Clear Blue Technologies International Announces Q1 2019 Financial Results

60% TFQ revenue increase for Q1 2019

TORONTO, May 31, 2019 -- Clear Blue Technologies International Inc. (Clear Blue or “the Company”) (TSXV: CBLU) (FRANKFURT: 0YA), the Smart Off-Grid™ company, today reported its financial results for the first quarter of the year ended March 31, 2019. The Company’s annual financial statements, accompanying management's discussion and analysis and related CEO and CFO certifications for the financial year ended December 31, 2018 are delayed, but it is working diligently and expeditiously with its auditors to complete these Annual Filings.

Key Financial Results (all figures in Canadian dollars)

- Revenue for the three months (Q1) ended March 31, 2019 was $340,266, an increase of 5% over Q1 2018 revenue of $324,816.
- Gross margin for the three months ended March 31, 2019 was $106,267, or 31% of revenue, up from $91,428 or 28% in Q1 2018.
- TFQ revenue for the period ended March 31, 2019 was $3,771,965, a 60% increase over revenue of $2,354,647 in the TFQ period ended March 31, 2018.
- Gross margin for TFQ ended March 31, 2019 was $930,420, or 25% of revenue, up from $105,950 or 4% of revenue for the TFQ ended March 31, 2018.

Q1 2019 Revenue and Gross Margin

Revenue for the three months ended March 31, 2019 (Q1) was $340,266, an increase of 5% compared to revenue of $324,816 over the same period in 2018. TFQ revenue for the period ended March 31, 2019 was $3,771,965, a 60% increase year-over-year compared to revenue of $2,354,647 for the TFQ ended March 31, 2018.

Gross margin for the quarter was $106,267, or 31% of revenue, an increase of 3% compared to gross margin of $91,428 or 28% for the same period in 2018. Gross margin for the TFQ ended March 31, 2019 also rose to $930,420, an increase of 778% relative to $105,950 in the TFQ ended March 31, 2018.

Q1 2019 Operating Expenses and Net Loss

Operating expenses for the quarter were $1,518,242, an increase of 38% compared to operating expenses of $1,101,432 for the same period in 2018. Net loss and comprehensive loss for the quarter was $1,467,859 compared to a net loss of $1,058,440 for Q1 2018.

Added Tuerk: “While the first quarter of the year for us is typically quieter, it was a solid start to 2019, and we’re confident we’ll see continued revenue growth as many of our strategic initiatives, projects and partnerships reach fruition. At the same time, we remain focused on growing our margins and reducing the Company’s net loss.”

Outlook

Clear Blue has a first-mover advantage, patented technology, and proven performance of its smart off-grid products and services in 35 countries worldwide. In the near term, the Company is focused on attaining positive cash flows and profitability. The growing demand for solar off-grid street lighting and wirelessly powered Internet infrastructure creates an opportune market environment to drive its next stage of growth.

In line with this, Clear Blue expects to see continued robust revenue growth in 2019 as it expands exclusive partnerships in the telecommunications sector, and builds on its entry into South American markets. The Company also expanded its sales teams in Q3 2018, and expects to see greater sales in the lighting and IoT sectors as a result.

On a historical basis, in 2018, the Company’s Q3 and Q4 revenue accounted for 46% of total revenue for the TFQ ended December 31, 2018, due to very strong sales in the second quarter from a number of large orders. By comparison, the Company expects revenue distribution in 2019 to be more in line with 2017 and 2016, when the second-half of the year accounted for 86% and 83% of total revenue accordingly.

Quarterly revenue varies due to differences in the size and timing of new contracts and market expansion rates. The Company’s long-term strategy is to mitigate revenue variability through continued diversification of its revenue stream, including an increase in its recurring revenue from subscription services. Clear Blue has already undertaken a number of steps toward achieving this, including the launch of its Energy-as-a-Service product in Q2 2019.

Rescheduling of Conference Call

The Conference call to discuss Clear Blue’s latest financial results, which was due to take place at 11:00 AM Eastern Time (Canada/U.S.) on Friday, 31st May 2019, will be rescheduled. We will issue notification of the new conference call time when it’s determined.

About Clear Blue Technologies International

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. Clear Blue is **publicly traded** on the Toronto Venture Exchange under the symbol CBLU.

Legal Disclaimer

Forward-Looking Statement

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 the Resulting Issuer is speculative and subject to several risks including, without limitation, the risks discussed under the heading "Risk Factors" in the Resulting Issuer's listing application dated July 12, 2018. Although the Resulting Issuer 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, the Resulting Issuer has made certain assumptions. Although the Resulting Issuer 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 the Resulting Issuer 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 the Resulting Issuer or persons acting on its behalf is expressly qualified in its entirety by this notice.

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