



Power Clouds Inc - Q317

Period Ending September 30, 2017

OTC: PWCL

December 6, 2017

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Some of the statements contained in this document, including information incorporated by reference, discuss future expectations, plans or prospects, or state other forward-looking information within the meaning of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. Words such as "intends", "believes", "expects," "anticipates," "plans," "estimates," "should," "likely" or similar expressions reflecting something other than historical fact are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all. Such statements include, but are not limited to, statements about the benefits to the value of the Company's stock.

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Business Highlights Q317



- ▶ Reported second straight quarter of positive group EBITDA – driven primarily by Italian operations
- ▶ Group Revenues increased 29% year-on-year from \$341k in 2016 to \$641k in 2017 – reflecting the additional revenues added by Italian operations and a slight reduction in Romania
- ▶ Operating costs reduced by 75% from the same period last year, primarily related to once off \$660k Stock Compensation costs in 2016. Cash operating costs reduced by 25% year on year.
- ▶ Group EBITDA was \$58k positive v's a loss of \$743 for the same period last year – including stock compensation costs.
- ▶ Net Loss was \$447k or \$(0.01) per fully diluted share v's a net loss of \$935k or \$(0.01) per fully diluted share
- ▶ Net cash used in operating activities was \$201k v's \$485k in Q3 2016
- ▶ Romania continued to be a challenging location with gross margins and EBITDA declining by 58% and 61% respectively from the same period last year. These declines are directly due to ongoing erosion of the green certificates incomes which have not been adequately addressed by regulators.

- ▶ Completed Management reorganization to focus the respective strengths of existing management for the most benefit and to make way for planned new hires to strengthen the overall management team
- ▶ Hired experienced Business Development Director to identify suitable acquisition candidates and turnkey projects that has had immediate effects.
- ▶ The Company currently has 3MW under Letter of Intent in Germany and 7MW of projects in Italy that are being evaluated for acquisition in Q118.*
- ▶ The company continues to explore an identified pipeline both new 'Turnkey' and operational projects in other European countries for close in 2018.
- ▶ Net Loss was \$447k or \$(0.01) per fully diluted share v's a net loss of \$935k or \$(0.01) per fully diluted share

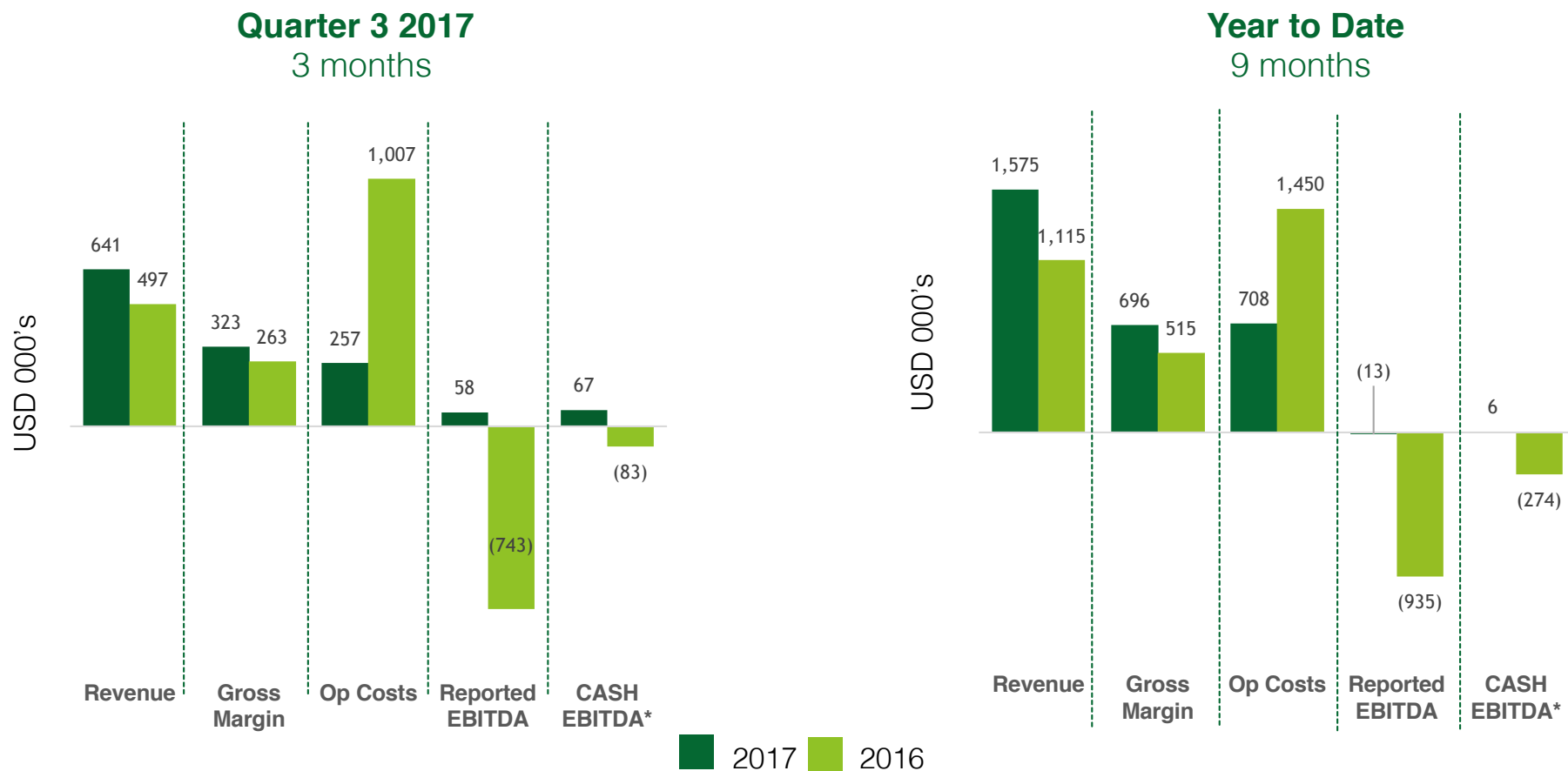
Please refer to the quarterly report filed with OTC Markets for full details - <http://www.otcmarts.com/financialReportViewer?symbol=PWCL&id=178130>

* Subsequent completion of additional parks is subject to completion of acquisition which is subject to successful completion of due diligence and PWCL receiving additional funding on suitable terms. Therefore additional acquisitions are currently not guaranteed to complete.



Group Financial Highlights (y/y)

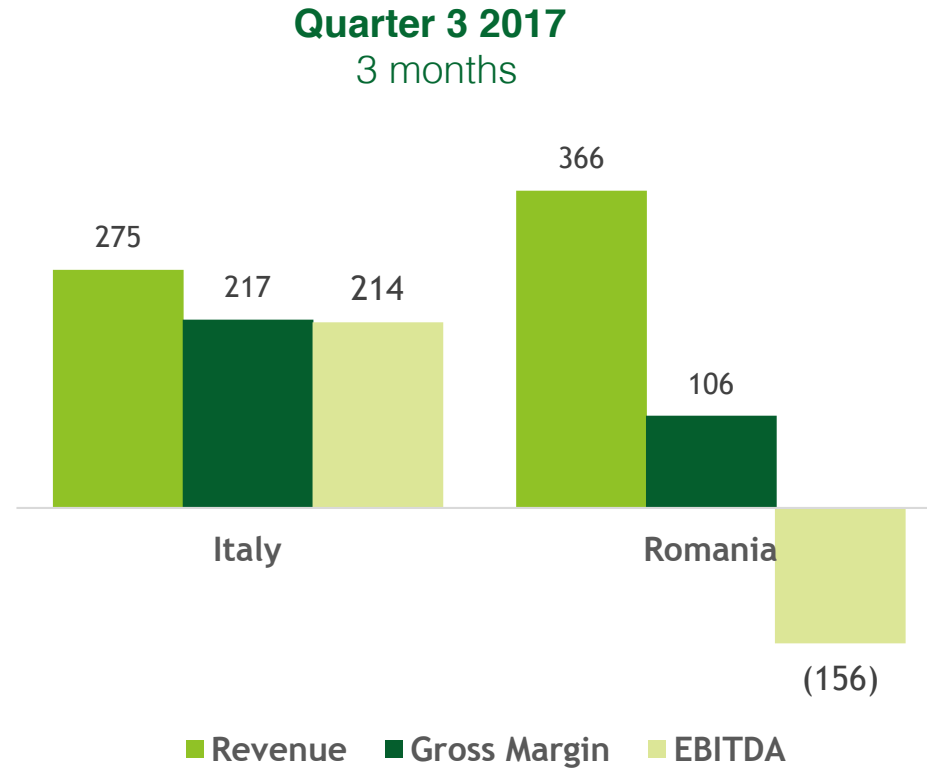
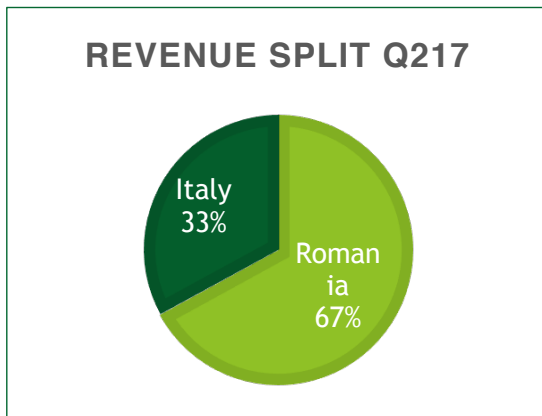
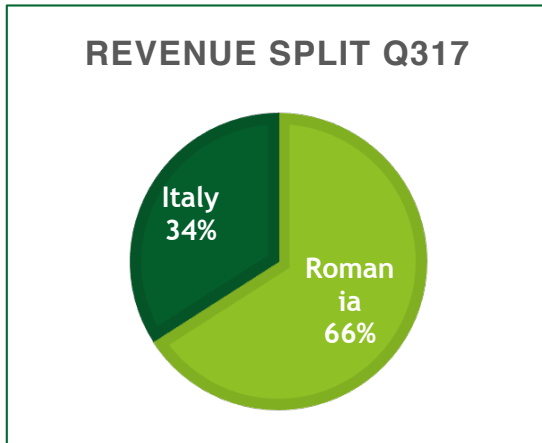
Three and Nine months ended September 30, 2017



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Geographic Performance – Q317



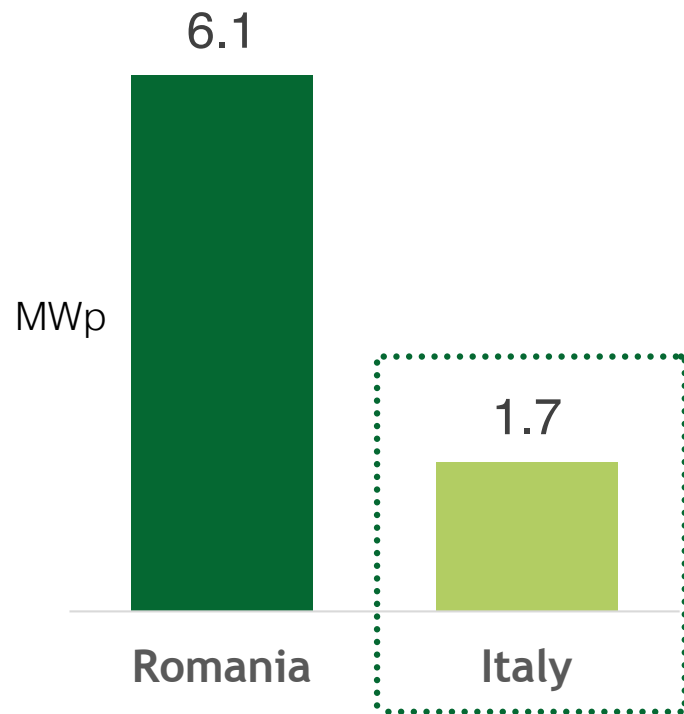
* Not including corporate costs

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Installed Power grew by 27% in Q217 with Italian Acquisitions

- Revenues and cash flow improvements in Q317 year on year driven primarily by these acquisitions
- Italian operations showed consistent revenues / gross margins and EBITDA quarter-on-quarter
- Reflects the stable nature of the production and contractual positions with Italian projects over long term



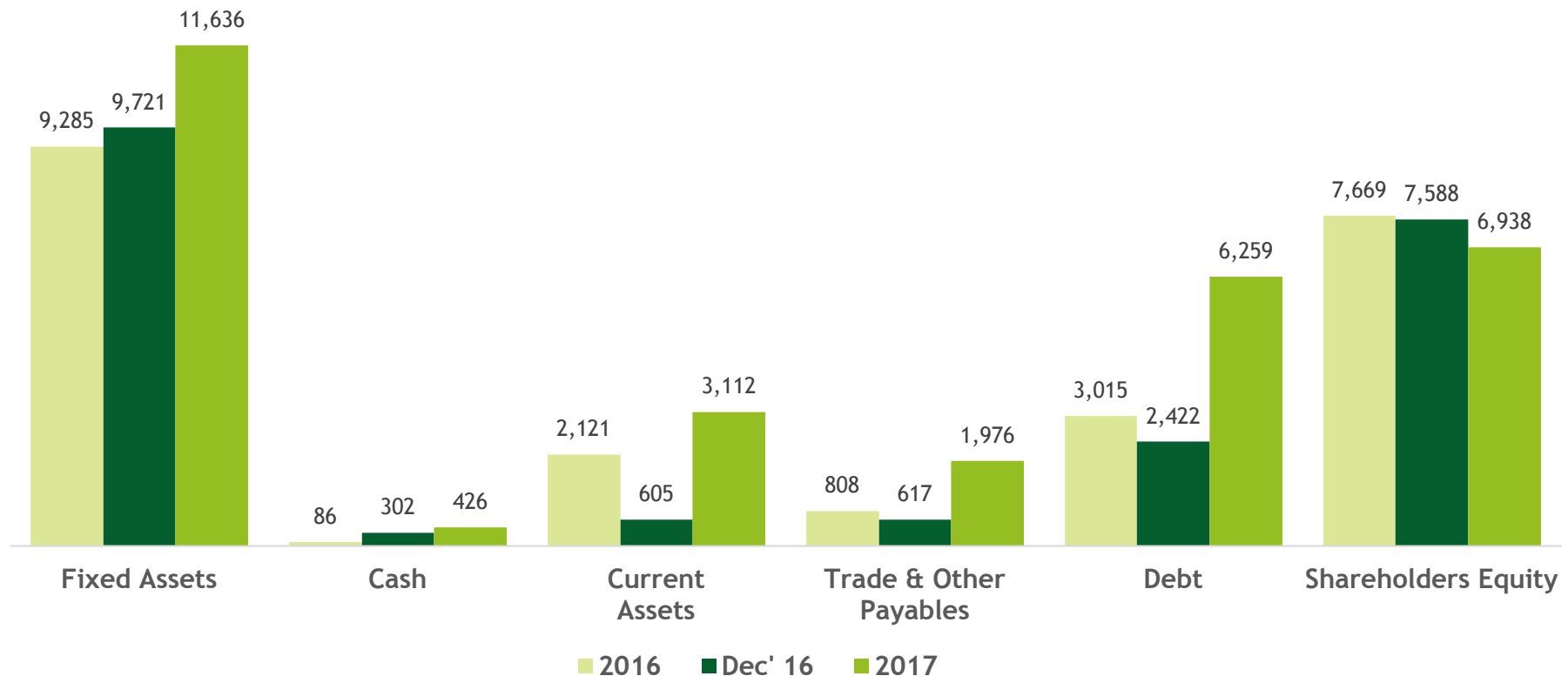
Additional Installed power delivers immediate financial benefits to Group

	Annually	Over Life of Government Contract
Recurring Revenues	\$785k	\$11.5m
EBIDTA contributed	\$655k	\$9.3m
Cash after debt servicing	\$200k	\$4.1m



Group Balance Sheet Highlights (y/y)

Nine months ended September 30, 2017



Please refer to the quarterly report filed with OTC Markets for full details - <http://www.otcm Markets.com/financialReportViewer?symbol=PWCL&id=178130>



Balance Sheet Summary



As at September 30, 2017

USD 000's	September 30, 2017
Cash	\$103
Receivables and other operating assets	\$1,193
Receivable due on sale of asset	\$687
Total Current Assets	\$1,953
Fixed Assets (net)	\$7,182
Intangible assets (net)	\$4,661
Total Assets	\$13,795
Current Liabilities and short term debt	\$3,731
Long term debt	\$3,635
Total Liabilities	\$7,336
Shareholders equity	\$6,428
Total Liabilities and Stockholders' Equity	\$13,795

Capital Structure

<i>Issued</i>	(m's)
Convertible Preferred Shares	30
Common Shares	72

Common Share Beneficial Ownership

	(m's)
Vincent Browne (Various holdings)	29
Roberto Forlani	22
GAIA Energy	10
Anch Holdings	4
Total Control persons	65
Non-affiliates	7
Total Issued and Outstanding	72

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Income Statement Summary



Three and Nine months ended September 30, 2017

USD 000's	3 Months	9 Months
Revenues	\$640	\$1,575
Cost of revenues	<u>\$(318)</u>	<u>\$(879)</u>
Gross Margins	\$323	\$696
Selling, General & Administration	\$234	\$661
Costs related to financing	\$23	\$28
Stock compensation expenses	<u>\$9</u>	<u>\$18</u>
Earnings before Interest, Depreciation & Amortization (EBITDA)	\$58	\$(13)
Interest costs	\$(60)	\$(162)
Depreciation and Amortization	\$(208)	\$(537)
Loss on disposal of fixed assets & provision for loss on sale of subsidiary	\$(202)	\$(353)
Other income (including foreign exchange)	<u>\$(34)</u>	<u>\$(145)</u>
Net Loss for period	\$(446)	\$(1,198)

Fully Diluted Earnings per Share:

Three Months	\$(0.00)
Nine Months	\$(0.01)

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Summary of Cash Flows

Nine months ended September 30, 2017

USD 000's	
Net Loss	\$(1,198)
Non-cash adjustments	\$1,074
Change in net working capital	\$(76)
Net cash used in operating activities	\$(200)
Net cash generated from investing activities	\$1,357
Net cash provided from financing activities	\$(851)
Net cash used in foreign currency activities	\$(504)
Net increase in cash and cash equivalents	\$(198)
Opening cash	\$302
Cash held as at September 30, 2017	\$103

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