

**Clear Blue Technologies International Inc.
Interim Management's Discussion & Analysis
Quarterly Highlights
For the Third Quarter Ended September 30, 2018 and 2017**

Dated: November 27, 2018

**MANAGEMENT'S DISCUSSION & ANALYSIS
IN CONNECTION WITH THE FINANCIAL STATEMENTS OF
CLEAR BLUE TECHNOLOGIES INTERNATIONAL INC.
FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2018 AND 2017**

This management's discussion and analysis of the results of operations and financial condition (the "MD&A") of Clear Blue Technologies International Inc. ("Clear Blue" or "Company") should be read in conjunction with the interim condensed consolidated financial statements of Clear Blue and the related notes thereto for the interim period ended September 30, 2018. This MD&A is presented as of November 27, 2018 and is current to that date unless otherwise stated. The financial information presented in this MD&A is derived from Clear Blue's unaudited interim condensed consolidated financial statements for the interim period ended September 30, 2018, prepared in accordance with IFRS.

Caution Regarding Forward Looking Information

This management's discussion and analysis 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 Clear Blue'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". By identifying such information and statements in this manner, Clear Blue 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 Clear Blue 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 management's discussion and analysis, 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 management's discussion and analysis are made as of the date of this management's discussion and analysis, 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 are expressly qualified in their entirety by this notice.

Our Business

Clear Blue develops and sells "Smart Off-Grid" power solutions to power, control, monitor, manage, and proactively service solar and hybrid-powered systems such as street lights, security systems, telecommunications systems, emergency power, and Internet of Things ("IoT") devices. Under the Illumient brand, Clear Blue also sells solar and wind-powered outdoor lighting systems.

How We Analyze and Report Our Results

Because our sales involve discrete projects with a wide range of order sizes, we experience high variability of results on a quarter to quarter basis. A trailing four-quarter ("TFQ") analysis therefore provides more relevant perspective on the progress and the potential growth of the Company. The table below presents the Company's trailing four-quarter financial results for the periods ending September 30, 2018 and September 30, 2017, respectively. The TFQ analysis is provided in addition to traditional quarterly and year-to-date analyses.

Financial Highlights

Clear Blue achieved 283% TFQ revenue growth to September 30, 2018 year over year with an increase in gross margin from 5% to 20%. The Company continues to demonstrate that it is executing to plan and delivering on the promise of future growth.

	Trailing 4 Quarters Ended Sep 30, 2018	Trailing 4 Quarters Ended Sep 30, 2017	% Change
Revenue	\$ 4,461,291	\$ 1,165,445	283%
Cost of Sales	3,561,877	1,109,522	222%
Gross Margin	899,414	55,923	1,508%
Operating Expenses and Other Income (Expenses)	5,283,509	3,401,573	55%
Net Loss and Comprehensive Loss	\$ (4,384,095)	\$ (3,345,650)	33%

The 55% growth in expenses is a result of expanding sales activity into the new Telecom vertical and expansion to greater international markets, most notably Middle East and North Africa, less capitalized development costs which will be amortized between 3 to 5 years.

Results of operations for the three and nine months ended September 30, 2018 and 2017 are:

Results of Operations	Three Months Ended		%	Nine Months Ended		%
	Sep 30, 2018	Sep 30, 2017	Change	Sep 30, 2018	Sep 30, 2017	Change
Revenue	\$ 636,944	\$ 110,133	478%	\$ 2,659,456	\$ 519,937	411%
Cost of Sales	289,960	109,210	166%	1,940,151	457,544	324%
Gross Margin	346,984	923	37493%	719,305	62,393	524%
Gross Margin %	54%	1%		27%	12%	
Operating Expenses	1,787,755	730,721	145%	4,135,767	2,538,551	63%
Operating Loss	(1,440,771)	(729,798)	97%	(3,416,462)	(2,476,158)	38%
Other Income (Expenses)	48,988	(294)	NM%	(6,076)	(13,564)	(55)%
Net Loss and Comprehensive Loss	\$(1,391,783)	\$ (730,092)	91%	\$(3,422,538)	\$(2,489,722)	37%

Reverse Takeover Transaction Costs

Included in the Company's results for the nine-month period ending in September 30, 2018 are one-time costs related to the reverse takeover transaction of approximately \$460,000. These costs are not expected to re-occur to the same extent on a go forward basis.

Revenue

Clear Blue generates product revenue through the sale of its core smart off-grid controllers and systems including several optional accessories, electrical subsystems (including batteries, solar panels, wind turbines, cabling and lights) or full Illumient mechanical system solutions (including pole, lighting arms, solar panel arm, external battery/electronic cabinets). In addition, the Company generates recurring revenue through the provision of its ongoing remote (cloud-based) Illumience power management services. Revenue received at the time of sale related to these services is deferred and recognized ratably over the contract term.

Clear Blue's revenue by category, for the three and nine months ended September 30, 2018 and 2017, was:

Revenue by Category	Three Months Ended Sep 30		Nine Months Ended Sep 30	
	2018	2017	2018	2017
Product Revenue				
Smart off-grid controllers and systems	\$ 333,809	\$ 67,218	\$ 1,414,164	\$ 285,246
Illumient smart off-grid lighting	271,805	33,711	1,161,008	204,455
Recurring Revenue – Illumience	31,330	9,204	84,284	30,236
Total Revenue	\$ 636,944	\$ 110,133	\$ 2,659,456	\$ 519,937
Number of units under management	3,344	1,402	3,344	1,402
Average Contract Size	\$27,450	\$22,175	\$44,324	\$15,292

Clear Blue's revenue distribution by geography is:

Revenue by Geography	Three Months Ended Sep 30		Nine Months Ended Sep 30	
	2018	2017	2018	2017
Canada	\$ 228,954	\$ 71,212	\$ 892,262	\$ 201,374
USA	311,867	16,734	643,944	79,317
Africa	85,573	–	1,076,004	83,875
Other	10,550	22,187	47,246	155,371
Total Revenue	\$ 636,944	\$ 110,133	\$ 2,659,456	\$ 519,937

Clear Blue's revenue distribution by industry vertical is:

Revenue by Vertical	Three Months Ended Sep 30		Nine Months Ended Sep 30	
	2018	2017	2018	2017
Lighting	\$ 562,606	\$ 79,223	\$ 2,387,195	\$ 292,411
Telecommunications	61,142	17,615	223,591	87,247
Security/IoT/Other	13,196	13,295	48,670	140,279
Total Revenue	\$ 636,944	\$ 110,133	\$ 2,659,456	\$ 519,937

Revenue increased \$526,811, a percentage increase of 478% for the three months ended September 30, 2018 compared year-over-year to 2017 as the Company continues to expand its market and customer base. The lighting vertical posted a 610% revenue increase and the telecom vertical posted a 247% revenue increase for three months ended September 30 year over year, driven by key contracts that were won with strategic partners. For the nine months ended September 30, 2018, revenue increased \$2,139,519 or 411% relative to the comparative period in 2017.

Regionally, the U.S lead revenue growth in Q3 (whereas Canada led in Q2), as municipalities realize the economic benefits of off-grid infrastructure. Infill projects for smart city and lighting within our North American urban landscapes are proving ever costlier to install for traditional on-grid technologies, making our Smart Off-grid a viable alternative. The Company also continues to expand into developing regions where the advantages of Smart Off-grid systems are even more compelling due to the absence of established on-grid infrastructure. We are beginning to see the results of this diversification in the Q3.

Cost of Sales and Gross Margin

Gross margins increased \$346,061 or 37,493% for the three months ended September 30, 2018 compared to the same period in 2017. For the nine months ended September 30, 2018 gross margins increased \$656,912 or 524%. On a TFQ basis, gross margins increased by \$843,491 or 1,508%. Gross margins vary depending on the configuration of products sold, order size and location of sale. Product sales typically generate lower gross margins than recurring revenue. The cost of sales is greatly impacted by working capital, which increases the efficiency of supply chain management, procurement and inventory management. The Company has had limited working capital available, restricting its ability to manage input costs through supply chain management and higher volume purchasing.

Operating Expenses

Operating expenses increased \$1,068,196 or 148% for the three month period ending September 30, 2018 compared to the same period in 2017. For the nine month period ended September 30, 2018 operating expenses increased \$1,608,377 or 64%. On a TFQ basis, operating expenses increased by \$2,395,198 or 79%. These increases were in large part the result of cost related to the reverse takeover transaction in the amount of approximately \$460,000. Notwithstanding, revenue growth far exceeded the growth in operating expenses, highlighting the potential scalability of our business model.

Net Loss

On a TFQ basis ended September 30, 2018, net loss increased 13% from \$3,345,650 to \$3,789,477. For the three months ended September 30, 2018, the Company recorded a net loss of \$1,009,783, vs. \$730,092 for the three months ended September 30, 2017.

Disclosure of Outstanding Share Data

Clear Blue Technologies International Inc. common shares trade on the TSX Venture Exchange under the symbol "CBLU". The Company is authorized to issue an unlimited number of common shares without par value. On November 27, 2018 there were 35,063,306 common shares issued and outstanding, 2,701,120 stock options outstanding with a weighted average exercise price of \$0.4495 expiring between 2023 and 2027, 5,589,598 warrants outstanding with a weighted average exercise price of \$1.2217 expiring between 2018 and 2025.

Outlook

Clear Blue develops and sells "Smart Off-Grid" power solutions to power, control, monitor, manage, and proactively service solar and hybrid-powered systems such as street lights, security systems, telecommunications systems, emergency power, and Internet of Things ("IoT") devices. Under the Illumient brand, Clear Blue also sells solar and wind-powered outdoor lighting systems. We compete in a marketplace where most competitors focus on large, on-grid systems and where we hold a first mover advantage due to the early commercial deployment of our systems in more than 34 countries.

Management expects continued robust growth, as Clear Blue expands exclusive partnerships within the telecom vertical, and with current expansion into the new market of South America. Clear Blue also expanded its sales teams in Q3 in the U.S. and as a result, expects to see deeper expansion into smart cities across North American markets.

With Clear Blue now able to demonstrate proven performance, long system life and ease of installation and operation, the adoption of our Smart Off-Grid systems is accelerating. While Solar lighting has been around for many years, it is only now where the performance and cost ratios have made them viable on main streets (not just in parks) and in Northern climates (not just in Florida). Management expects this trend will continue to support revenue growth in Q4 and into 2019.

The Company expects to continue to see variable quarterly revenue due to the variance in size and timing of new contracts and market expansion rates. Management's longer-term goal and strategy is to mitigate revenue variability through continued diversification into a balanced blend of developed and emerging markets.