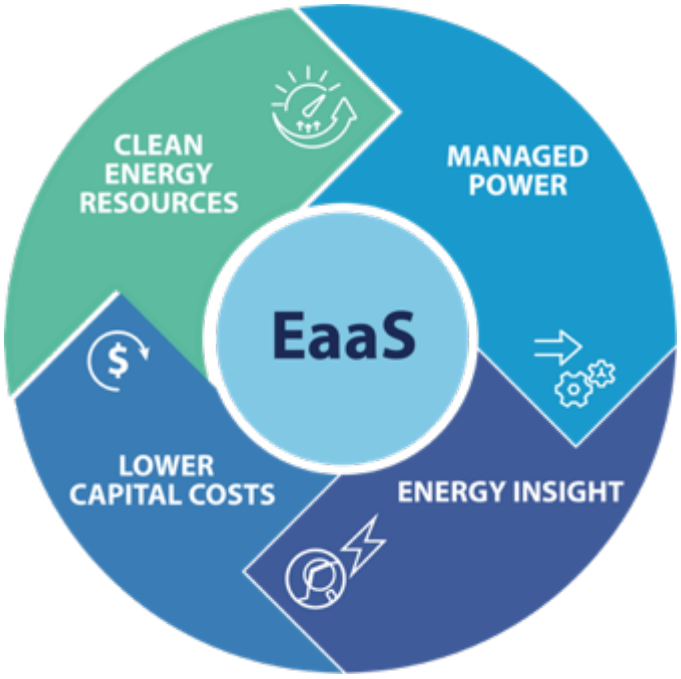
CLEARBLUE TECHNOLOGIES

The Smart Off-Grid Company™



Delivering Smart Power Solutions and Energy-as-a-Services

Clear Blue Technologies International Inc.
Management's Discussion & Analysis

For the Three and Nine Months Ended September 30, 2026, and 2025

Dated: November 18, 2026

MANAGEMENT'S DISCUSSION & ANALYSIS
IN CONNECTION WITH THE FINANCIAL STATEMENTS OF
CLEAR BLUE TECHNOLOGIES INTERNATIONAL INC.
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2026 AND 2025

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 "the Company") should be read in conjunction with the unaudited condensed interim consolidated financial statements of Clear Blue and the related notes thereto for the three and nine months ended September 30, 2026 and 2025, and the audited consolidated financial statements for the year ended December 31, 2025. This MD&A is presented as of November 18, 2026, and is current to that date unless otherwise stated.

The financial information presented in this MD&A is derived from Clear Blue's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2026. All information, except for Non-IFRS measures, has been prepared in accordance with IFRS and, unless otherwise stated, is in Canadian dollars. Additional information relating to the Company, including the annual and quarterly financial statements and MD&A, is available on SEDAR+ at www.sedarplus.ca and on Clear Blue's website at www.clearbluetechnologies.com.

This MD&A addresses matters considered essential for an understanding of the Company's business, financial condition, and results of operations as at and for the three and nine months ended September 30, 2026, along with any subsequent material information.

The MD&A is intended to enable readers to gain an understanding of the Company's current results and financial position. To do so, we provide information and analysis comparing the results of consolidated operations and financial position for the current period to those of the same period of the prior year and the comparable period, where applicable. We also provide analysis and commentary that we believe is required to assess the Company's future activities. Accordingly, certain sections of this report contain forward-looking statements based on current plans and expectations. These forward-looking statements are affected by the risks and uncertainties that are discussed in this document on future prospects. Readers are cautioned that actual results could vary.

Management's Responsibility

The Company's management is responsible for the preparation and presentation of the unaudited condensed interim consolidated financial statements and the MD&A. This MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

The information provided in this report, including the unaudited condensed interim consolidated financial statements, is the responsibility of management. In the preparation of these statements, estimates and judgements are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates and judgements have been based on careful assessments and have been properly reflected in the accompanying unaudited condensed

interim consolidated financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

Caution Regarding Forward-Looking Information

This MD&A 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 Company'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.

The forward-looking information contained herein may include, but is not limited to, information relating to:

- *the expansion of the Company's business to new geographic areas;*
- *the performance of the Company's business and operations;*
- *expectations with respect to the advancement of the Company's products and services;*
- *expectations relating to market adoption of the Company's technologies and solutions;*
- *expectations with respect to the advancement and adoption of new products, including the adoption of new products by the Company's existing customer base;*
- *the anticipated trends and challenges in the Company's business and the markets and jurisdictions in which the Company operates;*
- *the ability to obtain capital;*
- *sufficiency of capital;*
- *general economic, financial market, regulatory, and political conditions in which the Company operates;*
- *estimations and anticipated effects of pandemics, including supply chain and shipping logistics, the impact of recent military conflicts;*
- *impact of trade and other wars;*

- *the anticipated outcome of ongoing discussions with lenders regarding the Company's debt facilities, including timing and terms of any restructuring.*

By identifying such information and statements in this manner, the Company 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 Company to be materially different from those expressed or implied by such information and statements.

An investment in securities of the Company is speculative and subject to several risks including, without limitation, the risks discussed under the heading "Risks and Uncertainties" in this MD&A. Although the Company 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 MD&A, the Company has made certain assumptions, including, but not limited to:

- the Company's anticipated cash needs and its needs for additional financing;
- the Company will continue to be in compliance with regulatory requirements;
- the Company will have sufficient working capital and will, if necessary, be able to secure additional funding necessary for the continued operation and development of its business;
- key personnel will continue their employment with the Company, and the Company will be able to obtain and retain additional qualified personnel, as needed, in a timely and cost-efficient manner;
- the effects of global pandemics, wars, inflation and interest rate changes, as well as trade wars.

Although the Company 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 MD&A are made as of the date of this MD&A. All subsequent written and oral forward-looking information and statements attributable to the Company or persons acting on its behalf is expressly qualified in its entirety by this notice.

Clear Blue's Business

Clear Blue Technologies (TSXV: CBLU) was founded on the vision of delivering highly reliable Smart Off-Grid power to support mission-critical infrastructure. The Company focuses on four sectors: space and satellite; cellular telecom; smart city and lighting; and government and defence applications.

The Company's Smart Power is driven by data and predictive analytics. Having pursued this strategy from day one, Clear Blue today holds one of the world's largest repositories of

performance data for solar off-grid systems, with more than 15 million days of real-world operating data and over 1 trillion cloud transactions processed. This dataset, among the largest managed off-grid energy datasets in the world, is key to sustaining the Company's market leadership and creates opportunities for implementing Artificial Intelligence (AI).

Clear Blue creates and manages innovative power products and services to meet growing global demand for highly reliable, low-cost off-grid and hybrid energy. Its systems power lighting, satellite, telecom, and other internet-of-things devices representing digital infrastructure that is mission-critical. Clear Blue positions itself as "the off-grid utility company," delivering utility-grade power and lighting as a fully managed service, anywhere on Earth, with no grid connection or diesel required.

The Company's patented Smart Power technology operates and remotely manages solar, grid, generator, and wind-powered devices, connecting them to a cloud-based analytics and management platform, Illumience.

Business model

Clear Blue generates revenue in two ways:

- Firstly, through the sale of power and energy systems.
- Secondly, it generates recurring revenue through its Energy-as-a-Service ("EaaS") management and service offering, delivered via the Company's industry-leading cloud platform, Illumience.

Every system ships with three years of EaaS included, and the growth and renewal of these services, during and beyond the initial three-year term, is a key growth driver as Clear Blue builds a recurring-revenue and utility-style business model.

Focus sectors

Clear Blue concentrates its product development and go-to-market effort on four sectors:

- **Space and satellite:** Always-on power for satellite ground stations, gateway terminals, and VSAT sites supporting LEO/GEO constellations. This represents the Company's highest-growth area of focus. Customers include Eutelsat, Viasat, Avanti Communications, and YahClick (powered by Hughes), with 600+ satellite backhaul sites already powered.
- **Cellular telecom:** Solar and hybrid power that replaces diesel at remote cell towers, delivering carrier-grade 99.5% uptime while cutting generator use and site visits. Customers include Viasat, IHS Towers, Tanzania Telecom (TTCL), and ISAT.
- **Smart city and lighting:** Fully managed solar street, roadway, and area lighting along with IoT and sensor power. Systems are deployed in days without trenching or grid extension, at roughly 65% of the cost of grid-connected lighting. Trusted by 50+ municipalities including the City of Toronto and industrial applications like datacenters.
- **Government and defence:** Independent, hardened power and lighting for federal and military sites, forward operating bases, and critical infrastructure. These systems are engineered to perform in extreme and northern-latitude environments. Customers include the Nevada and North Dakota Departments of Transportation.

Global footprint

Clear Blue manages and operates every Smart Power system it sells. To date its systems have been deployed in more than 55 countries, across 5,000+ sites, which support a recurring revenue stream. In North America, Clear Blue serves customers across the U.S., Canada, and Mexico. Globally, its systems power and control lighting, security, telecom, and satellite applications, with significant deployments in Africa and Europe. The Company is headquartered in Toronto, with regional offices in Kenya, Nigeria, and Sweden.

Brand promise

Clear Blue's technology and service models focus on delivering on a brand promise of:

- Maximum uptime
- Longest life
- Ease of installation and maintenance

Key differentiators

Clear Blue's key differentiators are:

- Energy forecasting and management
- Troubleshooting and remediation

These differentiators are critically enabled by the Company's global data repository which now exceeds 13 million days of operating data, and 1 trillion cloud transactions accumulated from systems in the field. This data improves the Company's smart analytics and tools of its cloud-based management service.

Clear Blue's solutions are designed for 100% "lights-out" remote management and are focused on delivering power at the lowest cost for customers. Its energy systems use predictive analytics and data to manage generation and consumption intelligently, requiring fewer solar panels and batteries and yielding upfront cost savings of up to 40%.

Maximizing operational performance also drives superior reliability and longer replacement cycles. Furthermore, managed lighting systems carry a 10-year standard warranty and a 15 to 20-year life expectancy under EaaS. This makes Clear Blue's managed off-grid energy cost-competitive with the grid while winning on resilience and total cost of ownership. An independent study conducted by Meta and the Telecom Infra Project found a 40 to 70% reduction in size and costs while maintaining greater than 98% availability and improving system reliability while delivering an average managed uptime of 99.5%.

Financial & Operational Highlights

On the three-month period ended September 30, 2026 ("Q3 2026"):

- Revenue was $1,054,468, an 11% increase from $953,972 in Q3 2025, driven by the first deliveries of Pico Plus systems to Eutelsat.
- Gross Profit was $401,681 compared to $352,574 in Q3 2025, a 14% increase. Gross margin was 38% compared to 37% in the comparable period, reflecting the higher proportion of hardware deliveries in the quarter's revenue mix.
- Operating expenses were $656,695 compared to $861,615 in Q3 2025, a 24% decrease, driven by lower salaries, wages and benefits, professional fees, share-based compensation, and business development costs as the operating expense reductions identified under Clear Blue 2.0 began to take effect.
- Non-IFRS Adjusted EBITDA was $214,825 compared to $(331,032) in Q3 2025, the Company's first positive Adjusted EBITDA quarter, reflecting higher gross profit, a 24% reduction in operating expenses and a customer contract or approximately $350,000 booked as other income and recognized in the quarter (see Non-IFRS Measures).
- The Company recorded a net loss and comprehensive loss of $144,912 for the quarter, compared to a net loss of $789,438 in Q3 2025, an 82% improvement.

On the nine-month period ended September 30, 2026 ("YTD 2026"):

- Revenue was $3,061,599, a 2% decrease from $3,139,229 in YTD 2025.
- Gross Profit was $1,449,947 compared to $1,397,999 in YTD 2025, a 4% increase. Gross margin improved to 47% from 45%, reflecting a higher-margin revenue mix and efforts to improve profitability.
- Operating expenses decreased to $2,329,587 from $2,809,422 in YTD 2025, a 17% decrease.
- Non-IFRS Adjusted EBITDA was negative $59,981 compared to negative $942,927 in YTD 2025, a 94% improvement.
- Net loss and comprehensive loss was $540,768 compared to $1,174,336 in YTD 2025, a 54% improvement. The prior-year period included a one-time, non-cash gain on debt modification and settlement of $761,976 recognized in connection with the Company's 2025 financial restructuring, with no comparable item in the current period. Excluding that item, the underlying improvement year-over-year is consistent with the improvement in Non-IFRS Adjusted EBITDA.
- Cash was $209,154 at September 30, 2026, compared to $155,120 at December 31, 2025. Working capital was $381,043 at September 30, 2026, compared to $222,940 at December 31, 2025.

Management Commentary and Outlook

In fiscal 2025, the Company launched its "Clear Blue 2.0" business strategy. This strategy is centered around product, customer partnerships, scaling sales volumes, and generating positive

Adjusted EBITDA. In its Q2 2026 earnings release, the Company provided guidance of $5 million in revenue for 2026. The Company is pleased to re-affirm its revenue guidance for 2026, resulting in an expected quarterly revenue of approximately $2 million for Q4 2026.

Furthermore, Q3 2026 saw positive Adjusted EBITDA for the first time in several fiscal years, showcasing the Company's continued improvements to margins and cost reductions. Q4 2026 is expected to build on the improved Adjusted EBITDA from the higher expected revenue levels and gross margins in line with historical levels.

Going into fiscal 2027, management's goal is to continue this trajectory by delivering more consistent, positive Adjusted EBITDA in subsequent quarters. This mandate is supported by the Company's customer demand for its new Pico, Pico+, and Senti products, along with new product launches planned for early 2027.

The Company's commercial and strategic relationship with Eutelsat continued to advance. On September 28, 2026, the Company announced that it had received purchase orders from Eutelsat for 1,000 Pico-Plus Smart Off-Grid power systems to support Eutelsat's continued Konnect Wi-Fi rollout for several countries in Africa. The units are expected to be delivered in Q4 2026, and these orders bring the number of units ordered by Eutelsat in 2026 to approximately 1,500. The orders build on the Letter of Intent signed with Eutelsat on December 17, 2025, for a three-year supply agreement targeting approximately 15,000 Pico-Plus systems, contingent on commercial demand.

Eutelsat is an example of the Company's goal to build long-term commercial relationships that can leverage its standardize products and technologies to provide scale. Clear Blue believes that this will support the Company's long-term growth goals and is in the process of developing other similar initiatives, particularly with its Pico product lines.

As end the year, Clear Blue is focussed on closing the year by hitting its Q4 guidance, positioning itself to close on larger customer orders and converting its pipeline to ensure 2027 is another year of revenue growth.

Subsequent to quarter end, the Company was pleased to welcome Mr. Nick Blitterswyk to its Board of Directors as an independent director. Mr. Blitterswyk is the founder and former Chief Executive Officer of UGE International, a formerly TSX Venture Exchange-listed solar energy and battery storage company that was acquired by a US private equity firm in 2024. He has been a longtime advisor to the Company's management, and his public company, capital markets and operating experience will support the Company as it enters its next phase of growth.

Financial Results

From an IFRS perspective:

	Three months ended September 30, 2026	Three months ended September 30, 2025	Change	Nine months ended September 30, 2026	Nine months ended September 30, 2025	Change
Revenue	1,054,468	953,972	+11%	3,061,599	3,139,229	(2%)
Cost of sales	652,787	601,398	+9%	1,611,652	1,741,230	(7%)

	Three months ended September 30, 2026	Three months ended September 30, 2025	Change	Nine months ended September 30, 2026	Nine months ended September 30, 2025	Change
Gross profit	**401,681**	**352,574**	**+14%**	**1,449,947**	**1,397,999**	**+4%**
Gross margin %	38%	37%		47%	45%	
Operating expenses	656,695	861,615	(24%)	2,329,587	2,809,422	(17%)
Operating loss	(255,014)	(509,041)	+50%	(879,640)	(1,411,423)	+38%
Other items	110,102	(280,397)	n/m	338,872	237,087	+43%
Net loss and comprehensive loss	**(144,912)**	**(789,438)**	**+82%**	**(540,768)**	**(1,174,336)**	**+54%**

From a non-IFRS Adjusted EBITDA perspective:

	Three months ended September 30, 2026	Three months ended September 30, 2025	Change	Nine months ended September 30, 2026	Nine months ended September 30, 2025	Change
Revenue	1,054,468	953,972	+11%	3,061,599	3,139,229	(2%)
Cost of sales	652,787	601,398	+9%	1,611,652	1,741,230	(7%)
Gross profit	**401,681**	**352,574**	**+14%**	**1,449,947**	**1,397,999**	**+4%**
Gross margin %	38%	37%		47%	45%	
Non-IFRS Operating expenses	656,695	861,615	(24%)	2,329,587	2,809,422	(17%)
EBITDA	226,860	(447,253)	n/m	423,601	(303,116)	n/m
Non-IFRS Adjusted EBITDA	**214,825**	**(331,032)**	**n/m**	**(59,981)**	**(942,927)**	**+94%**

n/m – not meaningful.

For the three months ended September 30, 2026, the Company recorded a net loss and comprehensive loss of $144,912, compared to a net loss of $789,438 in Q3 2025. The improvement reflects higher revenue and gross profit, a 24% reduction in operating expenses, government grant income of $414,924 and other income of $504,738, partly offset by a $155,033 fair value loss and a $193,642 realized loss on the Company's public investment, a $59,614 foreign exchange loss and a $58,349 inventory write-down. For the nine months ended September 30, 2026, the Company recorded a net loss of $540,768, compared to a net loss of $1,174,336 in YTD 2025. The prior-year period benefited from a $761,976 one-time gain on debt modification.

Non-IFRS Adjusted EBITDA was positive for the quarter and improved 94% for the nine months ended September 30, 2026 compared to the prior-year period.

From a balance sheet perspective:

Balance Sheet	September 30, 2026	December 31, 2025	Change
Total current assets	4,410,325	4,557,374	(3%)
Total assets	5,780,202	4,783,487	+21%

Balance Sheet	September 30, 2026	December 31, 2025	Change
Current liabilities	4,029,282	4,334,434	(7%)
Total liabilities	13,045,768	12,206,638	+7%
Total shareholders' deficiency	(7,265,566)	(7,423,151)	+2%
Working capital (current assets exceed current liabilities)	**381,043**	**222,940**	**+71%**

Bookings

New bookings for the three months ended September 30, 2026, were $1,435,566, compared to $745,175 in the corresponding period of 2025, an increase of $690,391 or 93%. The increase was driven primarily by the Eutelsat Konnect WiFi orders for Pico Plus system and North American lighting orders. For the nine months ended September 30, 2026, new bookings were $3,342,228, compared to $3,161,307 in the corresponding period of 2025, an increase of 6%.

Clear Blue reports on bookings, which represent the current dollar value for future products and services that will be recognized as revenue in future periods. The Company defines bookings as:

- Future Illumience and EaaS deferred revenue that has been pre-purchased by customers;
- Projects where Clear Blue has begun production and has purchase orders and/or deposits.

Revenue

For the three months ended September 30, 2026, revenue was $1,054,468, an increase of 11% over the $953,972 reported in the corresponding period of 2025. For the nine months ended September 30, 2026, revenue was $3,061,599, a decrease of 2% over the $3,139,229 reported in the corresponding period of 2025. The increase in the quarter was driven by the commencement of Pico Plus deliveries to Eutelsat, which more than offset lower telecommunications deliveries in the Middle East and Africa and lower lighting deliveries in North America. For the nine months, lighting revenue declined 30% from the prior-year period, which included several large North American utility and transportation projects, while telecommunications and satellite revenue increased 18% as Pico Plus deliveries offset lower telecommunications deliveries in the Middle East and Africa.

Revenue by Vertical

Revenue by vertical for the three and nine months ended September 30, 2026, was as follows:

	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Lighting	104,652	735,820	1,044,151	1,501,147
Telecommunications and satellite	949,542	217,091	1,917,419	1,621,064
IoT / Other	274	1,061	100,029	17,017

	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Total	**1,054,468**	**953,972**	**3,061,599**	**3,139,229**

Revenue by Geography

The Company operates in three principal geographical areas: Canada, the United States of America ("USA") and the Middle East and Africa ("MEA"). Revenue from external customers by location of operations for the three and nine months ended September 30, 2026, was as follows. Pico Plus deliveries to Eutelsat for deployment in Sub-Saharan Africa are presented within MEA; the $59,618 of such revenue presented within "Other" in the Q2 2026 MD&A has been re-presented within MEA in the nine-month figures.

	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Canada	44,915	125,896	328,158	447,363
USA	59,992	654,056	768,257	1,108,632
MEA	946,633	162,494	1,962,256	1,372,296
Other	2,928	11,526	2,928	210,938
Total	**1,054,468**	**953,972**	**3,061,599**	**3,139,229**

Recurring Revenue

Clear Blue's recurring revenues are a key differentiator, enabling the Company to deliver significant value to its customers in relationships that should last over ten years. This results in the significant long-term value of each customer contract the Company signs. Recurring revenue is the total follow-on revenue, including both monthly fees and site upgrades, from the existing install base.

Clear Blue Service Adoption & Recurring Revenue

Clear Blue provides an ongoing management service for all the systems it sells. While other vendors sell power equipment, Clear Blue's focus is on energy performance. Energy performance, through Clear Blue's Energy-as-a-Service offering, is the key value proposition and differentiator of Clear Blue. This service model enables the Company to deliver on its brand promise in a way that no other Company in the world can do today. To monitor its progress in this area, Clear Blue tracks the amount of Committed Ongoing Service Revenue (deferred revenue and deferred government grant balances):

	Nine months ended September 30, 2026	Nine months ended September 30, 2025	Change
Deferred Revenue – Opening	1,044,155	685,748	+52%

	Nine months ended September 30, 2026	Nine months ended September 30, 2025	Change
New Deferred Revenue bookings	233,779	782,945	(70%)
Recurring Revenue delivered	(519,458)	(508,399)	+2%
Deferred Revenue – Closing	**758,476**	**960,294**	**(21%)**

Every unit sold by Clear Blue comes with an initial EaaS/Illumience service contract, typically for three years. At the end of the initial term, customers renew the service contract. As a result, Clear Blue carries a balance sheet item showing the amount of sold and paid service revenue that it will recognize over time. Tracking the growth of this item is a crucial metric for the Company's progress.

Cost of Sales and Gross Margin

Gross margin for the three months ended September 30, 2026, was 38%, compared to 37% in the prior-year period. For the nine months ended September 30, 2026, gross margin was 47%, compared to 45% in the prior-year period. The nine-month improvement was driven by a higher proportion of Clear Blue's Smart Power software and management services, which add significant value to its lower-margin hardware sales; the third-quarter margin reflects the higher proportion of hardware deliveries in the quarter.

Operating Expenses

Operating expenses under IFRS consisted of salaries, wages and benefits, research and development, general and administrative, share-based compensation, travel, business development and marketing, rent, professional fees, and depreciation of property and equipment, and include any offsets such as subsidies that the Company may have received.

	Three months ended September 30, 2026	Three months ended September 30, 2025	Change	Nine months ended September 30, 2026	Nine months ended September 30, 2025	Change
Salaries, wages and benefits	212,233	332,490	(36%)	985,005	1,087,062	(9%)
Research and development	—	(84,817)	n/m	36,425	—	n/m
General and administrative	205,849	231,523	(11%)	654,091	768,343	(15%)
Share-based compensation	35,922	114,989	(69%)	126,236	120,933	+4%
Travel	54,722	35,934	+52%	68,153	81,348	(16%)
Business development and marketing	35,923	62,975	(43%)	62,950	256,562	(75%)
Rent	44,773	38,145	+17%	104,046	105,177	(1%)
Professional fees	38,423	105,580	(64%)	201,603	312,219	(35%)
Depreciation of property and equipment	28,850	24,796	+16%	91,078	77,778	+17%
Total operating expenses	**656,695**	**861,615**	**(24%)**	**2,329,587**	**2,809,422**	**(17%)**

Operating expenses decreased 24% for the quarter and 17% for the nine-month period:

- Salaries, wages and benefits decreased 36% in the quarter ($212,233 vs. $332,490) and 9% for the nine months ($985,005 vs. $1,087,062), reflecting the Company's salary reduction program and the headcount reductions completed under Clear Blue 2.0, together with the capitalization of development salaries to intangible assets. A portion of management compensation continues to be deferred rather than paid in cash (deferred compensation payable to related parties was $564,453 at September 30, 2026).
- Professional fees decreased 64% in the quarter ($38,423 vs. $105,580) and 35% for the nine months ($201,603 vs. $312,219), reflecting lower legal and advisory costs following the completion of the Company's financial restructuring.
- General and administrative expenses decreased 11% in the quarter and 15% for the nine months, reflecting cost discipline. The $40,057 gain on the partial disposal of the Company's public investment, which was presented within this line in the Q2 2026 MD&A, is now presented as a separate line below operating expenses together with the realized loss on the disposal of the remaining shares in the third quarter.
- Share-based compensation decreased 69% in the quarter and increased 4% for the nine months. The quarter's charge of $35,922 reflects the graded vesting of the stock options granted in July 2025, including a cumulative catch-up adjustment, net of forfeitures on the departure of employees. This is a non-cash expense.
- Business development and marketing decreased 43% in the quarter and 75% for the nine months, reflecting the Company's cost-discipline initiatives under Clear Blue 2.0.
- Travel increased in the quarter as the Company supported customer deployments.
- Depreciation increased with the right-of-use asset recognized on the new Lesmill Road lease in January 2026.

Net Income (Loss)

For the three months ended September 30, 2026, the Company reported a net loss and comprehensive loss of $144,912, compared to a net loss of $789,438 in the corresponding period of 2025, an 82% improvement. The current period reflects higher gross profit and lower operating expenses, government grant income of $414,924 arising from refundable SR&ED and Ontario Innovation Tax Credits received in excess of the amounts accrued at December 31, 2025, and other income of $504,738 (including the $375,513 non-cash gain on the settlement of a customer contract and the $57,844 write-back of time-barred liabilities), offset by a $155,033 non-cash fair value loss and a $193,642 realized loss on the Company's public investment, a $59,614 foreign exchange loss and a $58,349 inventory write-down.

For the nine months ended September 30, 2026, the Company reported a net loss of $540,768, compared to a net loss of $1,174,336 in the corresponding period of 2025, a 54% improvement. The prior-year period benefited from a one-time, non-cash gain on modification of debt of $761,976 recognized in connection with the Company's 2025 financial restructuring; no comparable gain was recognized in the current period. Excluding that one-time item from the prior-year period, the Company's underlying results improved year-over-year, consistent with the improvement in Adjusted EBITDA discussed above.

Inventory

As at September 30, 2026, inventory was $2,885,759, up from $2,544,972 at December 31, 2025, a 13% increase. Raw materials increased by $464,170 to $1,599,324 as the Company procured components for the Pico Plus units ordered by Eutelsat. In addition, a customer contract from a prior year was renegotiated during the quarter and equipment previously sold under it was returned to the Company and recorded in inventory at its estimated value of $375,513, a one-time increase (see Note 23 to the financial statements). These increases were partly offset by inventory consumed in deliveries, a $58,349 write-down of obsolete and slow-moving items, and $38,683 reclassified to deferred costs. Management is working with its suppliers to deliver just-in-time inventory for sales orders; however, the industry continues to tackle long lead-time supply-chain issues.

Inventory	September 30, 2026	December 31, 2025	Change
Raw materials	1,599,324	1,135,154	+41%
Finished goods	1,286,435	1,409,818	(9%)
Total	**2,885,759**	**2,544,972**	**+13%**

Non-IFRS Measures

In addition to the financial information presented in accordance with IFRS, Clear Blue uses certain non-IFRS financial measures to clarify and enhance the understanding of past performance and prospects. Generally, a non-IFRS financial measure is a numerical measure of a Company's operating performance, financial position or cash flow that includes or excludes amounts that are included or excluded from the most directly comparable measure calculated and presented in accordance with IFRS. The Company monitors the non-IFRS financial measures described below and believes they are helpful to investors.

The Company's non-IFRS financial measures may not provide information that is directly comparable to that offered by other companies because they may calculate non-IFRS financial results differently.

Also, there are limitations in using non-IFRS financial measures because they are not prepared under IFRS and exclude expenses that may have a material impact on reported financial results. The presentation of non-IFRS financial information should not be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with IFRS. Reconciliations of the Company's non-IFRS financial measures to the equivalent IFRS financial measures are included within this MD&A, and management urges the reader not to rely on any single financial measure to evaluate Clear Blue's business.

Clear Blue's Adjusted EBITDA is calculated on the basis of Earnings before Interest, Taxes, Depreciation, Amortization expenses, and various non-cash and non-operating items (including inventory write-off, foreign currency translation, share-based compensation, and significant one-time gains or losses such as gains on debt modification or on the fair value of investments) and, from time to time, certain other one-time costs considered appropriate by management. The realized loss of $193,642 on the disposal of the remaining shares of the Company's public investment in Q3 2026 is excluded as a significant one-time, non-operating item, consistent with the treatment of the change in fair value of that investment. The nine-month adjustment of $153,585 is net of the $40,057 realized gain recognized in Q2 2026, which was not adjusted in the

six months ended June 30, 2026 as it was not significant; Adjusted EBITDA for that period is presented as previously published at $(274,806).

Adjusted EBITDA and Adjusted EBITDA Reconciliation

	Three months ended September 30, 2026	Three months ended September 30, 2025	Change	Nine months ended September 30, 2026	Nine months ended September 30, 2025	Change
Net loss and comprehensive loss	(144,912)	(789,438)	+82%	(540,768)	(1,174,336)	+54%
Interest, taxes and depreciation	371,772	342,185	+9%	964,369	871,220	+11%
EBITDA	**226,860**	**(447,253)**	**n/m**	**423,601**	**(303,116)**	**n/m**
Stock based compensation	35,922	114,989	(69%)	126,236	120,933	+4%
Government funding	(414,924)	0	n/m	(489,924)	0	n/m
Bad debt allowance	0	0	—	0	0	—
Inventory write-off	58,349	1,232	n/m	58,349	1,232	n/m
Gain on modification of debt	0	0	—	0	(761,976)	(100%)
Impairment of intangible assets	0	0	—	0	0	—
Change in fair value of investments	155,033	0	n/m	(331,828)	0	n/m
Realized (gain) loss on sale of investments	153,585	0	n/m	153,585	0	n/m
Non-IFRS Adjusted EBITDA	**214,825**	**(331,032)**	**n/m**	**(59,981)**	**(942,927)**	**+94%**

For the three months ended September 30, 2026, Adjusted EBITDA was $214,825 compared to negative $331,032 in the comparative period, reflecting higher gross profit, lower operating expenses and other income. Other income of $504,738 recognized in the quarter, including the gain on the settlement of a customer contract and the write-back of time-barred liabilities described in Note 23 to the financial statements, is not adjusted in arriving at Adjusted EBITDA, consistent with the Company's historical treatment of other income. For the nine months ended September 30, 2026, Adjusted EBITDA improved 94% to negative $59,981 from negative $942,927 in the comparative period.

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters. Figures are as reported in the Company's interim and annual financial statements for each period.

	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
Total Revenue	1,054,468	1,000,477	1,006,654	108,495	953,972	1,133,996	1,051,261	565,755
Recurring revenue	139,005	200,395	180,058	185,661	164,032	179,848	164,519	186,683
Gross margin	38%	53%	52%	178%	37%	44%	52%	46%
EBITDA	226,860	393,299	(196,558)	(2,688,524)	(447,253)	(98,513)	242,650	(6,301,553)

	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
Adjusted EBITDA	214,825	(48,405)	(226,401)	(1,523,472)	(331,032)	(225,434)	(386,461)	(1,052,312)
Debt	6,767,038	6,568,871	6,252,780	7,741,631	6,687,209	6,224,820	5,833,545	6,625,497
Cash	209,154	188,749	144,864	155,120	125,535	526,823	128,971	339,905
Total assets	5,780,202	5,209,688	4,736,721	4,783,487	5,950,431	5,229,849	5,703,737	5,818,210
Working Capital	381,043	1,404,122	854,473	222,940	1,050,998	1,423,357	1,684,904	928,283
Common shares outstanding	100,898,881	100,635,919	100,635,919	89,041,919	78,601,919	78,601,919	77,213,075	77,213,075

Disclosure of Outstanding Share Data

Clear Blue Technologies International Inc. common shares trade on the TSX Venture Exchange under the symbol “CBLU” and on the Frankfurt Stock Exchange under the symbol “0YA0”. The Company is authorized to issue an unlimited number of common shares without par value.

As at September 30, 2026, there were:

- 100,898,881 common shares outstanding (101,466,537 common shares issued, of which 567,656 are held by the Company as treasury shares);
- 5,052,873 stock options outstanding with a weighted average exercise price of $0.1359, expiring between 2026 and 2032;
- 84,100,754 warrants outstanding with a weighted average exercise price of $0.27, expiring between 2026 and 2029, of which 53,587,118 warrants exercisable at $0.30 expire on December 31, 2026.

On August 1, 2026, the Company issued 830,618 common shares on the settlement of restricted share units that vested on June 30, 2026, of which 207,656 shares were withheld by the Company in respect of withholding taxes and are held as treasury shares. During the quarter, 36,345 stock options exercisable at $2.04 expired and 75,000 unvested options were forfeited. There were no other share issuances during the three months ended September 30, 2026.

Fundraising & Other Share Activities

Transactions during the nine months ended September 30, 2026, are as follows:

- On January 30, 2026, the Company closed the final tranche of its previously announced non-brokered private placement (the “Offering”) of up to 24,000,000 units, issuing 11,594,000 units at $0.05 per unit for gross proceeds of $579,716, of which $529,671 was received in cash and $50,045 was settled through the issuance of units in satisfaction of amounts owing to a supplier. Each unit is comprised of one common share and one common share purchase warrant, with each whole warrant exercisable for one common share at $0.06 per share for a period of 36 months from the date of issuance. Together with the 10,440,000 units issued during the first tranche in November and December 2025, the aggregate Offering comprised 22,034,000 units for aggregate gross proceeds of $1,101,716.

The following share transactions occurred prior to the nine months ended September 30, 2026, and continue to inform the Company's outstanding capital structure:

- Effective April 11, 2025, the number of outstanding common shares was reduced from 463,278,448 to 77,213,030 on the basis of one (1) post-consolidation common share for every six (6) pre-consolidation common shares (the "Consolidation"). No fractional common shares were issued in connection with the Consolidation. The exercise or conversion price and the number of common shares issuable under any of the Company's outstanding convertible securities were proportionately adjusted as a result of the Consolidation.
- On March 31, 2025, the Company's revolving credit facility of $750,000 was replaced by a series of agreements with RE Royalties Ltd., comprising a debt-to-equity conversion of $250,000 into 1,388,889 post-consolidation equity units (each consisting of one common share issued at $0.18 and one warrant exercisable at $0.30, expiring 24 months from issuance), a 15-year royalty obligation of 0.75% on consolidated gross revenues (capped at $750,000), and a $375,000 secured term loan bearing interest at 12% per annum.

All common share and per-share amounts above have been retroactively adjusted to reflect the Consolidation, except where otherwise noted.

Liquidity and Capital Resources

The Company's cash balance increased from $155,120 at December 31, 2025, to $209,154 at September 30, 2026. At September 30, 2026, the Company had a working capital surplus of $381,043, compared to $222,940 at December 31, 2025. Although the Company has positive working capital, its cash on hand is limited, and its existing cash resources, along with cash expected to be generated from operations, may be insufficient to fund operations and meet its financial obligations as they fall due over the next twelve months without additional financing. At September 30, 2026, the Company was in compliance with the financial covenants under its BDC facility at that date (Working Capital Ratio of 1.34:1.0 and Quick Ratio of 1.29:1.0, calculated in accordance with the definitions in the loan agreement), and remains in active communication with BDC regarding its repayment schedule.

During the nine months ended September 30, 2026, the Company collected the final $500,000 tranche of its previously approved $5,000,000 government grant from the National Research Council of Canada (NRC IRAP Green Fund, formerly Sustainable Development Technology Canada), completing that program, received $75,000 from CanExport for marketing and other sales expenses, and, in the third quarter, received refundable Scientific Research and Experimental Development and Ontario Innovation Tax Credits of $721,393 in respect of its 2024 and 2025 claims, of which $414,924 exceeded the amounts accrued and was recognized as government grant income. The Company also received advances from a shareholder of $611,000 during the nine months ended September 30, 2026 (nine months ended September 30, 2025 – $678,301), which management has used to support working capital, and sold the remaining common shares of its public investment for net proceeds of $236,348 in the quarter ($315,155 for the nine months).

Historically, the Company has been able to raise sufficient funds to finance its operations through private placements, government grants, and tax refunds. The Company relies on these sources of

funding, together with the ongoing support of its shareholders and key management, as part of its planning and cash-flow management.

The Company's objectives when managing capital are:

- to allow the Company to respond to changes in economic and/or marketplace conditions by maintaining the Company's ability to purchase inventory for orders;
- to provide sustained growth and value by increasing equity; and
- to maintain a flexible capital structure that optimizes the cost of capital at acceptable levels of risk.

Should it be needed, the ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions, the resolution of the debt matters described above, and the success of Clear Blue's Smart Power product offerings. Any quoted market for the Company's shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating new revenues, cash flows or earnings.

Related Party Transactions

The Company transacts with key individuals from management who have authority and responsibility to plan, direct, and control the activities of the Company. Key management personnel are defined as the executive officers of the Company and certain other key employees, including the Chief Executive Officer, Chief Power Officer, Chief Technology Officer, Chief Financial Officer, SVP Sales and SVP Operations.

Remuneration to key management was as follows:

	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Salaries and benefits	205,250	206,938	615,750	620,813
Share-based compensation	30,053	14,520	106,505	14,975
Total	**235,303**	**221,458**	**722,255**	**635,788**

Management has undertaken numerous measures to assist the Company in managing its cash position, including cancelling bonus compensation, deferring part of its salaries, accepting shares for debt, delaying expense reimbursements, and participating in both equity and debt financings.

During the three and nine months ended September 30, 2026, the Company incurred interest of $74,839 and $97,339, respectively (three and nine months ended September 30, 2025 – $nil), on advances from a shareholder, which bear interest at 10% per annum.

As at September 30, 2026, loans payable to related parties totalled $1,841,882 ($1,831,304 non-current and $10,578 current), compared to $1,133,229 at December 31, 2025 ($1,122,591 non-current and $10,638 current). Deferred compensation payable to related parties totalled $564,453 (non-current) at September 30, 2026, comprising key management salaries accrued and unpaid for 2025 and 2026 that key management has agreed not to demand within twelve months. At December 31, 2025, the accrued 2025 salaries were included in accounts payable and accrued liabilities, consistent with the audited consolidated financial statements.

Governance

Clear Blue understands that good governance is critical for the Company's success. In recent years the Company has dedicated essential resources to proper Corporate Governance and established codes of Business Conduct. With the Company's expansion towards a global market, Clear Blue dedicates resources to developing strategies to identify and manage risks associated with international expansion, including risks associated with operations in countries with weak anti-corruption laws and exposure to reputational and legal risks.

Clear Blue is reviewing its Risk Identification and Crisis Management procedures, including for Cyber-Risk, including the independence of risk management from business lines as well as the identification of long-term risks, their potential impact, and the Company's mitigation efforts.

Environment

Clear Blue Technologies, the Smart Power Company, was founded on a vision of delivering clean, managed, "wireless power" to meet the global need for reliable, low-cost, off-grid power for lighting, telecom, security, Internet of Things devices, and other critical systems.

Clear Blue's Smart Power system includes a solar or solar-hybrid controller, a built-in communications network, and Illumience, Clear Blue's Smart Power cloud application and management service, delivering remote control, management, and proactive servicing of off-grid systems. It ensures unmatched reliability and long-lasting system performance while reducing installation and ongoing maintenance costs by up to 80%. Clear Blue's products assist in reducing the environmental footprint of hardware infrastructure, moving grid-connected hardware to renewable energy through Smart Power technology.

Social

Like many Canadian companies, Clear Blue is committed to the Government of Canada's 50 – 30 Challenge. This initiative is geared towards increasing representation and inclusion of diverse groups within their workplace while highlighting the benefits of giving all Canadians a seat at the table.

The 50 – 30 Challenge asks that organizations aspire to two goals: (1) Gender parity ("50%") on Canadian board(s) and senior management; and (2) Significant representation ("30%") on Canadian board(s) and senior management of other under-represented groups, including racialized persons, people living with disabilities (including invisible and episodic disabilities) and members of the 2SLGBTQ+ community.

Clear Blue is proud to have a female Chief Executive Officer (CEO), a 40% female representation on its Board and 37% female representation across the Company. Clear Blue has a 60% diverse board and a 70% diverse Company, with representations from females, visible minorities and the 2SLGBTQ+ community.

Community Engagement

Clear Blue has four offices in Canada, the United States of America, Kenya and Nigeria. Clear Blue systems are operational in 45 countries, 27 U.S. states, and 9 Canadian provinces. The Company works with local vendors and is committed to recruiting and managing a global, diverse and skilled workforce.

Health and Safety Measures/Protocols

Clear Blue Technologies is committed to protecting and promoting the health and safety of its employees, customers, partners, visitors, and communities where it operates. The Company's objective is to eliminate or reduce workplace-related injury and illness by anticipating, recognizing and controlling hazards. As a result, Clear Blue hasn't had any Lost Time accidents over the past three years, with no lost time due to injury and a Lost Time Injury Frequency of zero.

Financial Instruments

Financial assets are classified at initial recognition and subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition that are debt instruments depends on the financial assets' contractual cash flow characteristics and the Company's business model for managing them. Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value plus transaction costs, other than accounts receivable measured at the transaction price under IFRS 15 where applicable.

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, other financial liabilities, or payables, as appropriate. The Company's financial liabilities include accounts payable and accrued liabilities, loans and deferred compensation payable to related parties, short-term loans, long-term debt, and royalty funding, and are subsequently measured at amortized cost using the effective interest method, other than the Company's public investment, which is measured at FVTPL.

At each reporting date, the Company assesses whether a financial asset or group of financial assets is impaired using a forward-looking expected credit loss ("ECL") model, applying the simplified approach using lifetime ECLs for all of its financial assets.

Subsequent Events

The Company has evaluated subsequent events through the date of this MD&A and identified the following:

- In October 2026, the Company repaid $25,000 of principal under the RE Royalties secured term loan, which matured in May 2026. Discussions with RE Royalties regarding the repayment or restructuring of the remaining balance of $230,351 are ongoing.
- On October 20, 2026, the Company announced the appointment of Mr. Nick Blitterswyk to its Board of Directors as an independent director. Mr. Blitterswyk is the founder and former Chief Executive Officer of UGE International, a developer, owner and operator of solar energy and battery storage projects previously listed on the TSX Venture Exchange.
- Subsequent to September 30, 2026, 1,750 stock options exercisable at $1.68 expire on November 17, 2026, and 53,587,118 share purchase warrants exercisable at $0.30 expire on December 31, 2026.

Risks and Uncertainties

Our results of operations could be adversely affected by economic and political conditions globally and the effects of these conditions on our customers' businesses and levels of business activity.

Economic and political events in recent periods have altered the landscape in which companies operate in a variety of ways. Although interest rates have started to decrease, the historically higher interest rates have resulted in an increase in the cost of borrowing for the Company, its customers, its suppliers, and other companies relying on debt financing, and it will take time for the decrease in interest rates to take effect.

World events, including ongoing military conflicts and related economic sanctions, have impacted the global economy, including by exacerbating inflationary and other pressures, with potentially far-reaching impacts on energy and food markets and global trade. At this time, the extent and duration of these economic and political events and their effects on the economy and the Company are impossible to predict, but the impact on the Company's business could be material.

Liquidity risk

As at September 30, 2026, the Company had a working capital surplus of $381,043; however, its cash on hand is limited. The Company was in arrears on scheduled payments under its BDC, SOFII and FedDev debt facilities as at September 30, 2026, the RE Royalties term loan matured in May 2026 and is being repaid under discussion with the lender. The Company was in compliance with the financial covenants under its BDC facility at September 30, 2026. The Company has paid accrued interest to BDC and is in active discussions with BDC regarding the repayment schedule of the facility. BDC has not sought any remedies under the loan agreement in respect of the arrears, and management has assessed that no event of default has been declared or is being pursued.

The Company plans to convert its inventory into cash receivables, realize its assets, increase revenues and gross profit margins, and draw down on government grant advances. The Company also intends to raise further capital as necessary to maintain sufficient liquidity. If the Company is unable to achieve some or all of these plans within a reasonable timeframe, or is unable to reach satisfactory arrangements with its lenders, the Company may not be able to continue as a going concern.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and receivables. Cash is held at reputable financial institutions, from which management believes the risk of loss to be remote.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices.

- Interest rate risk — the majority of the Company's debt has fixed interest rates, so it is not significantly exposed to fluctuating interest rates.

- Foreign currency risk — a significant portion of the Company's revenues and a portion of its purchases are denominated in United States dollars, Swedish Krona, Kenyan Shillings, and Nigerian Naira. To the extent possible, the Company uses cash received from sales to finance its purchases in the respective currency to limit its exposure.
- Macro-economic trends — the Company's customers purchase systems from Clear Blue as part of their infrastructure capital spending and growth plans; global macro-economic trends can cause delays and/or slowdowns in those plans, impacting the Company's revenue.

Going concern risk

The condensed interim consolidated financial statements have been prepared assuming the Company will continue as a going concern. During the nine months ended September 30, 2026, the Company incurred a net loss of $540,768 (nine months ended September 30, 2025 – $1,174,336) and used cash of $629,307 in operating activities (nine months ended September 30, 2025 – $1,542,710). At September 30, 2026, the Company had working capital of $381,043 (December 31, 2025 – $222,940), including cash of $209,154 (December 31, 2025 – $155,120). Although the Company has positive working capital, its cash on hand is limited and its existing cash resources, together with cash expected to be generated from operations, may be insufficient to fund operations and to meet its financial obligations as they fall due over the next twelve months without additional financing.

These conditions, together with the Company's recurring losses from operations, and accumulated deficit, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to achieve and maintain profitable operations, and the continued availability of financing through equity, debt, research and development grants, and the realization of its sales pipeline. The outcome of these matters cannot be predicted at this time.

Sales risk

Clear Blue's sales efforts target medium and large organizations, and the Company spends significant time and resources educating prospective customers about the features and benefits of its solutions. The Company balances this risk by continuously assessing the condition of its backlog and pipeline and making appropriate adjustments as far in advance as possible.

Ability to Hire and Retain Key Personnel and Dependence on Management

The Company's success depends in large part on key personnel, and the loss of such key personnel may have a material adverse effect on the Company's operations. Identifying, recruiting, and training qualified personnel requires significant time, expense and attention.

Additional Financing

To date, the Company has funded losses by issuing additional equity and loans and through government R&D grants. To the extent that the Company does not achieve or maintain positive cash flows from operations in the future, or financing is not available or not available on reasonable terms, reductions in expenditures will be required or the Company may not be able to continue as a going concern. If additional financing is raised by the issuance of shares or other forms of

convertible securities from treasury, control of the Company may change, and shareholders may suffer additional dilution.

Negative Cash Flows and Profitability

During the nine months ended September 30, 2026, the Company had negative cash flow from operating activities. The Company has not been profitable since its inception, and there is no assurance that the Company will earn profits in the future or that profitability will be sustained.

Significant Competition

There are companies in competition with the Company in each of the markets in which it or its subsidiaries operate. The renewable energy industry is competitive and continually evolving, and the Company's competitors can be expected to continue to develop competitive advantages.

Third-Party Suppliers

The Company relies on subcontractors and maEy encounter funding, supply chain, technical, and/or other difficulties, which could cause delays in the delivery of the Company's projects. Trade barriers such as tariffs could also disrupt the Company's supply chain and impose additional costs.

Continued uncertainty regarding U.S. tariffs is a risk to the Company. The U.S. Section 338 tariffs that came into effect on August 22, 2026 impact the Company's products and sales to the United States. If these tariffs remain in place over the long term, logistics and product packaging methods may reduce their impact such that the Company can maintain its U.S. sales. The Company's ongoing services and Smart Cloud services are not impacted by the tariffs. In the short term, the Company will absorb the potential impact of these tariffs, working with its agent partners to share the risk. As the Company's sales are diversified and significantly to Africa and Europe, the impact of these tariffs covers only a small portion of revenue.

Components

The Company relies on a steady supply of electronic components; part shortages, price increases, and lengthening lead times could negatively impact the Company's future revenue and results of operations.

Warranty

The Company provides warranties for its products, often for one year or more. A greater-than-budgeted number of warranty claims could negatively affect gross margins and future sales opportunities.

Commercial and Industrial Customers

Projects with commercial and industrial customers may create concentrated operating and financial risks; the timing of revenue recognition on larger projects can materially impact quarterly or annual results.

Dilution

The Company may make future acquisitions or enter into financings or other transactions involving the issuance of securities that may be dilutive to existing shareholders.

Damage to Reputation

The Company depends significantly on its reputation for high-quality products, services, engineering abilities, and exceptional customer service to attract new customers and grow its business.

Fluctuating Results of Operations

The Company's quarterly operating results are difficult to predict and may fluctuate significantly, given fluctuations in customer demand, market acceptance of new offerings, the Company's ability to complete installations on schedule, and other factors. Past quarterly operating results should not be relied upon as an indicator of future performance.

International Operations

The Company has an international customer base, exposing it to risks including multiple and changing laws and regulations, political and economic instability, currency and collection risk, and difficulty recruiting and retaining individuals skilled in international business operations.

Existing Industry Regulations

Government regulations and policies concerning the electric utility industry heavily influence the market for electricity generation products and services, and changes to these regulations could reduce the Company's competitiveness.

Drop-in Retail Price of Utility-Generated Electricity and Improved Infrastructure

A customer's decision to implement a renewable energy solution is driven largely by the desire to reduce electricity costs; decreases in retail electricity prices or improved grid infrastructure could harm the Company's competitive position.

Conflicts of Interest

Certain directors of the Company are also directors of other companies and may, in certain circumstances, have a conflict of interest requiring them to abstain from certain decisions.

Issuance of Debt

From time to time, the Company may finance transactions in whole or in part with debt, which may increase the Company's debt levels above industry standards for companies of similar size.

No Guarantee of Active Liquid Market

There is no guarantee that an active trading market for the common shares will be maintained on the TSX Venture, OTC Pink, or Frankfurt Stock Exchanges.

Government Policies including Trade Tariffs

The Company is subject to policies, laws, and regulations established by various levels of government, which are subject to change and could have a material adverse effect on the Company.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Actual results could differ from those estimates. Refer to Note 4 of the financial statements for the Company's material accounting judgments, estimates and assumptions, including going concern, the classification of long-term debt, impairment of non-financial assets, recoverability of inventory, refundable investment tax credits, and the royalty funding liability.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

Proposed Transactions

There are no undisclosed proposed transactions that will materially affect the Company.

Management's Report on Disclosure Controls and Procedures and Internal Control over Financial Reporting

Management is committed to delivering timely and accurate disclosure of all material information. Disclosure controls and procedures ensure that reporting requirements are satisfied and that material information is disclosed in a timely manner. Due to the limitation on the ability of the officers to design and implement cost-effective policies for disclosure controls and procedures and internal control over financial reporting, the officers are not making representations that such controls and procedures would identify and allow for reporting of material information on a timely basis, nor are they representing that such procedures provide reasonable assurance regarding the reliability of financial reporting.

Additional information and other publicly filed documents relating to the Company are available through the internet on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval ("SEDAR+"), which can be accessed at www.sedarplus.ca.