



## Universal mCloud to Acquire Fulcrum Automation Technologies and Autopro Automation

- Fulcrum and Autopro are expected to bring C\$35 million in revenue and C\$5.5 million in EBITDA to mCloud on trailing twelve month basis
- Makes mCloud a leading provider of disruptive AI, 3D, and cloud computing solutions to the oil and gas sector
- Transaction expected to close in July 2019

**VANCOUVER, April 24, 2019 - Universal mCloud Corp.** (TSX-V: MCLD) (OTCQB: MCLDF) (“mCloud” or the “Company”), a leading provider of asset management solutions combining IoT, cloud computing, artificial intelligence (“AI”), and analytics, announces the signing today of a letter of intent to acquire Fulcrum Automation Technologies (“Fulcrum”). In parallel, Fulcrum has today entered into a letter of intent to acquire Autopro Automation Consultants Ltd. (“Autopro”), resulting in a three-party transaction that will make mCloud a major technology provider in oil and gas (the “Transaction”). The Transaction is considered an at arm’s length fundamental acquisition.

mCloud will leverage its AssetCare™ platform for AI, 3D, and cloud computing with the proven industrial automation expertise and customer footprint of Fulcrum and Autopro to integrate AI-based technologies across the oil and gas industry. This announcement follows on from the Company's prior announcement of the signing of a C\$15 million licensing agreement with Fulcrum.

As a result of the Transaction, mCloud expects to add approximately C\$35 million in revenue and C\$5.5 million in EBITDA.

“Combining mCloud with Fulcrum and Autopro will let us help oil and gas providers all over the world use AI and analytics to tap into large volumes of data in the cloud at a fraction of current IT costs,” said Russel McMeekin, mCloud President and CEO. “While our relationship with Fulcrum began with a licensing agreement signed last February, as we began to work together, we decided that a full combination created the most value for both shareholders and customers.”

“We see considerable synergies aligning Fulcrum and Autopro with mCloud, as the combined entity now has the advanced technology and deep industry expertise to potentially drive considerable revenue growth in the oil and gas sector globally,” added Shane Maine, Chairman of Fulcrum. “The mCloud transaction will bring disruptive capabilities to Autopro’s core business of better optimizing customer assets.”

“mCloud’s AssetCare provides exceptional strategic alignment with Autopro’s expertise in industrial process control,” stated Mike Lane, Autopro CEO. “The combination of our in-depth knowledge of process industry facilities with mCloud’s cutting edge AI and analytics will enable us to deliver even greater value to customers while helping them manage and optimize the performance of their facilities.”

The Transaction will be structured such that Fulcrum will initially acquire 100% of the issued and outstanding shares of Autopro for cash and common shares of Fulcrum (the “Autopro Acquisition”). Immediately thereafter, mCloud will acquire 100% of the issued and outstanding shares of Fulcrum. Fulcrum is currently debt-free.

Upon completion of the Transaction, mCloud will own 100% of Fulcrum and indirectly Autopro. The total consideration value, subject to adjustments, will be satisfied through C\$18 million of cash, to be funded by C\$18 million debt to be raised prior to closing, and the issuance of 60 million mCloud common shares. The shares will be distributed to the shareholders of Fulcrum and Autopro with exact allocation yet to be determined. Based on a closing share price of C\$0.41 on April 23, 2019 the total transaction value is C\$42.6 million.

The Transaction, which remains subject to satisfactory completion of due diligence, the entering into of a definitive agreement satisfactory to the three parties, and a management information circular prepared in connection with a meeting at which approval of shareholders will be sought, is expected to close in July 2019.

Additionally, completion of the Transaction is subject to the satisfaction of customary closing conditions and required third party approvals, including the approval of the TSX Venture Exchange and mCloud shareholders. Additional information concerning the Transaction will be provided in a subsequent news release upon execution of definitive agreements by the parties.

#### **Advisors**

Raymond James Ltd. is acting as exclusive financial advisor and Owens Wright LLP is acting as legal counsel to mCloud in connection with the Transaction. Focus Merchant Group is acting as strategic advisor to Fulcrum.

#### **mCloud Conference Call**

mCloud will host a conference call at 5:00pm ET today to provide a corporate update. The call will include Russel McMeekin, Chief Executive Officer and Barry Po, Chief Product Officer.

A live audio webcast of the conference call will be available at the link below. Please connect at least 15 minutes prior to the conference call to ensure adequate time for any software download that may be required to join the webcast. The webcast will be archived at the below website for one year.

<https://event.on24.com/wcc/r/1960645/7D49F04598605596D10F0E1B1026AD98>.

Following the Company’s press announcement on March 28 providing an update on target acquisitions, mCloud will provide an update on the fourth quarter and fiscal year ending December 31, 2018. As a standalone entity, mCloud recorded revenues of over C\$800,000 for the fourth quarter of 2018, an increase of over 300% compared to the same time period in fiscal year 2017. The Company also saw a 380% increase in connected assets totaling 28,800 in 2018 compared to 6,000 in 2017.

The Company expects to file its fully audited results for fiscal 2018 on or before April 29, 2019, including management discussion and analysis (“MD&A”) and reconciled results including entities announced in 2018 with binding agreements to be acquired by mCloud.

### **About Universal mCloud Corp.**

Universal mCloud is creating a more efficient future with the use of AI and analytics, curbing energy waste, maximizing energy production, and getting the most out of critical energy infrastructure. Headquartered in Vancouver, Canada, with technology and operations centers in San Francisco, CA and Bristol, PA, mCloud takes advantage of IoT sensors to bring data from connected assets into the cloud, applying AI and analytics to maximize their health and performance. Today, mCloud offers complete asset management solutions to four distinct segments: smart buildings, wind energy, utilities, and oil and gas. With over 100 blue chip customers and more than 28,000 assets connected in thousands of locations worldwide, mCloud is changing the way energy assets are managed. For more information, visit [www.mcloudcorp.com](http://www.mcloudcorp.com).

### **About Fulcrum Automation Technologies Ltd.**

Fulcrum Automation Technologies is creating the world's premier control systems integrator, offering integration project services, subscription-based data analysis and SaaS platforms to clients in the oil & gas and petrochemicals industries. Through the use of Artificial Intelligence, Industrial IoT and cloud computing, Fulcrum Automation Technologies will provide predictive analysis, real-time data and top-decile reporting to optimize asset performance.

### **About Autopro Automation Consultants Ltd.**

Autopro Automation Consultants Ltd. is a professional engineering and integration firm that specializes in the design and implementation of high-value industrial automation solutions. As one of the largest vendor-independent integration companies in North America, they provide a single source of expertise in all technologies that encompass industrial automation. Autopro was established in 1990 and has eight locations across Western Canada. For more information, visit Autopro's website at [autopro.ca](http://autopro.ca).

### **SOURCE Universal mCloud Corp.**

For further information:

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### **Forward-Looking Information and Statements**

This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only the Company's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company'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, the completion of the Transaction, the future business prospects of the Company and the potential revenue of the Company.

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 as discussed under the heading "Risk Factors" on pages 29 to 46 of the Company's filing statement dated October 5, 2017. 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 press release, the Company has made certain assumptions. 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 press release are made as of the date of this press release, and the Company 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 Company or persons acting on its behalf is expressly qualified in its entirety by this notice.

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