



CLEARBLUE

TECHNOLOGIES

Q3 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 Q3 2022 Results



Future Outlook

Overview

Clear Blue Technologies and its Markets

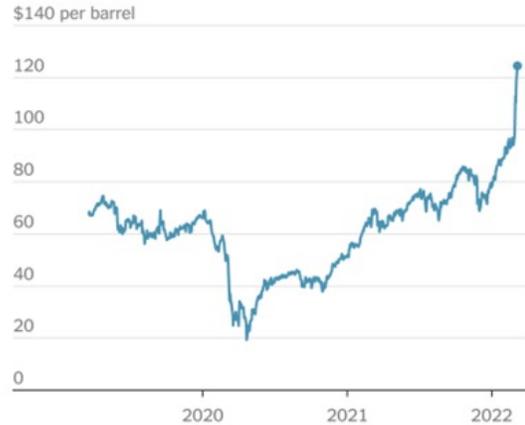


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The Market Trends – Power Infrastructure’s Renewed Importance

Increased Oil Prices/Volatility

Brent crude oil price



Source: FactSet • By The New York Times

Global Fuel Shortages

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

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 Livers
Published August 11, 2021 at 9:01 PM EDT



Inadequate Energy Infrastructure

Hundreds of thousands without power in Atlantic Canada after Fiona rumbles north

By Nouran Salahieh, CNN
Updated 2:23 AM EDT, Mon September 26, 2022



*October 11, 2022 Tower Exchange:
"In the six months since we met at MWC, the world has changed. The cost of Diesel has gone crazy. My top priority is to invest capex in my own towers and co-invest with my Towerco's to deploy solar at every tower and get off diesel."
Razvan Ungureanu, CIO Telco*

IHS Towers announced its Carbon Reduction roadmap, which includes emissions intensity reduction of 50% by 2030. They have announced a planned \$214 million capex spending plan to 2024 to go Green AND to improve their operating expense.

A refundable tax credit equal to 30 per cent of the capital cost of investments, Gov't of Canada to match U.S. Clean Air Act



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 & 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**.

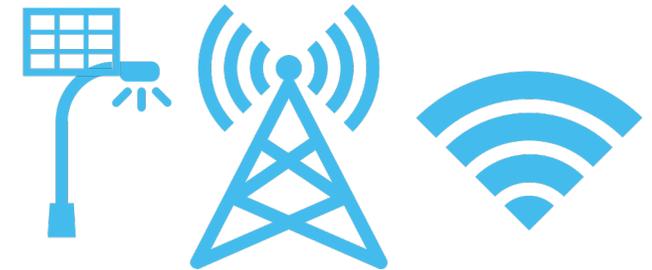
Off-Grid Power



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



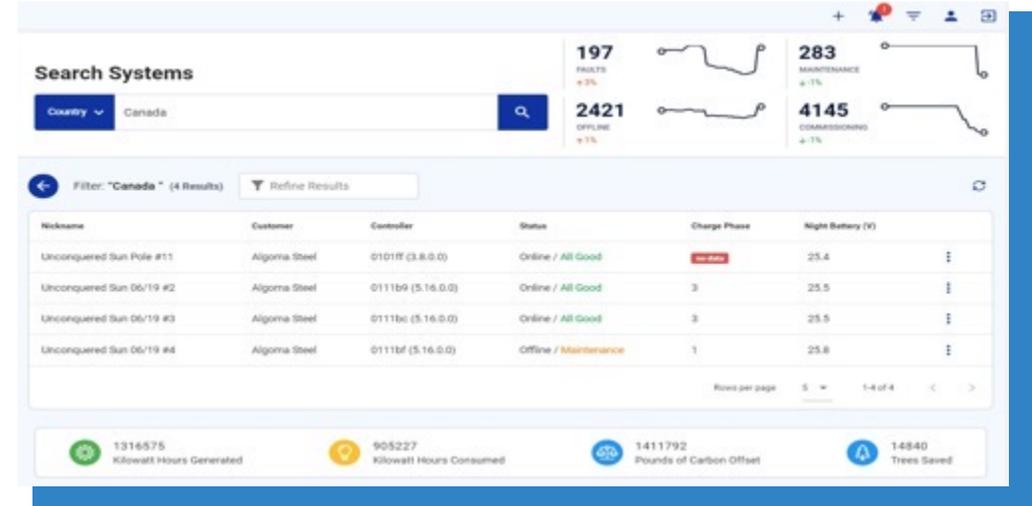
Clear Blue



Illumience Intelligent Power Management

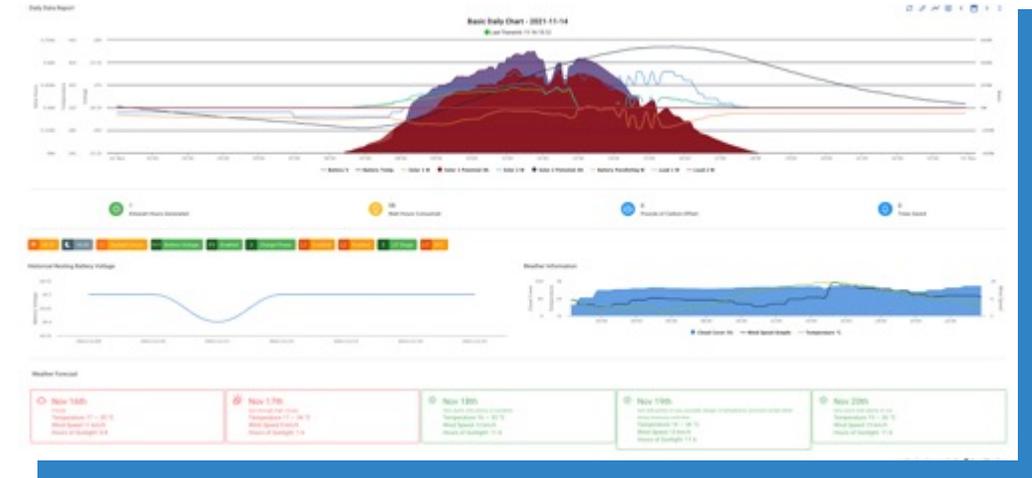
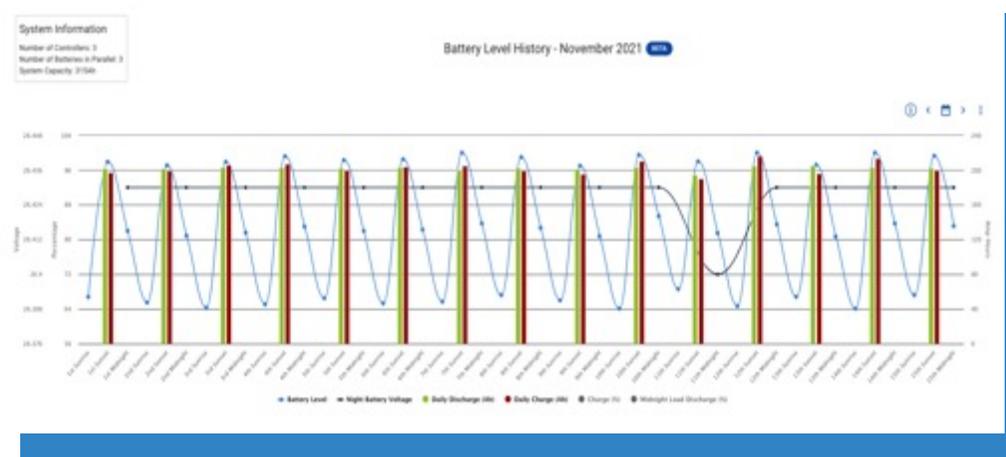
Energy & Weather Forecasting

Maintenance, Troubleshooting & Remediation



Battery Life Cycle Management

Potential Energy Analysis



Marquis Global Brands are our Customers

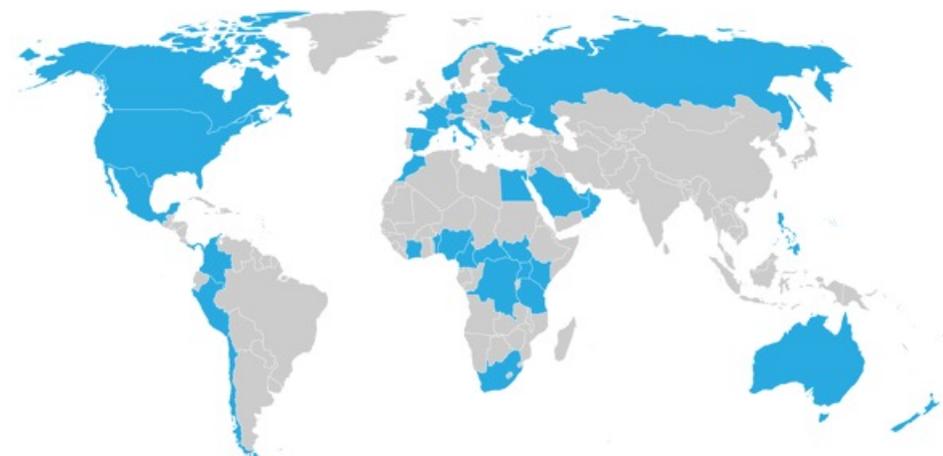
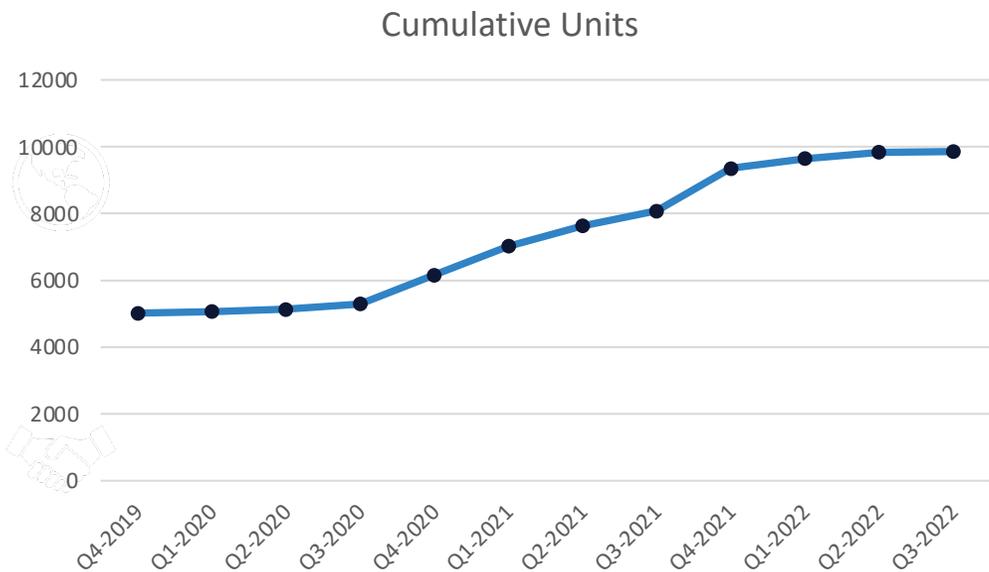




Strong Global Traction

Clear Blue's Market - Telecom, Smart City & IoT

- Telecom
 - 3G, 4G, 5G
 - Traditional Cell Phone Towers
 - Solar, Solar/Hybrid
 - Evolving into 5G & 5G microcell
 - Satellite & other High-Speed Internet access



37
Countries

27/9
States & provinces

>400
Customers

>9,800
Units deployed

>10.48 million
Days of operation

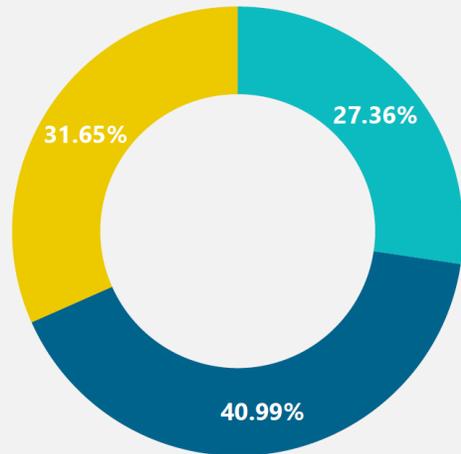
>10 Billion
Cloud Transactions

The Market for Small Power

Growth of Nano-Grid & Pico-Grid

TELECOM POWER SYSTEMS MARKET

Revenue Share (%), by Power Range, 2020



■ High ■ Medium ■ Low

TELECOM POWER SYSTEMS MARKET

Revenue in USD million, by Power Range, 2019-2026

Power Range	2019	2020	2021	2022	2023	2024	2025	2026	CAGR (%)
High	1281.1	1192.0	1213.7	1238.6	1265.6	1294.9	1326.8	1361.5	2.3%
Medium	1881.6	1786.4	1852.6	1925.5	2003.9	2088.3	2179.3	2277.6	4.2%
Low	1474.6	1379.3	1410.7	1445.9	1483.5	1523.8	1567.1	1613.7	2.7%

Low: <9Kw
 Medium: 9-36Kw
 Large: 36-700KW

Clear Blue's Target Market is the Medium & Low

(73% of the entire market)

- New sites in our existing regional markets of approx. 20,000 sites per year
- Now conversion to solar/hybrid of existing sites opens up 70,000 sites per year



5G and the Clear Blue Opportunity

5G Small Cell Applications



The global small cell market will grow from \$0.9Bill in 2021 to \$17.9B in 2028, a 54% CAGR.

Note: This is the 5G Microcell market size, not the power portion

Typical Power consumption is **10-40W** continuous, perfect for **Clear Blue's Nano-Grid & Pico-Grid**

Pico-Grid Power



Smart Off-Grid services connect to the Illumience cloud platform



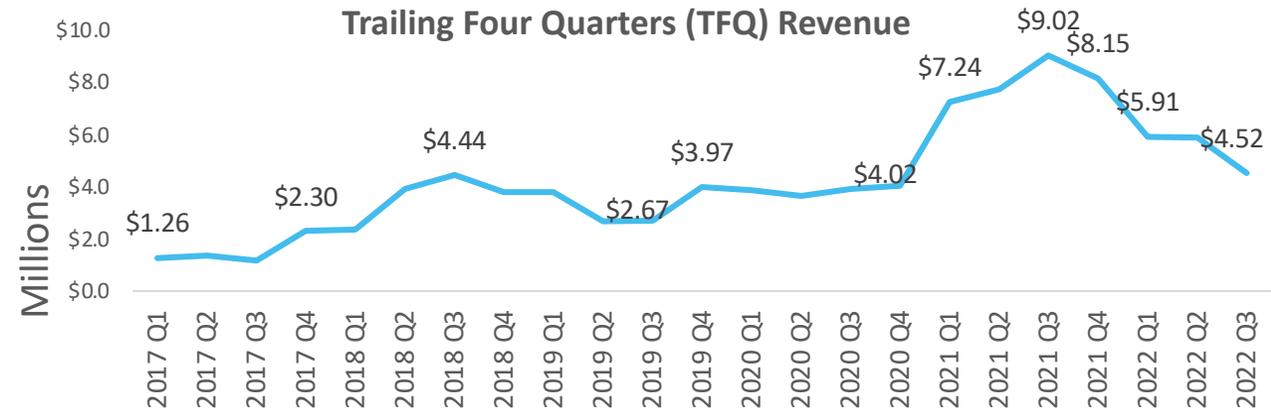
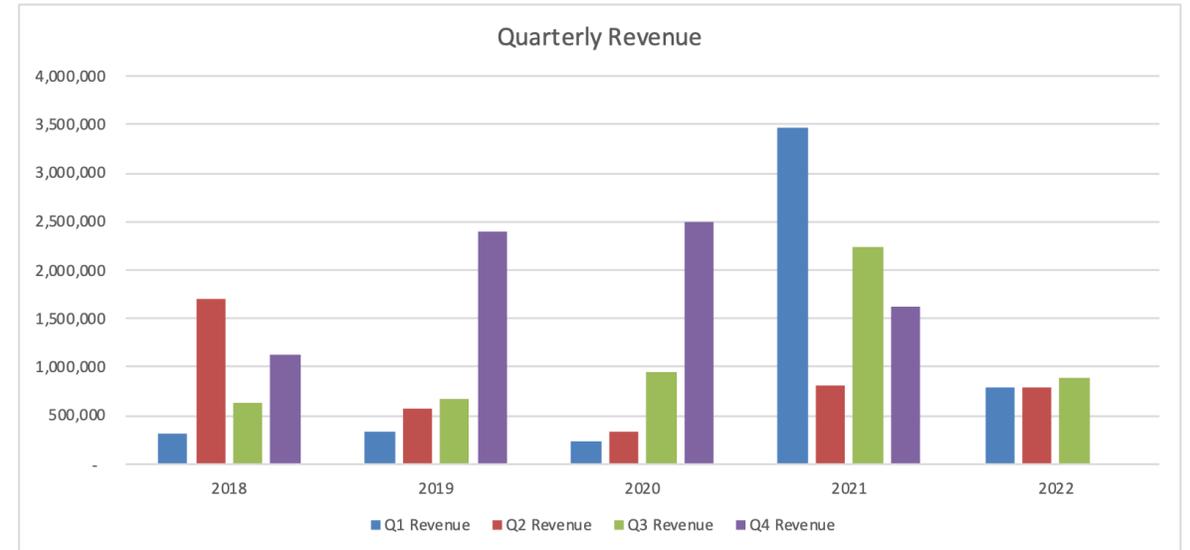
2022 Q3 and Fiscal Year Results



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Revenues

- 2020 and 2021 were both growth years for Clear Blue. However, the cumulative effects of the last 3 years of global economy have now impacted the Company's 2022 results.
- Specifically, the quarter was impacted by two Customer's whose own supply chain and finance issues impacted the quarter by \$2.1M in revenue, part of which was a reversal of Q1 revenue.
- Revenue for the trailing twelve months (TFQ) period ended September 30, 2022, was **\$4,090,017**, 55% decrease over the previous period.
- Revenue for the three months ended September 30, 2021, was **\$451,421**.
 - \$882,021 offset by a Q1 reversal of \$369K



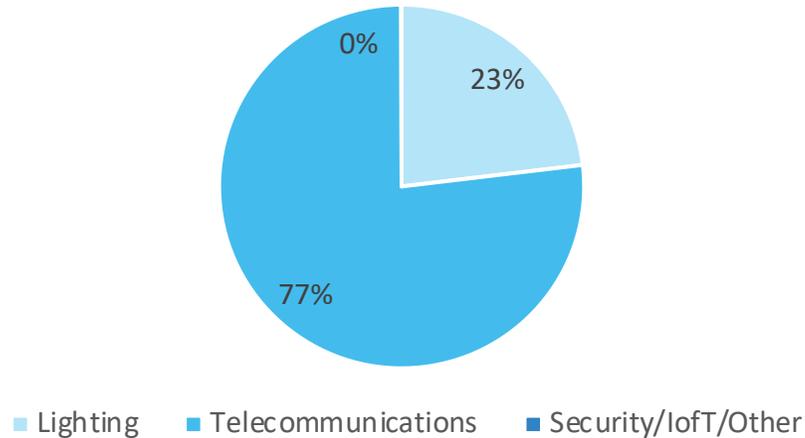
	2018	2019	2020	2021	2022
Q1 Revenue	324,816	340,266	238,171	3,459,007	794,506 *
Q2 Revenue	1,697,696	568,037	340,344	810,406	782,101
Q3 Revenue	636,944	670,159	940,849	2,247,856	882,021 *
Q4 Revenue	1,120,720	2,392,839	2,504,446	1,631,390	-
Full Year Revenue	3,780,176	3,971,301	4,023,810	8,148,659	-

* Q3 Adjusted Reduction of Q1 Revenue reflected in Q1 above.

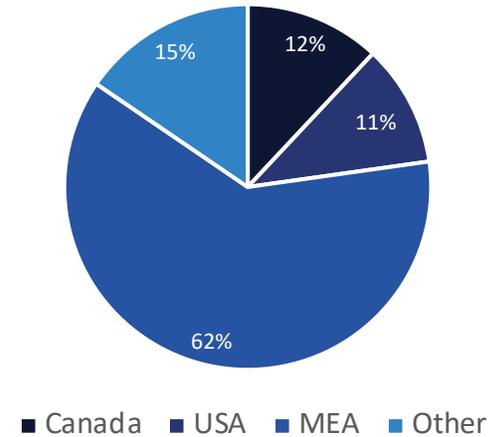
Q4 TFQ Revenue - Sector & Regional Results



TFQ Q3 2022 Revenue by Vertical



TFQ Q3 2022 Revenue by Region



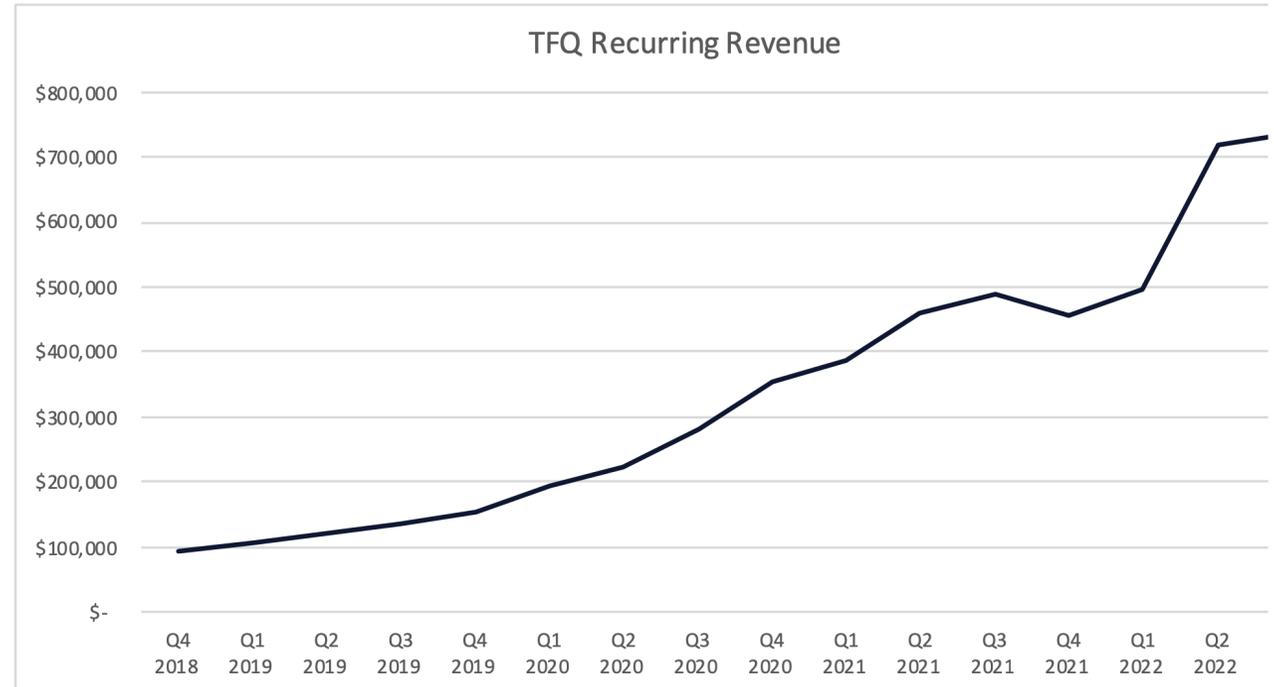
Revenue by Vertical	TFQ ended Sep 30		%
	2022	2021	
Lighting	945,140	1,152,609	-18%
Telecom	3,143,308	7,850,419	-60%
Security/IoT	1,569	18,688	-92%
Total	4,090,017	9,021,716	-55%

Revenue by Region	TFQ ended Sep 30		%
	2022	2021	
Canada	489,285	142,023	245%
USA	441,835	895,919	-51%
MEA	2,526,984	7,951,825	-68%
Other	631,913	31,949	1878%
Total	4,090,017	9,021,716	-55%

Recurring Revenue



- Recurring Revenue for TFQ for Sept 30, 2022, was **\$736,969** a 51% increase from \$488,136 in the previous TFQ.
- Recurring Revenue for the quarter was **\$142,940** which was a 14% increase over the same period in 2021.



Bookings are up 18%



Bookings as of September 30, 2022	Total	Revenue	
		Year 1	Year 2 and Beyond
Illumience / EaaS Deferred Revenue	792,237	494,703	297,534
Purchase Orders	<u>1,021,800</u>	<u>991,362</u>	<u>30,438</u>
Total Bookings	1,814,800	1,486,065	327,972



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

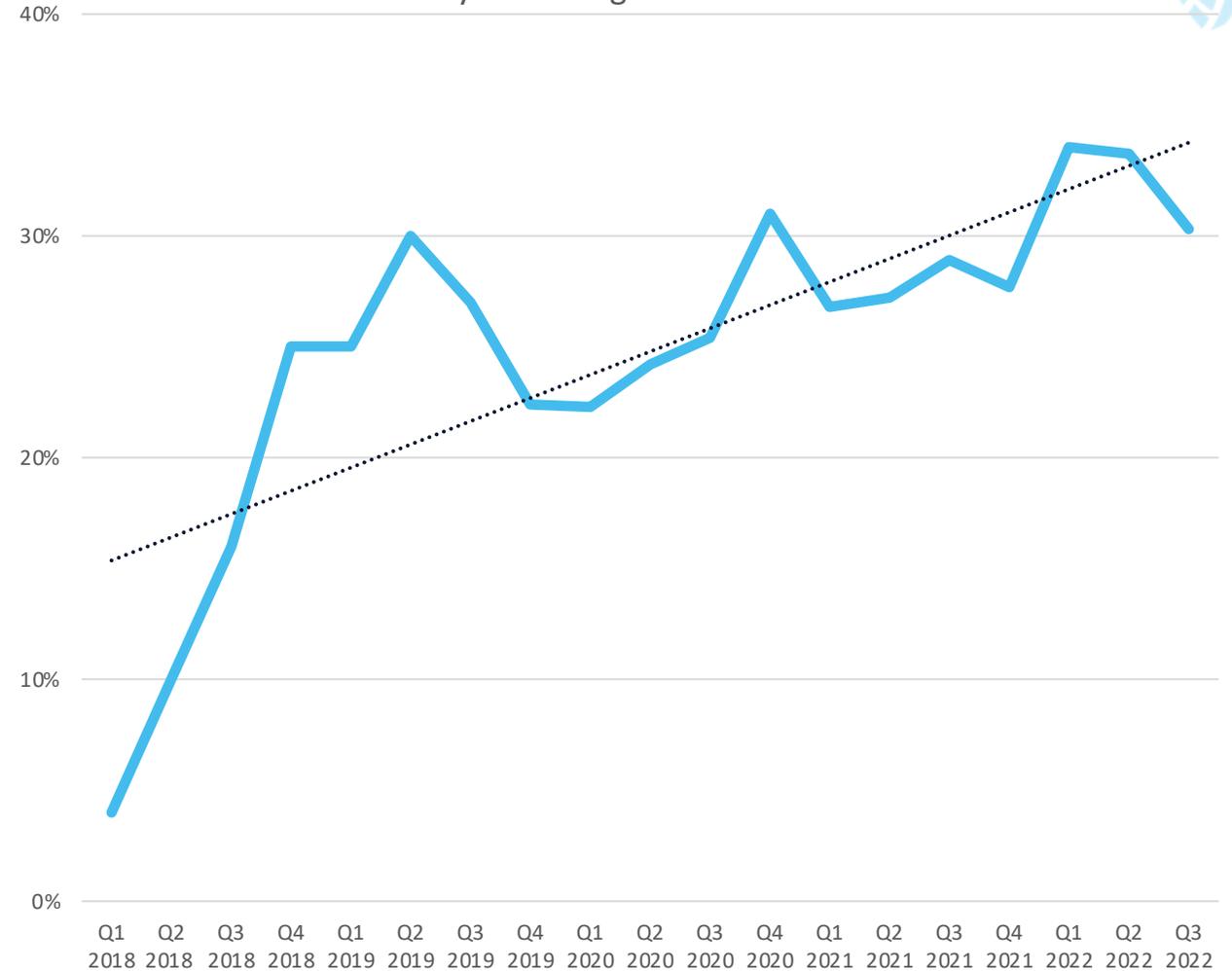
- Bookings will be delivered over the next three years in the case of Illumience/EaaS and typically in the next 4-6 months in the case of production orders
- As of September 30, 2022, Clear Blue's bookings are **\$1,814,037** up 18% from \$1,536,118 as of December 31, 2021 with delivery anticipated in the next 12 months with the remaining being beyond next year.

Gross Profit

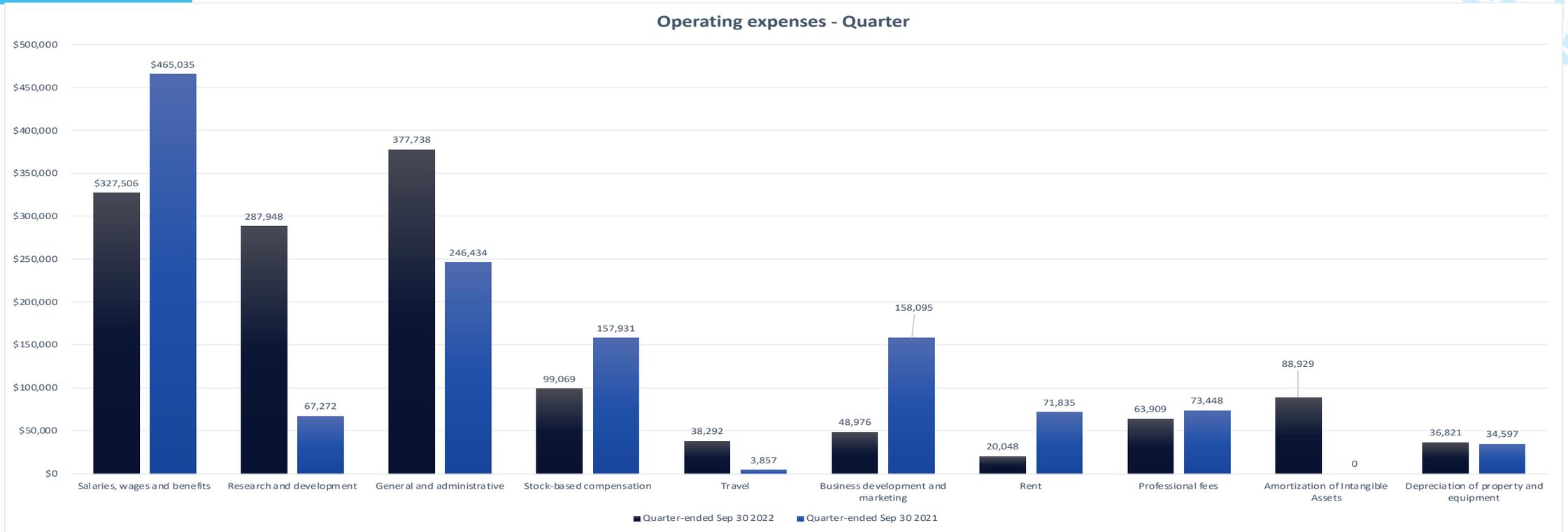
- Gross Profit for TFQ for Sept 30, 2022, was **\$1,238,245** or 30.3%, compared to TFQ gross profit of \$2,607,287 or 28.9%.
- Gross profit for the three months ended June 30, 2022, was **\$135,575** or **30%** as compared to \$882,139 or 39% in the comparable prior period mainly due to Q1 adjustment. Without this Gross profit for the quarter was 36%.

TFQ Gross Margin

by Percentage of Revenues



Operating Expenses



- Operating expenses for the TFQ ended Sept 30, 2022, were **\$5,921,380** an increase of **600,484** or approximately **11%** compared to the same period in 2021.

The increase can be attributed to the lack of Covid-19 related subsidies in the current TFQ.

- Operating expenses for the quarter ended Sept 30, 2022, were **\$1,389,236** representing an increase of **\$110,732** or **9%** over the same period in 2021.

Adjusted EBITDA (\$ CAD)



9	Three months ended Sept 30			TFQ ended Sept 30		
	2022	2021	Change	2022	2021	Change
Result of Operations						
Revenue	451,421	2,247,857	-80%	4,090,017	9,021,716	-55%
Cost of sales	315,846	1,365,718	-77%	2,851,772	6,414,429	-56%
Gross profit	135,575	882,139	-85%	1,238,245	2,607,287	-53%
Gross margin %	30%	39%		30%	29%	
Non-IFRS Operating expenses	1,123,002	1,218,421	-8%	5,030,655	5,165,652	-3%
Non-IFRS Adjusted EBITDA	(987,427)	(336,282)	194%	(3,792,410)	(2,558,365)	48%

Summary: Q3 2022

The Global Economy caught up with CBT

- A tough quarter with disappointing results;
- Customer delays due to parts shortages and financing delays impacting our 2022 result;
- Q4 will continue to be a soft quarter;
 - Many customers are currently deferring much of the remainder of their 2022 plans to 2023
 - With this increased level of customer caution, 2022 year-end results expected to come in below the guidance range reported in August.
- On the Balance Sheet side, Q3 was key to positioning us strongly for 2023:
 - The first funds from the Fedev loan came into the company. Fedev provides a 10 year interest free loan of \$4 million which is drawn monthly until March of 2024;
 - The Company was awarded an SDTC Grant of \$5 Million which will assist in funding our R&D;



Outlook & Guidance



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Other Notable Milestone in Q3 & early Q4

- Funding
 - SDTC grant of \$5M in September
- Expansion
 - Clear Blue opens Nigeria subsidiary
- Growth Recognition
 - Deloitte Fast 50 winner in the Clean Tech Category & Women In Technology award
 - Globe and Mail's Report on Business - Canada's fastest-growing companies
- New Deals and Partnership Growth
 - Telia Cameroon to power telecom sites for MTN Cameroon
 - Parallel Wireless continued orders for a total of over \$4M with \$1 Million in for 2023
- Industry Proof
 - Meta on a study proving Smart Off-Grid has 40% cost savings.



Outlook for 2023

- Positive EBITDA & Positive Cashflow
 - Cost optimizations and improving margins now ensures Positive EBITDA and net zero cash burn at under \$8 Million in Revenue for 2023;
- Revenue outlook
 - While we are now at a base of positive EBITDA and net zero cash burn at \$8 million, our plan is for MUCH higher revenue;
 - A strong active \$400 million sales funnel;
 - Early Bookings visibility is strong to have Q1/Q2 2023;
- Strategic Investors, Partners & opportunistic M&A

Have Questions?

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