



Clear Blue Technologies International Achieves Revenue Growth of 283% in Q3 2018 on Trailing Four Quarter Basis

Clear Blue builds on Q2 results, further demonstrates global growth potential

- Trailing Four Quarters (TFQ) Revenue ended September 30, 2018 was \$4.46 million (all figures in Canadian dollars), a 283% increase over TFQ Revenue ended September 30, 2017.
- 411% increase in revenue for the first nine months of 2018.
- TFQ Gross margin ended September 30, 2018 increased by 1,508% to 20%.

TORONTO, Nov. 27, 2018 -- Clear Blue Technologies International Inc. (Clear Blue or the "Company") (TSXV: CBLU), the Smart Off-Grid™ company, today reported its financial results for the third quarter ended September 30, 2018. Revenue for the Trailing Four Quarters (TFQ) ended in Q3 2018 was \$4.46 million, a 283% increase from TFQ Q3 2017. Due to the seasonal nature of Clear Blue's revenue stream, a TFQ analysis provides deeper insight into the Company's growth trajectory.

"Clear Blue's Q3 growth illustrates the significant demand we see across numerous verticals and geographies, as more and more markets recognize the benefits of managed, reliable, low cost and clean Smart Off-Grid power," said Miriam Tuerk, CEO and co-founder, Clear Blue. "We are seeing growth in both developed and emerging markets, particularly within the urban infrastructure and global telecommunications sector."

Revenue Distribution and Gross Margin in Q3 2018

The Company's revenue is distributed between North America and international markets. In the TFQ ended in September 30, 2018, 43.3% of revenue came from Canada and the U.S., and 47.5% from Africa. Regionally, the Company saw strong quarter over quarter revenue growth in the U.S. during the three months ended September 30, 2018, as municipalities realized the economic benefits of Smart Off-Grid infrastructure in favor of traditional grid electricity.

The lighting vertical posted a 610% revenue increase, and the telecommunications vertical posted a 247% revenue increase for three months ended September 30, 2018, compared year-over-year to Q3 2017. As Clear Blue's first deployment within the telecommunications vertical was in mid-2017, this vertical was still a small portion of its Q3 2018 revenues. The Company expects telecommunications growth will increase as a percentage of revenues going forward.

Clear Blue's gross margin increased by 37,493% in Q3 2018 compared to the same period in 2017. In Q3 2018, gross margin was \$346,984, compared to \$923 in Q3 2017. Gross margin also increased by 1,508% to \$899,414 in the TFQ ended September 30, 2018 to deliver a GM of 20% over the period.

The Company saw a 38% increase in Operating Expenses and Other Income in the TFQ ended September 30, 2018, compared to the TFQ ended September 30, 2017. This was the result primarily of three main factors:

- An increase in sales activity in the telecommunications vertical and expansion in geographic markets, most notably the Middle East and North Africa.
- An increase in numerous non-recurring charges related to the RTO transaction which was completed in Q3.
- Less capitalized development costs which will be amortized between 3 to 5 years.

"The Company's revenue and gross margin trajectory is demonstrating positive growth. Our strategy is to have new customers participate in our subscription-based model which will help increase consistency in revenues and margins going forward," said Lawrence Tjan, chief financial officer, Clear Blue.

Outlook

Management expects to demonstrate robust performance throughout the remainder of 2018. Short-term variability related to size and timing of new contracts is expected, with variability reduced through further diversification of customers. However, investors should expect continued variable quarterly revenue, due to differences in the size and timing of new contracts over the course of a year.

Conference Call

The Company will host a conference call to discuss its latest financial results at 3:00 PM Eastern Time (Canada/U.S.) on Thursday, November 29, 2018. Those interested can register at <https://bit.ly/2AI3BRC>.

Clear Blue Hires Investor Relations Consultant

Clear Blue has retained German Research GmbH ("German Research") as its investor relations consultant in Germany, further to the Company's listing on the Frankfurt Stock Exchange on November 13, 2018. Under the terms of the agreement, German Research will receive a cash payment of approximately \$4,000 per month. The agreement is effective as of November 16, 2018 for a period of 12 months and can be terminated by either party on 30 days' notice in writing. There are no performance factors

contained in the agreement. In addition to the cash compensation noted above, Clear Blue will issue German Research 100,000 options to purchase 100,000 common shares of Clear Blue at an exercise price of \$0.4904, vesting in accordance with the policies of the TSX Venture Exchange. German Research and Clear Blue are unrelated and unaffiliated entities, but German Research and/or its clients may have an interest, directly or indirectly, in the securities of Clear Blue.

Change of Auditor

The Company is pleased to announce the appointment of Crowe Soberman LLP ("Crowe Soberman") as its new auditor. Crowe Soberman will replace MNP LLP ("MNP") as the Company's auditor. The change in auditor has been approved by the Company's Audit Committee and Board of Directors. The Board and management of the Company would like to thank MNP for their services.

In accordance with National Instrument 51-102 – Continuous Disclosure Obligations ("NI 51-102"), the Company has filed a Notice of Change of Auditor. In the opinion of the Company, there are no reportable events (as defined in NI 51-102) during the period MNP was the auditor for the Company, other than an unresolved issue (as defined in NI 51-102) relating to the application of IFRS 15 Revenue from Contracts with Customers to orders of the Company's Illumient light pole systems, comprised of various component parts (the "Illumient Systems"). More specifically, these components are often shipped from multiple locations and at different times. Subsequent to the issuance of the December 31, 2016 and December 31, 2017 audited financial statements of the Company and the issuance of the March 31, 2018 unaudited financial statements of the Company (collectively the "Previous Financial Statements"), the Company indicated to MNP that it believed that revenue from the sale of the Illumient Systems should be recognized as each component is shipped or delivered (depending on shipping terms) and that such treatment was supported by IFRS 15, whereas in the Previous Financial Statements recognition of revenue and the related costs for orders of the Illumient Systems was deferred until all components of the system had been shipped or delivered.

At the time of termination of MNP as the Company's auditor, the Company and MNP had a difference of opinion respecting the application of IFRS 15 to the Illumient Systems, as MNP had advised the Company that it believed that revenue and costs in relation to the sale of the Illumient Systems should be deferred until all components of the system have been delivered, consistent with the approach taken in the Previous Financial Statements. Recognition of revenue from the sale of Illumient Systems on a component by component basis during the period covered by the Previous Financial Statements would have increased revenue by \$24,840, \$82,373 and \$nil, respectively, increased cost of sales by \$17,032, \$57,798 and \$nil, respectively, and decreased net loss of \$7,808, \$24,575, and \$nil, if applied to the Company's December 31, 2016, December 31, 2017 audited financial statements and March 31, 2018 unaudited financial statements, respectively. MNP has advised the Company that it believes that this unresolved issue could have a material impact on the Company's revenue and cost of sales in the Company's unaudited June 30, 2018 and September 30, 2018 financial statements its December 31, 2018 audited financial statements, to the extent that there are significant orders of Illumient Systems which are partially shipped as of the quarter or year-end. The Company's Board of Directors has discussed this unresolved issue with MNP, and the Company has authorized MNP to respond fully to inquiries by Crowe Soberman concerning this unresolved issue.

Forward-Looking Information and Statements

This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only the Resulting Issuer's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of Clear Blue's control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". The forward-looking information contained herein may include, but is not limited to, information concerning the prospective operating results and performance of the Company.

By identifying such information and statements in this manner, the Resulting Issuer is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Resulting Issuer to be materially different from those expressed or implied by such information and statements.

An investment in securities of Clear Blue is speculative and subject to several risks including, without limitation, the risks discussed under the heading "Risk Factors" in Clear Blue's listing application dated July 12, 2018. Although Clear Blue has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information and forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended.

In connection with the forward-looking information and forward-looking statements contained in this press release, Clear Blue has made certain assumptions. Although Clear Blue believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and Clear Blue does not undertake to update any forward-looking

information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws. All subsequent written and oral forward- looking information and statements attributable to Clear Blue or persons acting on its behalf is expressly qualified in its entirety by this notice.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

About Clear Blue Technologies International Inc.

Clear Blue Technologies International, the Smart Off-Grid™ company, was founded on a vision of delivering clean, managed, “wireless power” to meet the global need for reliable, low-cost, solar and hybrid power for lighting, telecom, security, Internet of Things devices, and other mission-critical systems. Today Clear Blue has thousands of systems under management across 35 countries, including the U.S. and Canada.

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