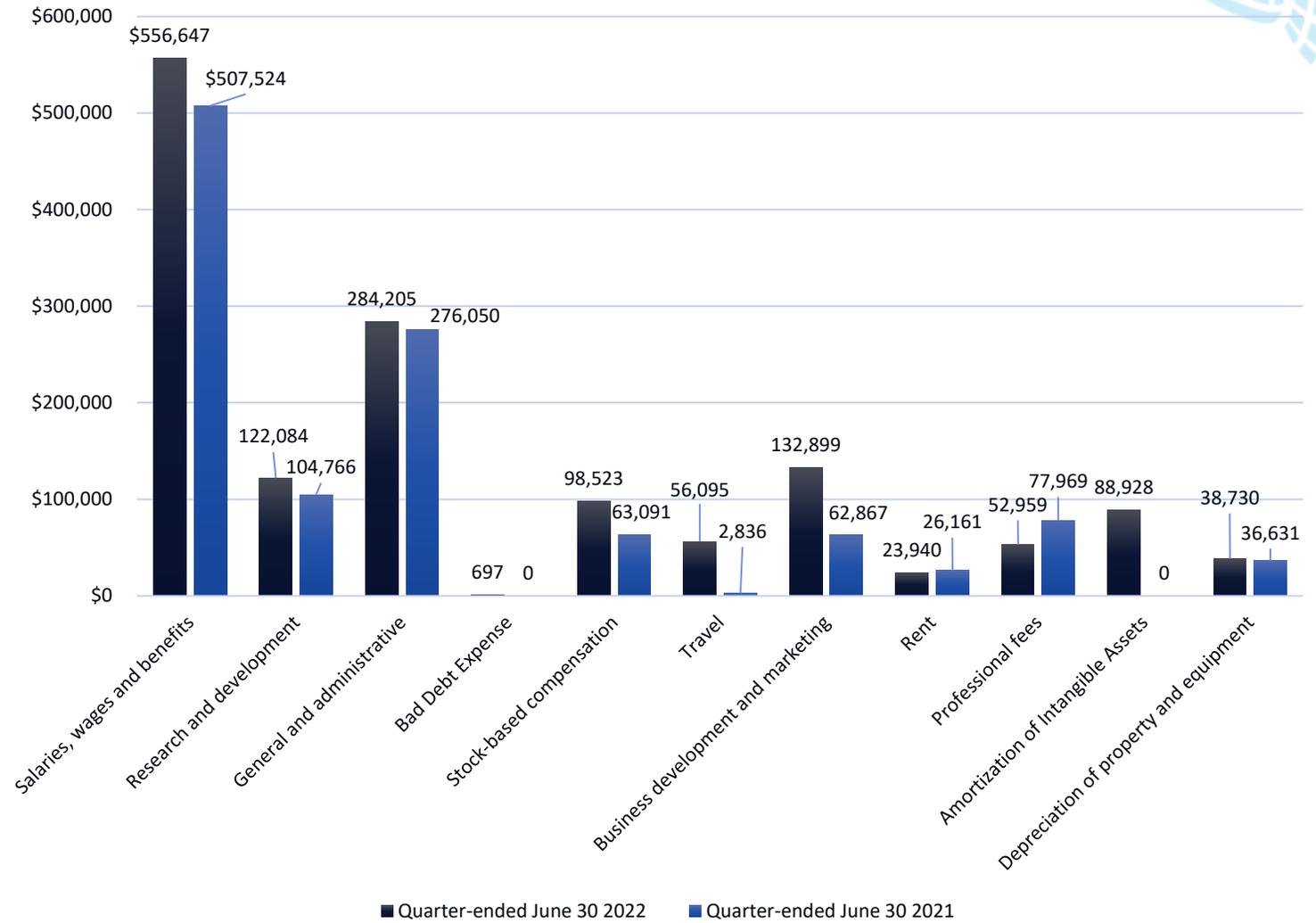


- Operating expenses for the TFQ ended June 30, 2022, were **\$5,810,648** an increase of **\$792,786** or approximately **16%** compared to the same period in 2021.

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			TFQ ended Jun 30		
	2022	2021	Change	2022	2021	Change
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

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- 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



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# Other Notable Milestone in Q2 & early Q3

- Clear Blue ranked #13 of publicly traded Cleantech companies
- Clear Blue opens Nigeria subsidiary
  - By 2050, 3<sup>rd</sup> 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



CLIMATE/ENERGY		
NEW CLEAN ELECTRICITY TAX CREDITS	CLEAN FUEL AND EV TAX CREDITS	MONEY FOR CONSERVATION AND CLEAN AGRICULTURE
	OTHER ENERGY AND CLIMATE PROVISIONS	
NEW CLEAN MANUFACTURING TAX CREDITS		

# Outlook – Solid 2022 within Strong Macro Economic Headwinds

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- 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?

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