



mCloud Announces Third Quarter 2019 Financial Results

- *Q3 2019 normalized income grew to over C\$1.2 million compared to a C\$132,368 loss in Q2 2019.*
- *In the last 90 days, AssetCare™ revenue grew organically by 36% to C\$4.1 million, up from C\$3.0 million in Q2 2019.*
- *Annualized organic growth of over 160% in AssetCare revenue.*
- *Q3 2019 total revenue, accounting for an abbreviated period for Autopro, was C\$9.2 million.*
- *Year-to-date revenues at C\$14.4 million compared to C\$1.8 million for full FY 2018.*
- *Guidance for 2020 was provided, with expected annual revenues between C\$70 to C\$80 million, normalized income between C\$11.5 million to C\$14.0 million, and over 50% of total revenues coming from AssetCare.*
- *Over 70% growth in connected assets under management expected in 2020.*

VANCOUVER, November 14, 2019 – mCloud Technologies 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, today announced its financial results for the third quarter ended September 30, 2019.

“In the third quarter of 2019, we saw strong and persistent organic growth in recurring revenues across all business segments, resulting in positive C\$1.2 million in normalized income,” said Russ McMeekin, mCloud President and CEO. “As we announced in early October, we are now on track to exceed over 40,000 connected assets by year-end, enabled by our strong business performance in getting assets connected in three continents across our Smart Facilities, Smart Energy, and Smart Process lines of business.”

“The bottom line is that our AssetCare platform is now the primary driver for mCloud’s growth through the rapid addition of new customers, connected assets, and recurring revenues,” McMeekin added. “The high-performance technologies and domain expertise that we have acquired, our aggressive market entry into process industries such as oil and gas, and our international expansion plans in Continental Europe, Southeast Asia, and soon the Middle East, are quickly growing our reach globally.”

“For 2020, we expect to see revenues double in the range of C\$70.0 million to C\$80.0 million with normalized income between C\$11.5 million to C\$14.0 million,” McMeekin continued. “We estimate that

no less than 50% of our 2020 revenues will be derived from high-margin AssetCare contracts, with 65% to 70% of these from implementations with multi-year recurring revenues.”

“We expect to grow AssetCare revenues by approximately 70% in 2020 and to have at least 70,000 connected assets or 75% growth on an asset basis in the next fiscal year.”

Q3 2019 Financial Results

Revenue for the third quarter grew 207% to C\$9.2 million compared to C\$3.0 million in the second quarter of 2019, representing a July 10, 2019 cut-off for the acquisition of Autopro.

(all figures in 000's of Canadian dollars)

Revenues	\$9,233
Gross Margin	5,038
	55%
General, and Administrative Expenses (G&A)	1,125
Research and Development (R&D)	1,163
Sales and Marketing (S&M)	1,542
Normalized Income	1,208
Acquisitions, Financings, Technology Integration, and New Market Expansion	(5,575)
Other Items	(2,502)
EBITDA	(6,869)

Financial Results for the First Nine Months of FY2019

Revenue for the nine-month period ended September 30, 2019 was C\$14.4 million compared to C\$1.8 million for full fiscal 2018.

(all figures in 000's of Canadian dollars)

Revenues	\$14,430
Gross Margin	9,130
	63%
General, and Administrative Expenses (G&A)	2,245
Research and Development (R&D)	2,120
Sales and Marketing (S&M)	4,245
Normalized Income	520
Acquisitions, Financings, Technology Integration, and New Market Expansion	(7,722)
Other Items	(3,616)
EBITDA	(10,818)

The Company has completed all documentation related to the Sales and Purchase Agreement for CSA, Inc. (“CSA”) in accordance with TSX Venture Exchange (“TSX-V”) requirements. Final disclosure processes are being completed while the Company seeks approval from the TSX-V.

CSA Standalone - July – September 2019 (all figures in 000’s of Canadian dollars)

Revenues	\$233
EBITDA	101

Q3 2019 Operating Highlights

In the third quarter of 2019, the Company continued to focus on integrating acquired technologies into a single, unified AssetCare offering, in addition to introducing the platform to new customers and markets across all its business segments.

The Smart Facilities segment saw continued growth through the addition of new quick-service restaurant and retail customers across North America. As announced in early October, the Company now has over 7,000 buildings in the AssetCare Smart Facilities portfolio, each with multiple connected assets including HVAC units and smart lighting all managed through the use of AssetCare’s AI and analytics capabilities. With the first implementation of AssetCare at the Heiwado Shopping Center in Changsha, Hunan Province now complete and showing 25% HVAC energy savings and 8% net reductions in overall energy use, the Smart Facilities team has begun making plans to implement AssetCare at dozens of additional malls across Greater China.

The Smart Energy segment also saw new customers and connected wind turbines, most notably an agreement with Longyuan Construction Investment (Chengde) Wind Power Co., Ltd., (“Longyuan”) to connect 35 GE wind turbines at Longyuan’s Pu Fa Wind Farm in China, originally announced in August. The Smart Energy team worked with Longyuan to use AssetCare’s AI and analytics to identify substantial opportunities to improve performance. Guided by AssetCare, Longyuan has been able to improve asset operations, with some wind turbines seeing increases as large as 30% in ongoing wind turbine energy production.

The Smart Process segment has made substantial progress in bringing AssetCare capabilities online for customers in process facilities for oil and gas, petrochemical, and pipeline management. As announced in July shortly after the acquisition of Autopro, the Smart Process team had delivered AssetCare to six oil and gas facilities in Alberta, Canada. As a result of this timely connectivity to AssetCare, the team estimates it has improved response times to unplanned outages by at least 300% at these sites, in one instance preserving approximately C\$50,000 in production at one of these facilities by cutting recovery times from six hours to two. As announced in October, the Company estimates that it has connected 100 new oil and gas assets in the third quarter.

Substantial advances in product and technology development were demonstrated in the third quarter through the introduction of new capabilities. Supported by the Smart Process team in mCloud’s Calgary office, the team proved its ability to field 3D scanners to create digital replicas of process facilities in support of the Company’s 3D Digital Twin agenda. Research and development continued on the use of drones for AI-driven digital blade inspection on wind turbines, in addition to the measurement of fugitive emissions at oil and gas plants in response to increasing demand from oil and gas operators worldwide.

Q4 2019 Outlook

mCloud expects to see the proportion of business coming from new customers and AssetCare recurring revenues to continue growing at a fast pace through the fourth quarter. The Company anticipates quarterly revenues in the C\$13 million to C\$15 million range, reflecting an expected annualized revenue run rate of more than C\$50 million in Q4 2019. Factors expected to influence performance include the timing of the closing of the CSA acquisition and the completion of certain customer projects over the holiday season.

In Q4 2019, the Company expects that revenues directly attributable to AssetCare will be no less than 40% with a final tally of more than 40,000 connected assets under management. On that basis, full-year revenues from AssetCare are anticipated to be at least double those seen year-over-year from 2018.

Q3 2019 Conference Call

The Company is hosting a conference call to discuss the financial results for the third quarter at 5:30 p.m. ET today. The conference call will include prepared remarks from Russ McMeekin, Chief Executive Officer, and Chantal Schutz, Chief Financial Officer. After the prepared remarks, the Company will accept questions.

To access the conference call by telephone, dial 647-427-7450 or 1-888-231-8191. Please connect approximately 10 minutes prior to the beginning of the call to ensure participation. The conference call will be archived for replay by telephone until Thursday, November 21, 2019, at midnight (ET). To access the archived conference call, dial 1-855-859-2056 and enter the reservation number 4472726.

A live audio webcast of the conference call will be available at <https://bit.ly/3249cbx>. 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 above website for one year.

About mCloud Technologies Corp.

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. Through mCloud's AI-powered AssetCare™ platform, mCloud offers complete asset management solutions to three distinct segments: smart facilities, power generation, and process industries including oil and gas. IoT sensors bring data from connected assets into the cloud, where AI and analytics are applied to maximize their performance. Headquartered in Vancouver, Canada with offices in twelve locations worldwide, the mCloud family includes an ecosystem of operating subsidiaries that deliver high-performance IoT, AI, 3D, and mobile capabilities to customers, all integrated into AssetCare. With over 100 blue-chip customers and more than 35,000 assets connected in thousands of locations worldwide, mCloud is changing the way energy assets are managed. For more information, visit www.mcloudcorp.com.

SOURCE mCloud Technologies Corp.

For further information:

Craig MacPhail, NATIONAL Capital Markets, T: 416-586-1938, cmacphail@national.ca; Chantal Schutz, Chief Financial Officer, mCloud Technologies Corp., T: 604-669-9973

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 CSA transaction, the business prospects of the Company, and the potential revenue of the Company going into 2020.

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.