



CLEARBLUE
TECHNOLOGIES

2023 Q1 Earnings Call



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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



Discussion of Q1 2023 Results



Future Outlook

Clear Blue 2023 – A new era for Clear Blue



- Raised >\$10 million in non-dilutive capital (\$6M in grants)
- Acquired eSite Power Systems
- Broadening Product Offering
 - January 1, 2022 – 2 Products
 - July 1, 2023 – 5 Products
- Expanded Customer Base
 - 35 large and strategic new telecom customer accounts in 25 countries
- Moving into the 'core network' & core infrastructure
 - Retrofit larger scale hybrid power up to 30Kw for telecom sites
 - Mission critical infrastructure
 - Airport runway extension project
 - Interstate Highway interchange



Product Line

New



**Grid/Genset/Solar
3-30Kw**

Esite-Micro



**Solar & Solar/Grid
20W-3Kw**

Nano-Grid



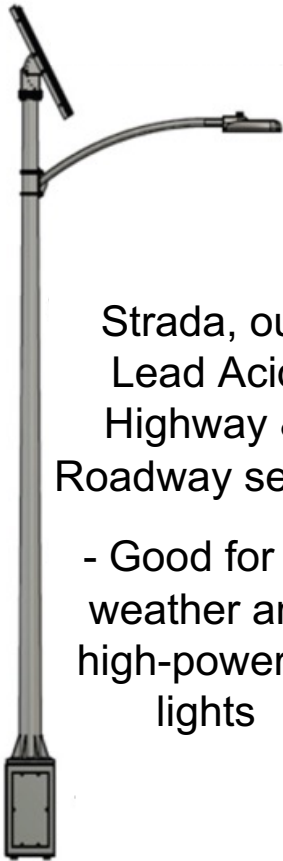
Wi-Fi/IoT 0-20W

Pico-Grid



New

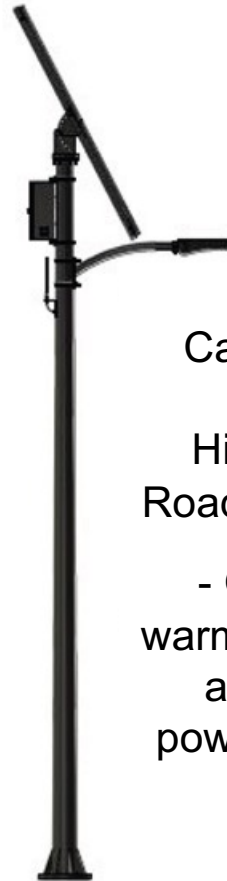
ILLUMINANT OPTIONS



Strada, our
Lead Acid
Highway &
Roadway series

- Good for all
weather and
high-powered
lights

STRADA Series



Cammi, our
Lithium
Highway &
Roadway series

- Good for
warmer weather
and high-
powered lights

CAMMI Series

New



Introducing Senti

SENTI Series

Patent Pending



2023 - New Products Begin shipping



Powering IoT
Devices
around the
Globe



Pico-Grid



Ground-breaking
All-In-One
Solar Light

Illumient Senti

eSite Becomes Esite-Micro

- eSite Power Systems
 - Strong Industry brand recognition and respect
 - First product specifically engineered for harsh NON-air conditioned environments which is critical for the movement to GREEN
 - Swedish hardware engineering & quality

Add Clear Blue and it Becomes

- Esite-Micro
 - Industry leading Smart Power management thru Illumience platform
 - Full system solution
 - Industry leading service model with recurring revenue support for our customers

And now on the Road to Zero Diesel



Clear Blue's Core Technology



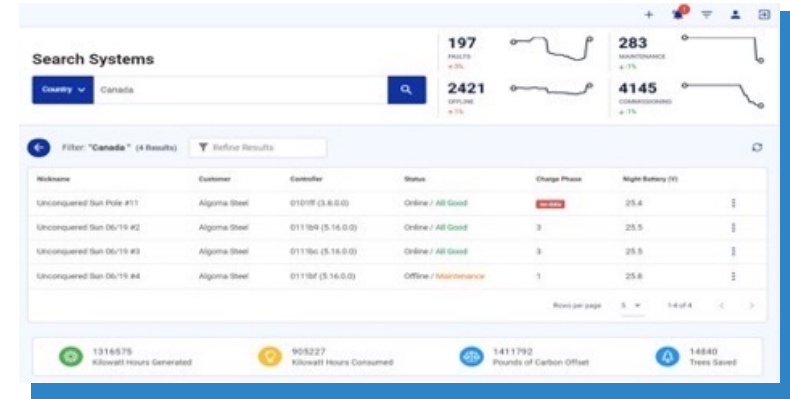
BRAND PROMISES		Maximum uptime
		Longest life
		Easy to install and maintain
DIFFERENTIATORS		Energy forecasting and management
		Troubleshooting and remediation

Customer Benefits From Intelligent Energy Management

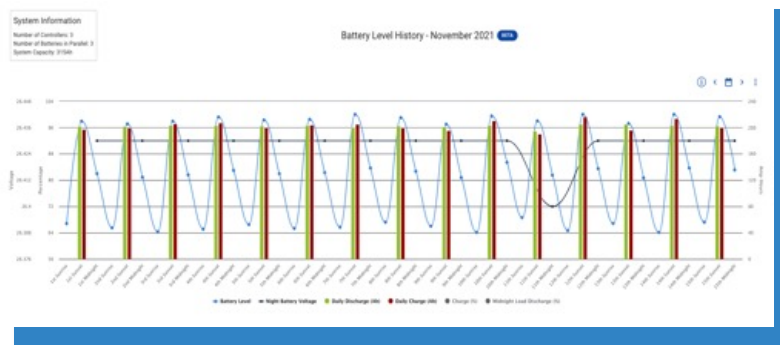
Energy & Weather Forecasting



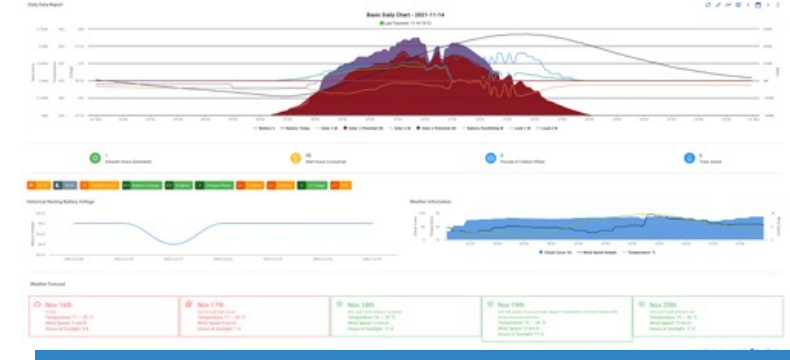
Maintenance, Troubleshooting & Remediation



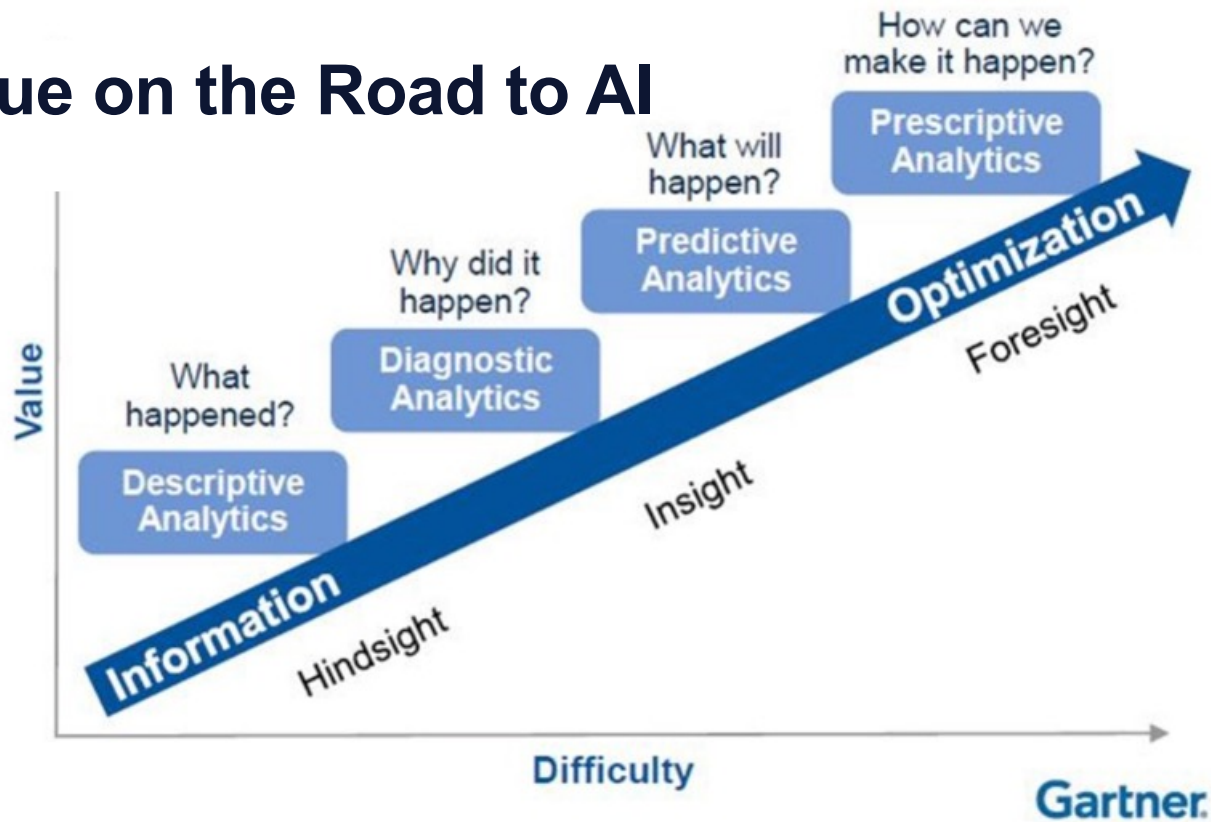
Battery Life Cycle Management



Potential Energy Analysis



Clear Blue on the Road to AI



Data



Big Data



Analytics

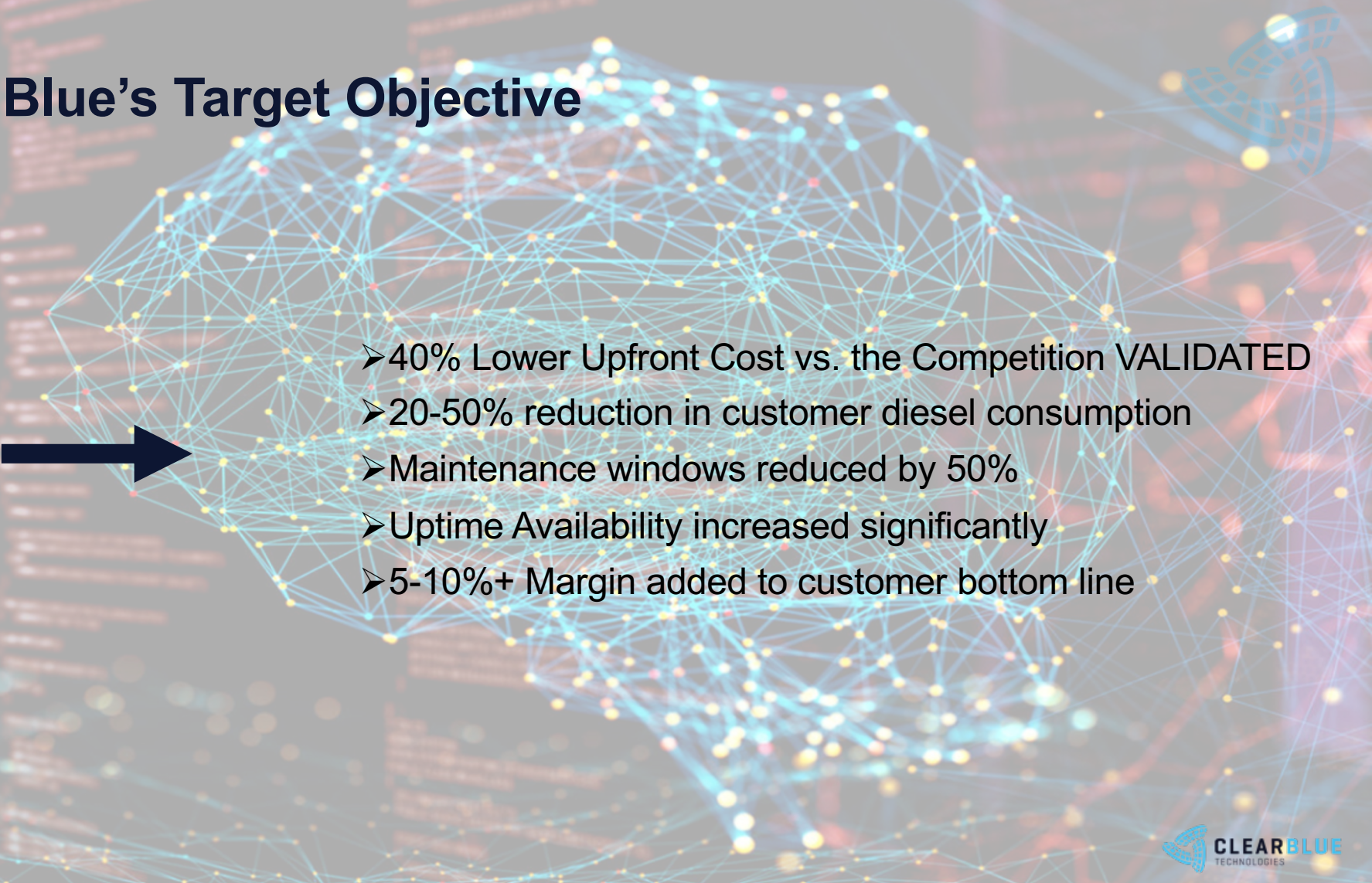


Predictive Analytics



Machine Learning AI

Clear Blue's Target Objective

- 
- 40% Lower Upfront Cost vs. the Competition **VALIDATED**
 - 20-50% reduction in customer diesel consumption
 - Maintenance windows reduced by 50%
 - Uptime Availability increased significantly
 - 5-10%+ Margin added to customer bottom line

Agenda

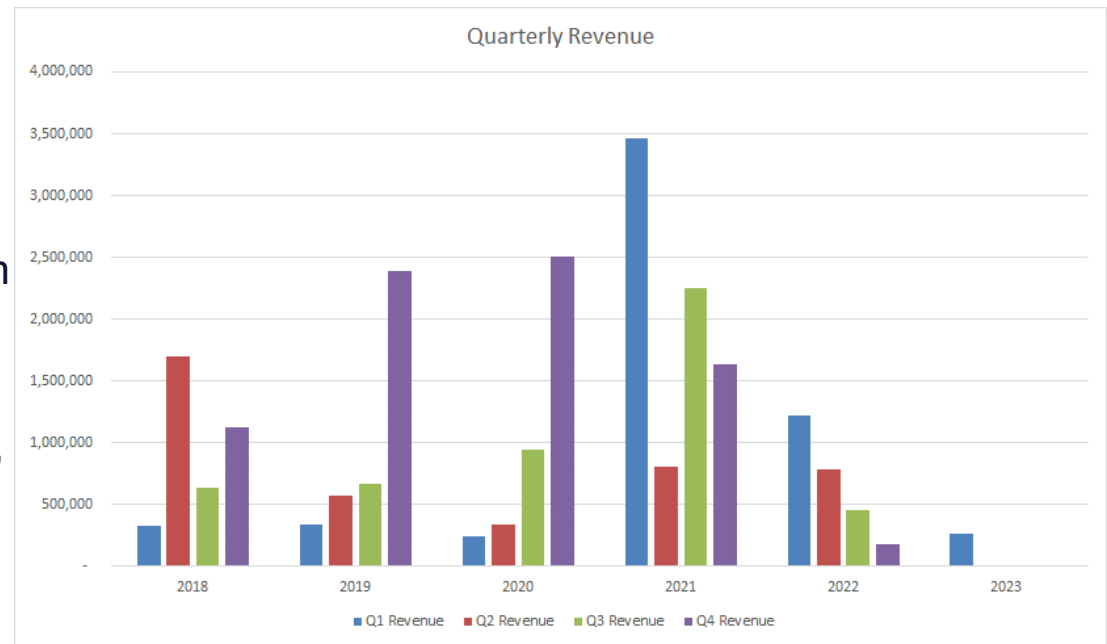


Discussion of Q1 2023 Results



Revenue: Q1 in line with historical norms

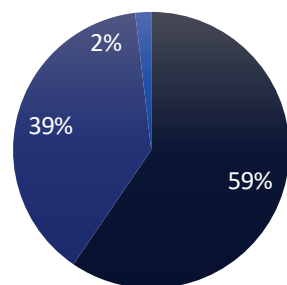
- Cumulative impacts of the last 3 years of global economy drove customers to pause capex spend over the last 4 quarters;
- Revenue for the TFQ ended March 31, 2023, was **\$1,674,003**, a 72% decrease from \$5,914,758 in the corresponding previous period.
- Revenue for the three months ended March, 31, 2023 was **\$262,137**.





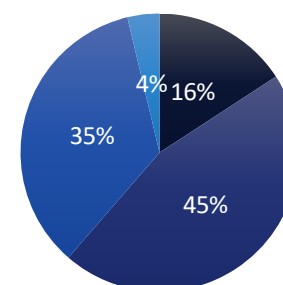
TFQ Revenue - Sector & Regional Results

TFQ Q1 2023 Revenue by Vertical



■ Lighting ■ Telecommunications ■ Security/IoT/Other

TFQ Q1 2023 Revenue by Region



■ Canada ■ USA ■ MEA ■ Other

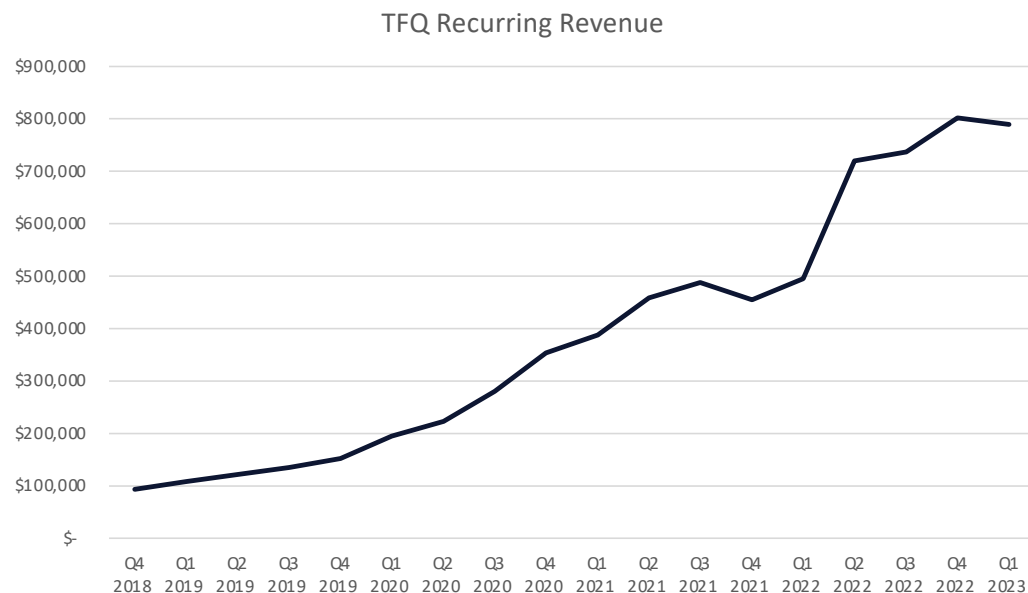
Revenue by Vertical	TFQ ended Mar 31		%
	2023	2022	
Lighting	156,011	195,076	-20%
Telecom	101,243	1,029,724	-90%
Security / IoT	4,883	306	1496%
Total	262,137	1,225,106	-79%

Revenue by Region	TFQ ended Mar 31		%
	2023	2022	
Canada	41,412	81,538	-49%
USA	119,482	95,418	25%
MEA	91,494	1,046,665	-91%
Other	9,749	1,485	556%
Total	262,137	1,255,106	-79%



Illumience and EaaS Recurring Revenue

- Recurring Revenue for TFQ Q1 2023 was **\$865,610**, a 75% increase from \$495,404 in the corresponding previous period.
- Recurring Revenue for the quarter was **\$212,004** which was a 40% increase over the same period in 2022.



Bookings are up 58%



Bookings as of March 31, 2023	Revenue		
	Total	Year 1	Year 2 and Beyond
Illumience / EaaS Deferred Revenue	603,702	366,267	237,435
Purchase Orders	<u>2,913,155</u>	<u>2,582,541</u>	<u>330,614</u>
Total Bookings	3,516,857	2,948,807	568,049



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

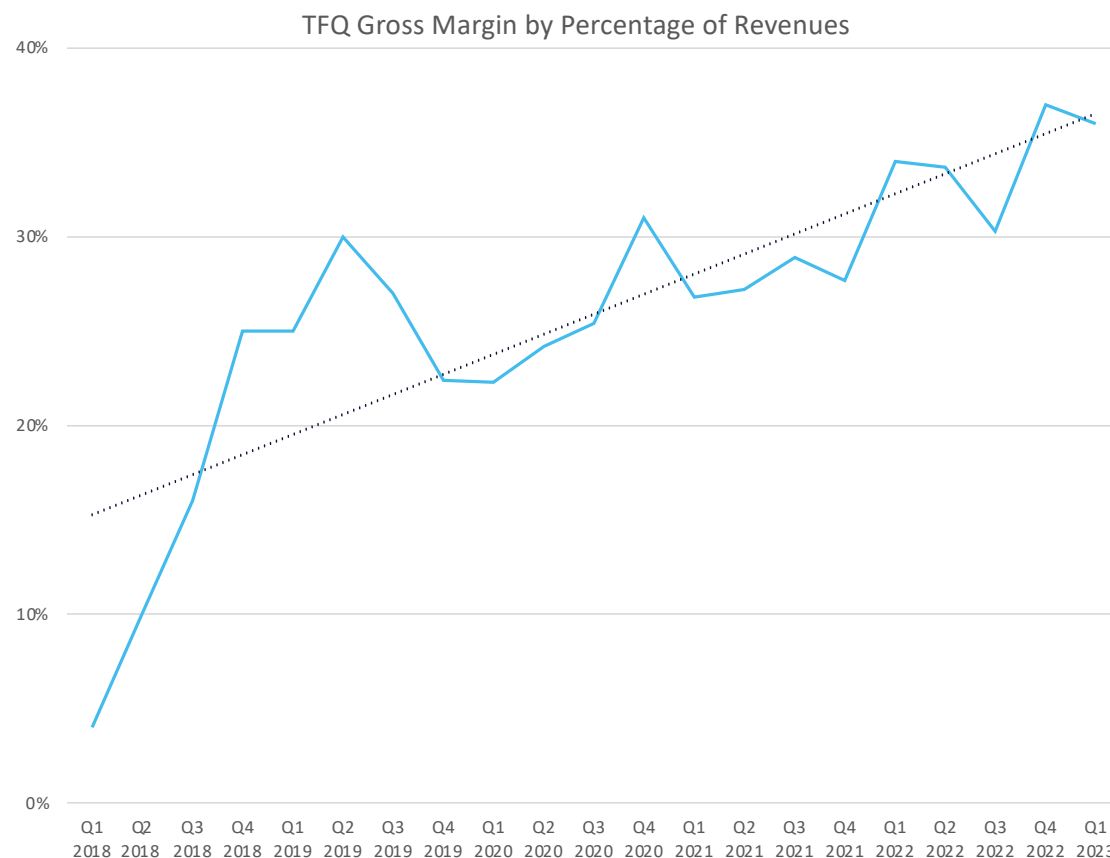


Bookings

- 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 March 31, 2023, Clear Blue's bookings **increased by 58% to \$3,516,857** versus \$1,991,275 as of December 31, 2022, with delivery anticipated over the next three years.

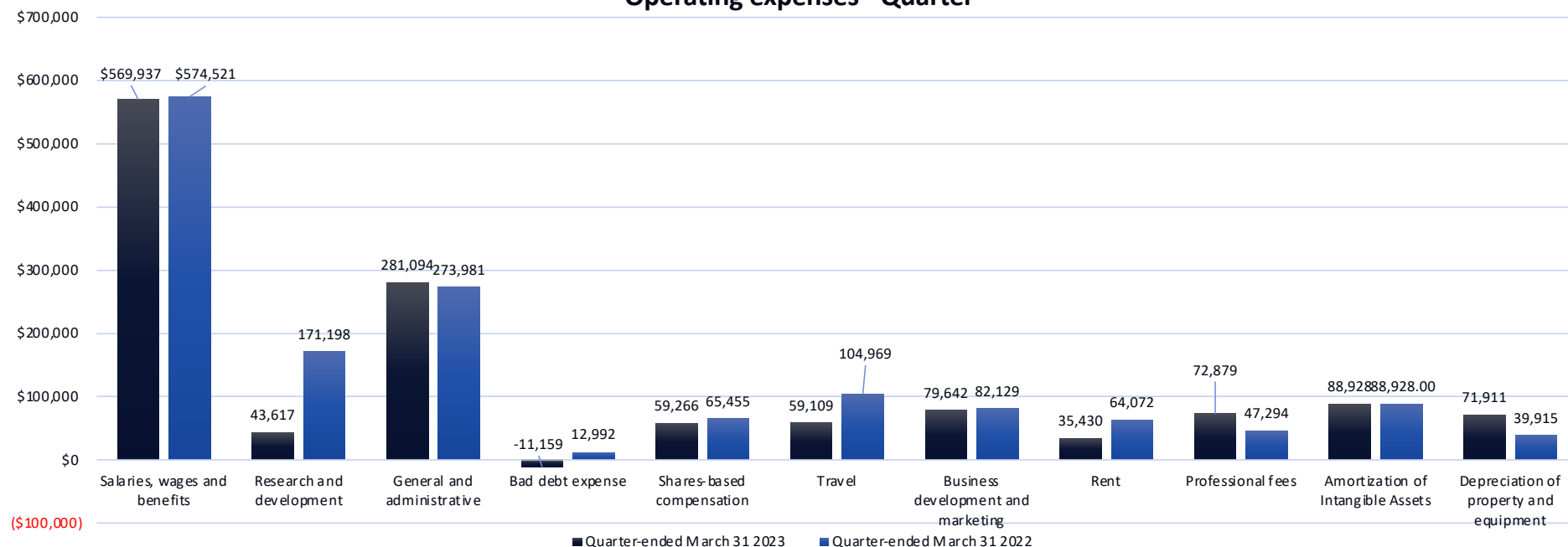
Gross Profit

- Gross Profit for TFQ Q1 2023 was **\$574,296** or 34%, compared to gross profit of \$2,011,797 or 34% in the comparative TFQ period of 2022.
- Gross Profit for Q1 2023 was **\$93,272** or 36% as compared to gross profit of \$507,500 or 41% in the comparative period of 2022



Operating Expenses

Operating expenses - Quarter



- Operating expenses for the TFQ ended March 31, 2023 were **\$5,680,894** an increase of **\$168,058** or approximately **3%** compared to the previous period.
- Operating expenses for the quarter ended March 31, 2023 were **\$1,350,654** representing a decrease of **\$174,801** or **11%** over the same period in 2021.

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

EBITDA & Adjusted EBITDA (\$ CAD)



	Three months ended March 31			TFQ March 31		
Result of Operations	2023	2022	Change	2023	2022	Change
Revenue	262,137	1,225,106	-79%	1,674,003	5,914,758	-72%
Cost of sales	168,865	717,606	-76%	1,099,707	3,902,961	-72%
Gross profit	93,272	507,500	-82%	574,296	2,011,797	-71%
Gross margin %	36%	41%		34%	34%	
Operating expenses	1,135,481	1,359,390	-16%	4,583,326	5,010,052	-9%
EBITDA	25,180	(919,958)	103%	(2,168,993)	(3,232,312)	13%
Non-IFRS Adjusted EBITDA	(1,042,209)	(851,890)	-22%	(3,964,030)	(2,998,255)	-32%

Q1 is launchpad for upward revenue growth



- eSite Acquisition adds important high-growth product to Clear Blue's portfolio
- Q1 results were low (as they often are) and impacted by 2022 macro-economic downturn
- Q1 Bookings were strong at \$3.5M and grew to \$4.6M thus far in Q2
- Recurring revenue grew 40% QoQ to \$212K for the quarter
- Gross Margin was stable at 36% for the quarter
- Company has \$5.6M of available government funding, with \$3.8M in grants and \$1.8 M in the form of a 10-year interest free loan
- Balance sheet improvement with increased working capital

Agenda



Future Outlook

Cautious Optimism for 2023



- As Clear Blue's customers execute in 2023, bookings and orders have shown a marked change in trajectory from 2022.
- Current bookings of \$4.6M and robust sales funnel for additional orders for remainder of year.
- Esite-Micro is contributing revenue and sales funnel is building nicely as Clear Blue ramps its sales on this product.
- Pico-Grid and Senti begin shipping in early Q3 and both have strong market interest.

Key Sales Activities in 2023



- Illumient North America sales momentum
- Towerco's are investing heavily in solar upgrades – perfect for Esite-Micro to powers these existing retrofit and large Telecom systems
 - Numerous customers have trials planned for Q2/Q3 setting up for large rollouts in 2024; Clear Blue heavily focused on active success for these pilots
 - A number of large rollout RFPs and proposals underway
- Nano-Grid rollouts expand, including e-Learning Avanti Partnership and other satellite customers
- Launch of Senti in North America
- Launch of Pico-Grid small rollouts, readying for large volume deployments in 2024

Catalysts For Value Creation In 2023 And Beyond



For 2023

- North American sales growth
 - Driven by all three new products
- Esite-Micro sales in retrofit market
- Conversion of high prob pipeline to in year 2023 revenues
- Demonstrated cash flow breakeven at \$2 million quarterly revenue
- Return to 50%+ growth rate

Beyond 2023

- Additional M&A to turbocharge growth
- Consistent strong organic growth of top line
- Established track record of consistent EBITDA growth

Outlook for 2023



- We now have a much wider product line with the addition of Esite-Micro, Pico-Grid and Senti
- Our sales funnel and order book is diverse – multiple deals across multiple markets and products
- We have strong booking momentum – BUT it needs to continue
 - Critical that timeline from orders to shipments are achieved in year
- Our continued objective is 2023 Target Plan to achieve positive EBITDA and net-zero cash burn
- Ruthless focus on balance sheet and cash continues and WILL continue

Have Questions?

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