

Universal mCloud Corp. Signs Binding Agreement to Purchase NGRAIN Corporation, a Global Leader in Artificial Intelligence and 3D Augmented Reality Software

*– Adds Patents and Expands the Company's Fortune 500 Customer Base –
– Positions mCloud as an Industrial Cloud Leader in Artificial Intelligence/3D –
– \$200,000 (10%) of Total Share Consideration Paid to NGRAIN Employees –*

VANCOUVER, Jan. 4, 2018 /CNW/ - Universal mCloud Corp. (TSX-V: MCLD) ("mCloud" or the "Company"), a leading provider of IoT-connected asset care technology solutions, today announced that it has signed a binding Share Purchase Agreement ("SPA") to purchase 100% of NGRAIN (Canada) Corporation ("nGrain"). The deal is expected to close in Q1, 2018 and will strengthen mCloud's AssetCare™ Cloud Solution by:

1. Adding Key Technology Capabilities: The acquisition will significantly enhance mCloud's AssetCare™ Solution by adding critical Artificial Intelligence ("AI") experience and expanding its 3D/Augmented Reality technology capabilities.
2. Expanding the Customer Base: nGrain expands mCloud's Fortune 500 customer base who use nGrain's inspection and AI interpretation for analyzing surfaces at a high level of precision and for identifying damages in critical assets such as military fighter jets.
3. Bulking up the Patent Portfolio: The acquisition will also add 10 patents in applied 3D technology, complementing mCloud's existing patents in HVAC diagnostic technology.

"This transaction solidifies our position in IoT analytics by adding another critical component of our overall strategic vision," said Russel McMeekin, mCloud CEO. "We will leverage nGrain's AI and 3D Augmented Reality technology to greatly enhance our AssetCare™ platform starting immediately with our AssetCare™ Wind solution."

The precision standards that nGrain technology utilizes meets rigorous requirements, including deployment in such applications as F-22 and F-35 fighter jet inspections. This standard of precision will greatly enhance mCloud's AssetCare™ offering, initially as a wind turbine solution for blade inspection, and will drastically reduce the cost of inspection while providing a highly accurate virtual representation to be used for future comparisons and correlating to continuous IoT sensor data.

According to Russel McMeekin, "The nGrain technology opens up a very compelling customer value proposition to offset costly inspection methods with the ability to correlate field observations with a 24/7 connected IoT data stream. Furthermore, the nGrain technology exceeds mainstream industrial requirements providing us a "best in breed" offering for the critical assets that we service. We are particularly happy to have the nGrain team join us, whom we see as helping drive our innovation agenda forward."

nGrain enhances mCloud's innovation culture and it is expected that the application of its AI/3D technology will expand beyond wind turbine inspection, to supplement additional asset classes, including building energy management and distributed electrical transformers. AssetCare™ Mobile, which supports field service technicians, will also gain with enhanced and secure Augmented Reality capabilities.

Barry Po, Senior Director, Product and Business Development says, "The entire nGrain team is excited to be joining mCloud. We see a natural cultural fit, but more importantly we see a path to bringing the nGrain technology to a broader audience through mCloud's distribution and growth plans."

Marc Weiner of Tandem Expansion Fund, a major shareholder in nGrain says, "As investors in nGrain, we have come to know both the technology and the people. We see the combination of this capability with mCloud's team and vision as game changing, yielding market winning solutions and a strong return on our investment going forward."

Summary of NGRAIN Financials (unaudited estimates):

2017 Revenue \$1.2M, Gross Margin 78%, EBITDA (\$330,000)

Summary of Deal Terms:

Approximate number of mCloud Shares at deal closing of 5,250,000 (\$2.1M valued at \$0.40 per share) including 500,000 shares for nGrain employees (\$200,000 valued at \$0.40 per share). An additional \$100,000 worth of shares to be provided as employee performance awards.

Cash at deal closing of \$300,000, and additional cash of \$307,500 in the form of a Vendor Note to be paid within 90 days of closing. The deal also includes the assumption of \$142,500 in long-term, unsecured debt.

This is an arm's length transaction and no finder's fees are payable in connection with the acquisition.

Completion of this transaction is subject to the approval of TSX Venture Exchange.

About Universal mCloud Corp.

mCloud is headquartered in Vancouver, BC with technology and operations centers in San Francisco, CA and Bristol, PA. mCloud is an IoT connected asset care cloud solution company utilizing connected IoT devices, leading deep energy analytics, secure mobile and 3D technologies that rally all asset stakeholders around an Asset-Circle-of-Care™, providing complete real-time and historical data coupled with guidance and

advice based on deep analytics and diagnostics resulting in optimal performance and care of critical equipment. It's all about the asset. The powerful and secure **AssetCare™** environment is accessible everywhere, 24/7 through standard mobile devices, ruggedized headsets, and web browsers. For more information, visit www.mCloudCorp.com

About NGRAIN (Canada) Corporation

NGRAIN brings artificial intelligence to damage assessment, serving customers in insurance, aerospace, and defense. Since 2000, the company has helped organizations transform their maintenance and inspection practices through the use of AI and 3D. With proprietary technology developed in-house, NGRAIN helps organizations settle damage claims faster, get every inspection right the first time, and create opportunities to serve customers better. The company is headquartered in Vancouver, Canada with satellite offices in Ottawa, Canada and Des Moines, USA

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, information concerning the future business prospects and potential revenue of the Company and the completion of the transaction contemplated herein.

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 a number of risks including, without limitation, the risks 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 including, without limitation, the completion of the transaction contemplated herein. 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.

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