



**CLEARBLUE**  
TECHNOLOGIES

2023 Q2 Earnings Call



**CLEARBLUE**  
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 Q2 2023 Results



Future Outlook

# Clear Blue 2023 – A new era for Clear Blue



- Raised >\$10M in non-dilutive capital (\$6M in grants)
- Acquired eSite Power Systems
- Broadened Product Offering
  - Jan 1, 2022 – 2 Products
  - July 1, 2023 – 5 Products
- Expanded Customer Base
  - 35 large and strategic new telecom customer 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 Lines



*New*



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

Esite-Micro



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

Nano-Grid



*New*

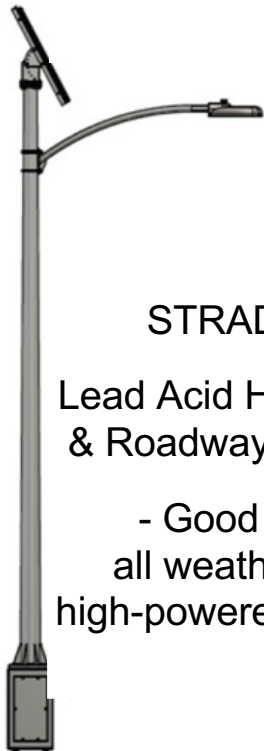


**Wi-Fi/IoT  
0-20W**

Pico-Grid



## ILLUMINENT OPTIONS



### STRADA

Lead Acid Highway  
& Roadway series

- Good for  
all weather &  
high-powered lights

STRADA Series



### CAMMI

Lithium Highway &  
Roadway series

- Good for  
warmer weather &  
high-powered lights

CAMMI Series

*New*



### SENTI

All-In-One Solar  
Light

- Good for sidewalk  
and pathway  
lighting in warmer  
weather

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 Products

Lighting, IoT, Satellite Wi-Fi

Telecom



Clear Blue has a variety of Smart Off-Grid products designed to provide power for mission-critical applications



## BRAND PROMISES



Maximum uptime



Longest life



Easy to install and maintain

## Illumience Core Cloud Technology

Every system is managed through Illumience Cloud Control technology

## DIFFERENTIATORS



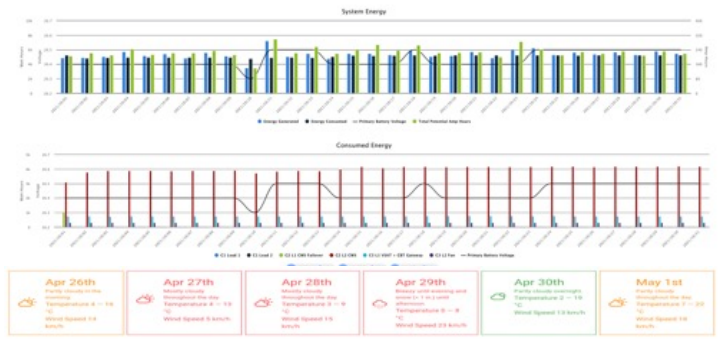
Energy forecasting and management



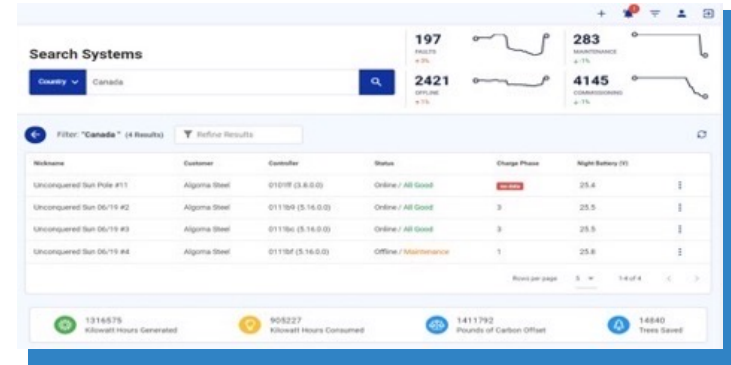
Troubleshooting and remediation

# Customer Benefits From Intelligent Energy Management

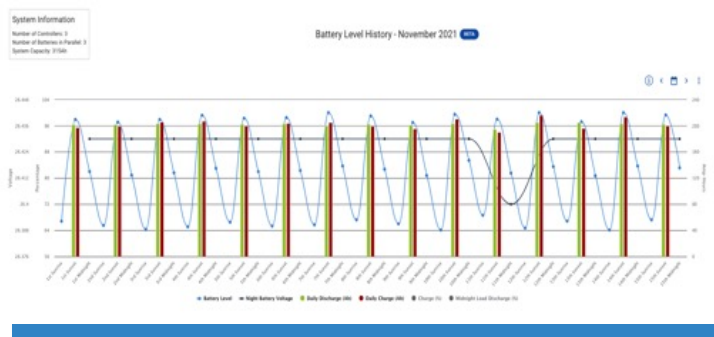
## Energy & Weather Forecasting



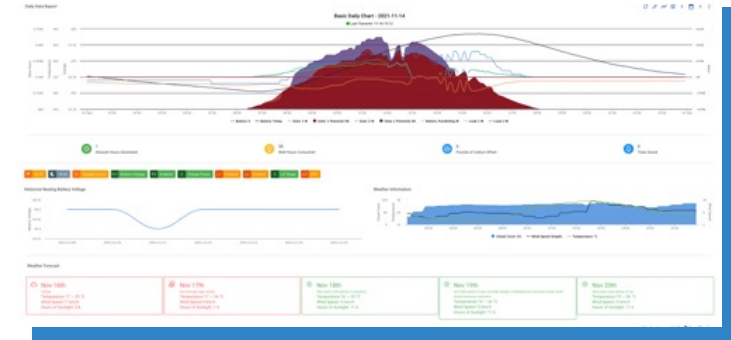
## Maintenance, Troubleshooting & Remediation



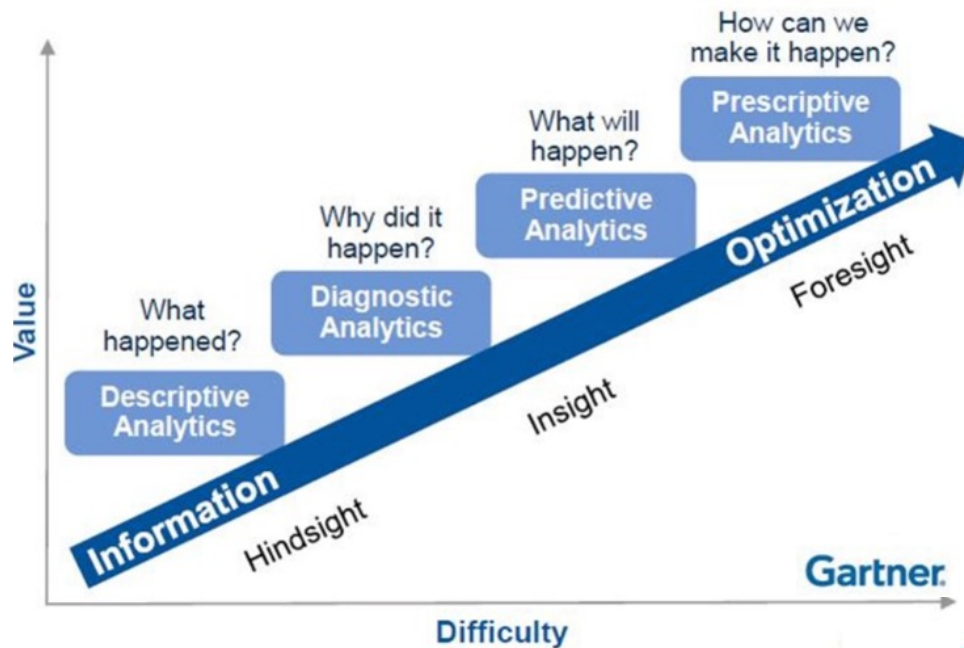
## Battery Life Cycle Management



## Potential Energy Analysis



# Clear Blue on the Road to AI



**>11,250**  
Units deployed

**>13.9 Million**  
Days of operation

**>10 Billion**  
Cloud Transactions

**55**  
Countries

Data



Big Data



Analytics



Predictive Analytics



ML & 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

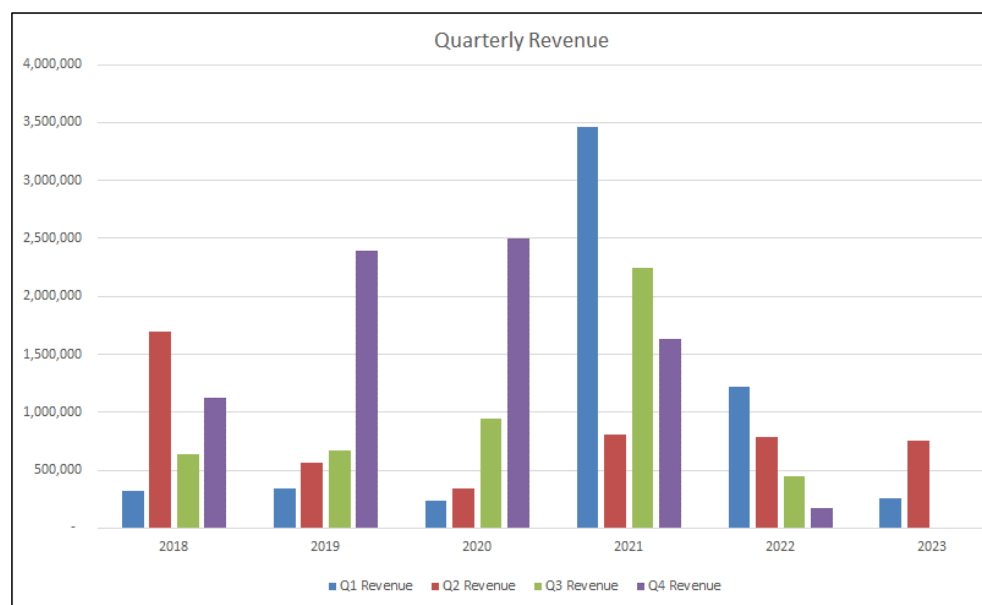


Discussion of Q2 2023 Results



## Revenue: Q2 in Line with pre-downturn Norms

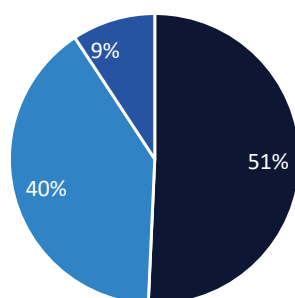
- Cumulative impacts of global economy over last 3 years drove customers to pause capex spend over last 4 quarters
- Revenue for TFQ ended June 30, 2023 was **\$1,644,227**, a 72% decrease from \$5,886,453 in the corresponding previous period
- Revenue for the three months ended June, 30, 2023 was **\$752,325**, which is in line with pre-downturn results





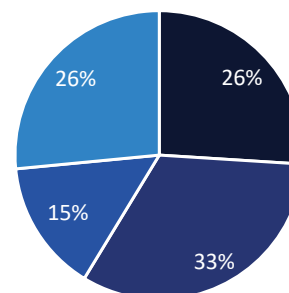
# TFQ Revenue - Sector & Regional Results

TFQ Q2 2023 Revenue by Vertical



■ Lighting ■ Telecommunications ■ Security/IoT/Other

TFQ Q2 2023 Revenue by Region



■ Canada ■ USA ■ MEA ■ Other

Revenue by Vertical	TFQ ended June 30		% Change
	2023	2022	
Lighting	972,968	1,056,017	-8%
Telecom	657,800	4,829,431	-86%
Security/IoT	13,459	1,006	1239%
<b>Total</b>	<b>1,644,227</b>	<b>5,886,453</b>	<b>-72%</b>

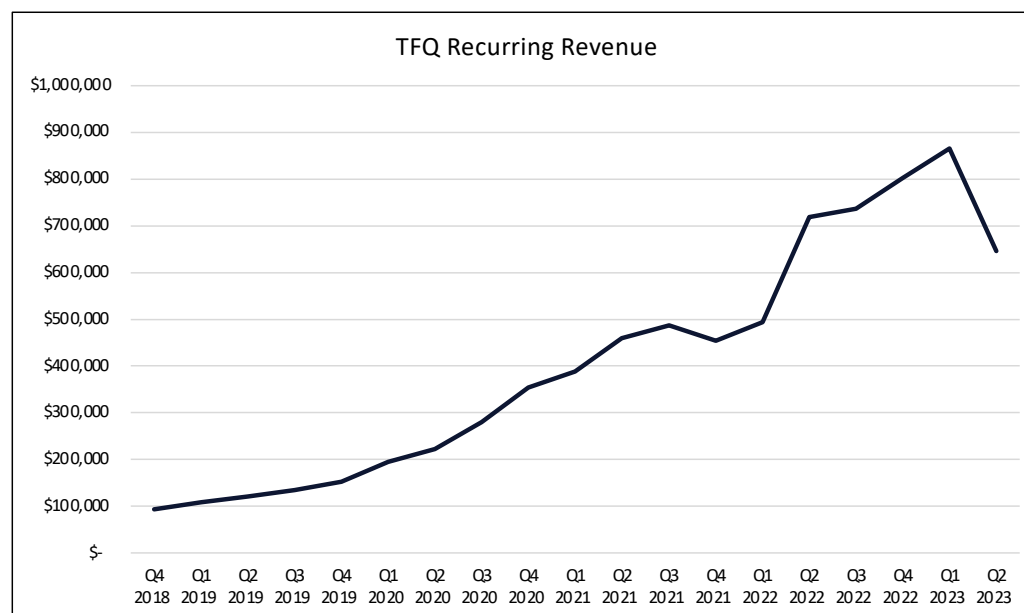
Revenue by Region	TFQ ended June 30		% Change
	2023	2022	
Canada	427,496	461,690	-7%
USA	537,748	531,901	1%
MEA	242,913	4,627,218	-95%
Other	436,070	265,644	64%
<b>Total</b>	<b>1,644,227</b>	<b>5,886,453</b>	<b>-72%</b>





## Illumience and EaaS Recurring Revenue

- Recurring Revenue for TFQ Q2 2023 was **\$646,416**, a 10% decrease from \$719,642 in the corresponding previous period
- Recurring Revenue for the quarter was **\$139,056** which was a 61% decrease compared to the same period in 2022



# Bookings are up 134%



Bookings as of June 30, 2023	Total	Revenue	
		Year 1	Year 2 and Beyond
Illumience / EaaS Deferred Revenue	582,899	226,114	356,785
Orders	<u>4,071,388</u>	<u>3,693,892</u>	<u>377,495</u>
<b>Total Bookings</b>	<b>4,654,286</b>	<b>3,920,006</b>	<b>734,280</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

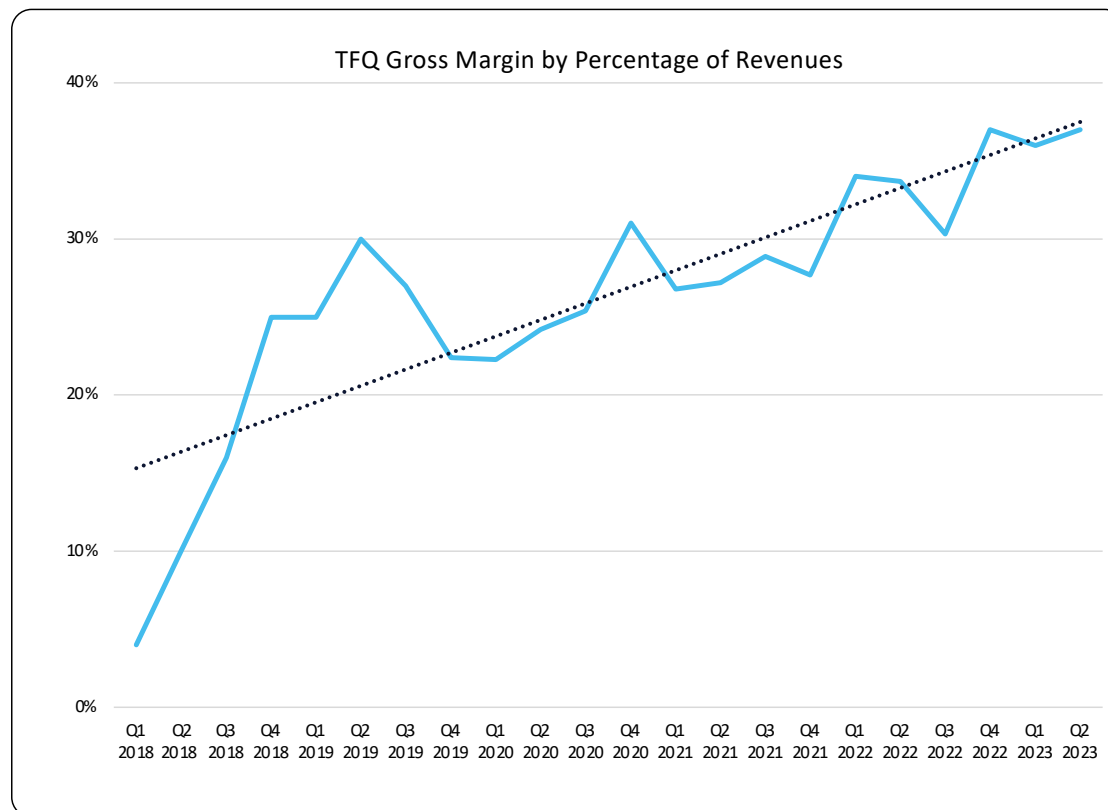


## Bookings

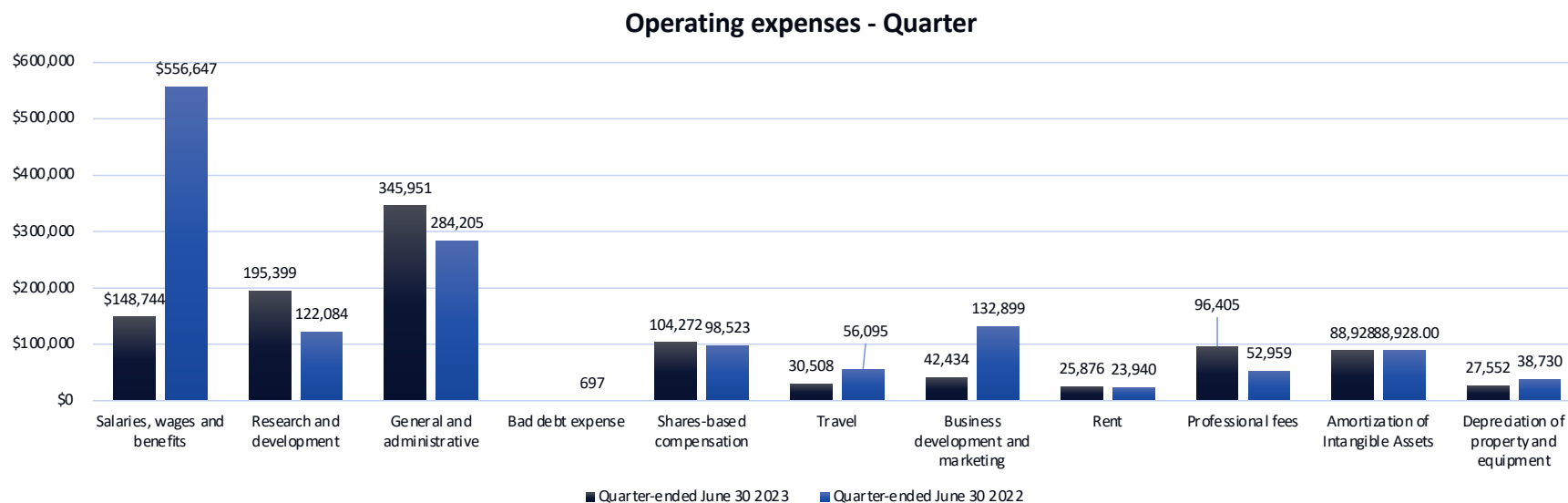
- Bookings will be delivered over the next three years in the case of Illumience/EaaS and typically in the next 4-6 months in the case of production orders
- As of June 30, 2023, Clear Blue's bookings **increased by 134% to \$4,654,286** versus \$1,991,275 as of December 31, 2022, with delivery anticipated over the next three years

## Gross Profit

- Gross Profit for TFQ Q2 2023 was **\$606,008** or 37%, compared to gross profit of \$1,984,809 or 34% in the comparative TFQ period of 2022
- Gross Profit for Q2 2023 was **\$309,007** or 41% as compared to gross profit of \$277,295 or 35% in the comparative period of 2022



# Operating Expenses



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

- Operating expenses for the TFQ ended June 30, 2023, were **\$5,331,256** a decrease of **\$479,392** or approximately **8%** compared to the previous period
- Operating expenses for the quarter ended June 30, 2023, were **\$1,106,069** representing a decrease of **\$349,638** or **24%** over the same period in 2022

## EBITDA & Adjusted EBITDA (\$ CAD)



	Three months ended June 30				TFQ June 30		
Result of Operations	2023	2022	Change		2023	2022	Change
Revenue	752,325	782,101	-4%		1,644,227	5,886,453	-72%
Cost of sales	443,318	504,806	-12%		1,038,219	3,901,644	-73%
Gross profit	309,007	277,295	11%		606,008	1,984,809	-69%
Gross margin %	41%	35%			37%	34%	
Operating expenses	1,106,069	1,455,707	-24%		5,331,255	5,810,648	-8%
EBITDA	(1,622,611)	(1,218,370)	33%		(3,229,357)	(3,642,082)	-11%
Non-IFRS Adjusted EBITDA	(664,964)	(989,498)	-33%		(3,639,495)	(3,154,258)	15%

## Q2 Bookings Growth Sets Stage for Stronger 2H



- In Q2 sales efforts continued to result in stronger bookings
- The Company also announced its first order for its eSite-Modular product
- Q2 Bookings grew again to \$4.6M up from \$3.5M in Q1
- Gross Margin was stable at 41% for the quarter
- Company has \$4.6M of available government funding, with \$3.6M in grants and \$1M in the form of a 10-year interest free loan

# Agenda



Future Outlook



# H2/2023 Setting Up For a Strong Finish



- Sales Funnel for Q3 and Q4 is robust
- Bookings and orders continue to show positive trajectory
- Current bookings of \$4.6M provides for strong revenue for H2 2023
- Esite-Micro is contributing revenue and sales funnel is building as Clear Blue ramps its sales on this product
- Pico-Grid and SENTI began shipping in Q3 and both have strong market interest

# Have Questions?

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