Universal mCloud Corp.

Initiating Coverage; Enabling a Smarter Future Through Connected Assets

MCLD-TSXV: $0.37
Speculative Buy
$1.25 Target

Event: We are initiating coverage of Universal mCloud Corp. with a Speculative Buy rating and $1.25 price target. All figures are in C$ unless otherwise noted.

Industry Thesis: The specific force behind the secular theme benefiting MCLD is asset management. Traditionally, the three segments of the asset management industry have been Enterprise Asset Management (EAM), Equipment Health Management (EHM), and Traditional Maintenance Services. EAM software is used in the corporate management of field services. EHM is focused on real-time monitoring of industrial equipment with sensors and software. Traditional Maintenance Services cover a blanket set of hands-on services, with companies who specialize in various equipment and phases of contracted care – this category of asset management is by far the largest. ARC Advisory Group estimates the remote asset management marketplace to be US$27B by 2022. Major growth tailwinds are the declining costs of IoT components, increased demand for IoT solutions, cloud computing, advanced analytics, increased cost of assets, and a skilled labour shortage.

Investment Thesis: (1) mCloud provides AssetCare™ solutions for managing critical assets with secure mobile technology, deep analytics, machine-to-machine learning, and support for field service technicians, and currently targets complex distributed energy assets such as high-intensity HVAC units, electrical transformers, mid-size wind energy turbines and intends to further expand the business to provide solutions for natural gas compressors. (2) Field Diagnostic Services Inc. (FDSI) is a wholly owned subsidiary of mCloud, and are experts in HVAC diagnostics and building data energy analytics that provide testing tools, analysis outcomes, and programmatic solutions for national retail and restaurant chains. (3) On January 4 and January 11, 2018, MCLD announced a binding agreement and LOT to purchase nGrain, a leader in AI and 3D AR software, and CSA, a global leader in intelligent 3D and laser scanning software, respectively, whose technologies are very complementary with AssetCare™. (4) MCLD recently partnered with TELUS (T-TSX, $46.45, BUY, $52.00 PT) on a reseller agreement (rev. share) to deliver AssetCare™ to the Canadian market, targeting commercial buildings with HVAC requirements (and backed by $50M in funding from CFG).

Exhibit 1 – AssetCare™ IoT Connected Assets with Intelligence

mCloud IoT Connectable Market with Three Assets of Focus (HVAC, Wind, ET)

> 10,000,000 Units

> $6B Annual Recurring Revenue (ARR) Total Addressable Market (TAM)

Source: Company Filings

Projected Return: 242%

Market Data (C$M)	
Market Capitalization	25
Net Debt	(2)
Enterprise Value	23
Basic Shares O/S	69
Avg. Daily Volume (M)	0.082
52 Week Range	$0.80 / $0.33
Dividend Yield	0.0%

Management	
CEO	Russel H. McMeekin
CFO	Michael A. Sicuro

Top Institutional Ownership	% Held
#N/A	#N/A

Total Insider Ownership	62.8%

Revisions	New	Old
2018 Revenue	13.39	
2018 EBITDA	(0.06)	
2018 EPS	(0.02)	

Financial Metrics (C$M)			
FYE 31-Dec	2017E	2018E	2019E
Total Revenue	1.8	13.4	25.1
Adj. EBITDA	(1.1)	(0.1)	1.8
Adj. EBITDA (%)	-61.0%	-0.4%	7.1%
Diluted EPS	(0.03)	(0.02)	0.02

Valuation Data			
DCF - Current/Target		$ 0.37	$ 1.25
EV/Rev	12.7	1.7	0.9
EV/EBITDA	NM	NM	12.9
P/E	NM	NM	21.7

Quarterly Data (C$M)		Q1	Q2	Q3	Q4
Revenue	2017	0.0	0.0	0.3	1.5
	2018	2.0	2.8	3.7	4.9
EBITDA	2017	(0.0)	(0.1)	(0.9)	(0.2)
	2018	(0.1)	(0.1)	(0.1)	(0.2)
EPS	2017	(0.00)	(0.01)	(0.05)	(0.00)
	2018	(0.00)	(0.00)	(0.00)	(0.01)

Company Description

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 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.

Source: Consensus Data - FactSet, Historicals-Company Filings, Forecasts/Estimates-Echelon Wealth Partners estimates.

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Investment Thesis

Asset Management: MCLD provides AssetCare™ solutions for managing critical assets with secure mobile technology, deep analytics, machine-to-machine learning, and support for field service technicians. MCLD currently targets complex distributed energy assets such as high-intensity HVAC units, electrical transformers, mid-size wind energy turbines, and intends to further expand the business to provide solutions for natural gas compressors. These critical energy assets require continuous real-time monitoring in order to maximize their uptime, reliability, as well as energy and environmental efficiency. What is the cost of inefficiency? Energy.gov estimates that 30% of energy is wasted in commercial buildings in the U.S. – costing US$57B annually. MCLD provides the necessary platform for Smart Cities to deliver on the efficient use of energy.

Exhibit 2 – Smart City and MCLD's Assets of Focus
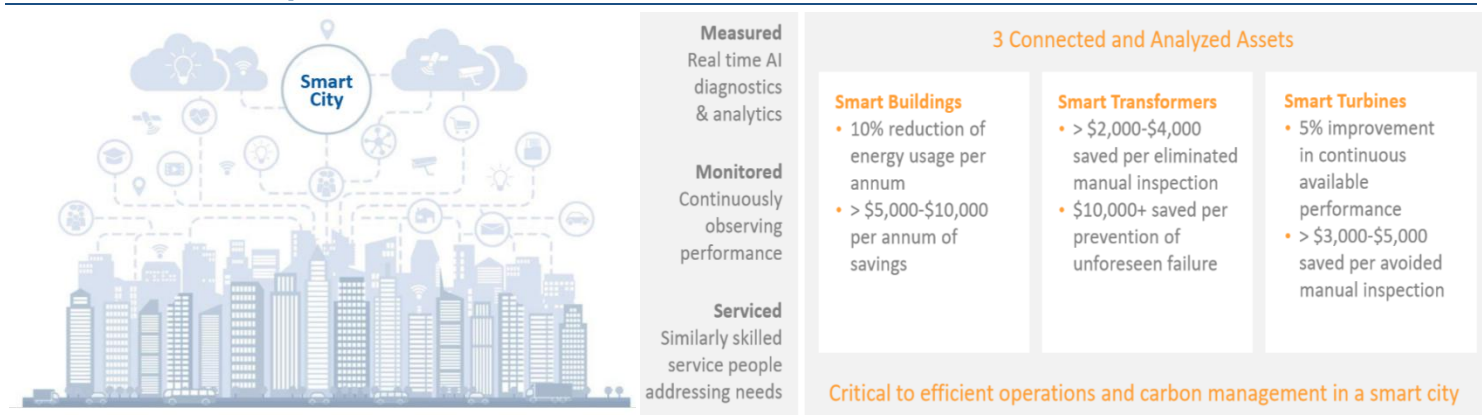
Source: Company Filings

FDSI: FDSI is a wholly owned subsidiary of mCloud, and are experts in HVAC diagnostics and building data energy analytics. FDSI provides testing tools, analysis outcomes, and programmatic solutions for national retail and restaurant chains. FDSI's diagnostics technology is embedded in energy management systems (EMS) and HVAC units. FDSI operates a Field Diagnostics' EMS Support Center for HVAC care that supports customers 24/7, and dispatches service companies when needed. In 2008, Bank of America made a strategic investment in FDSI.

nGrain: On January 4, 2018, MCLD announced a binding agreement to purchase nGrain Corp., a leader in AI and 3D AR software. nGrain's technology is used extensively in F-22 and F-35 fighter jet inspections (Lockheed Martin (LMT-USA, NR)). This standard of high precision will undoubtedly enhance MCLD's existing AssetCare™ offering, initially for wind turbine solutions for blade inspection, and will reduce inspection costs while enhancing accurate virtual representation of asset management. The technology at nGrain exceeds that of mainstream industrial requirements and provides MCLD with a very competitive position.

CSA: MCLD signed an LOI to acquire CSA, Inc., a global leader in intelligent 3D and laser scanning software, on January 11, 2018. CSA is based in Atlanta, Georgia, and has technological development subsidiaries in Slovakia. The acquisition is expected to enhance AssetCare's offering by adding 3D capabilities with nGrain's leading-edge AI skillset, in direct support of assets. The 3D expansion will support the use of AI for accurately detecting asset damage, tracking asset health issues, and assisting field services with remote guidance on AssetCare™ Mobile.

TELUS Partnership: On October 17, 2017, MCLD announced a reseller agreement with TELUS to deliver AssetCare™ to the Canadian market, targeting commercial buildings with HVAC requirements. The reseller agreement combines the capabilities of TELUS' IoT connectivity with MCLD's connected cloud solution to optimize HVAC performance. According to 2014 data, there were 482K commercial buildings across Canada with over 800 sq. metres of floor space, consuming 911 gigajoules (GJ's) of energy. This partnership is on a revenue share model (we estimate a 70/30 split).

CFG IoT Financing of up to $50M: On October 23, 2017, MCLD signed a Financing Agreement with Commercial Funding Group (CFG) to help facilitate the deployment of its AssetCare™ solution to the Canadian market, targeting buildings with critical HVAC requirements and wind turbines currently producing renewable energy throughout Canada. AssetCare™ combines the leading capabilities of IoT connectivity providers with the deep domain asset expertise of mCloud in a connected cloud solution with 24/7 vigilance. The fund should enable ~20,000 new connected AssetCare™ customers by the end of 2019 — all on multi-year subscription arrangements.

Company Overview

Universal mCloud is a technology company that focuses on the health and performance of critical assets by providing a subscription-based cloud service which benefits each asset stakeholder. mCloud brings together capabilities in IoT, cloud, big data, analytics, diagnostics, augmented reality, security, mobile communications, wearable devices, AI, and more to provide complete visibility and transparency into the assets under care. It offers real time date and historical data through AssetCare™ and Asset-Circle-of-Care™. The Company was founded on October 13, 2017, and is headquartered in Vancouver, Canada.

Technology Solutions

mCloud provides AssetCare™ solutions for managing critical assets with secure mobile technology, deep analytics, machine-to-machine learning, and support for field service technicians. AssetCare is a subscription service that manages the care and performance of critical assets. mCloud currently targets complex distributed energy assets such as high-intensity HVAC units, mid-size wind energy turbines, and intends to further expand the business to provide solutions for natural gas compressors. These critical energy assets require continuous real-time monitoring in order to maximize their uptime, reliability, as well as energy and environmental efficiency.

Exhibit 3 – AssetCare™ Overview
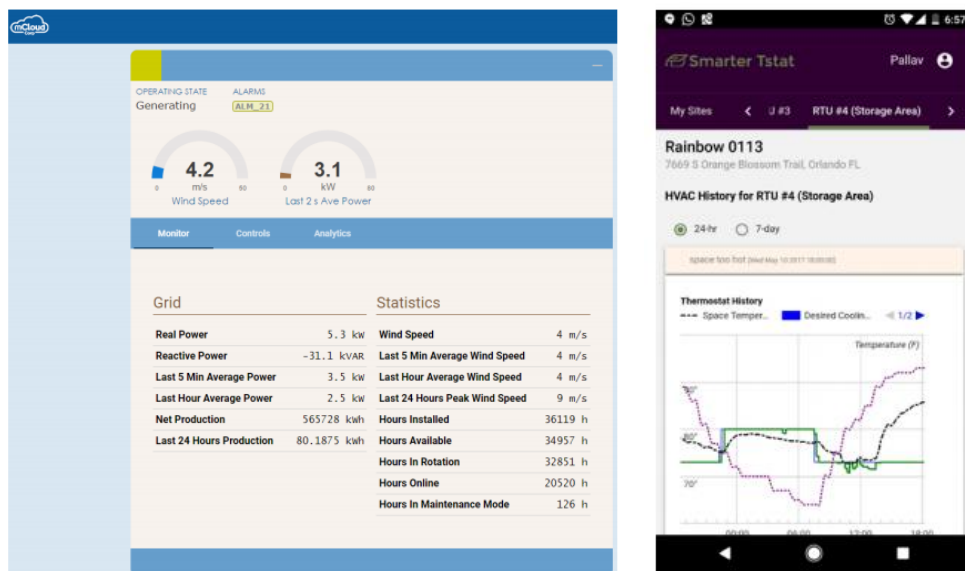

Source: Company Filings

AssetCare™ employs highly secure mobile collaboration technology that connects people, data, and knowledge. AssetCare™ analytics are based on scientific principles of design behaviour of wind turbines as determined from an analysis of information provided by Renewable Holdings LLC and other data and developments as contained in academic resources provided by the National Renewable Energy Laboratory (NREL), the Department of Energy (DOE), and various academic institutes. AssetCare™ uses leading technologies for augmented reality that are utilized in multiple ruggedized industries such as construction, aerospace, and process productions. According to the United States Department of Labor's Bureau of Labor Statistics, there are over one million trained technical field experts in North America alone certified in handling high voltage and environmentally sensitive gases. These experts need very timely, secure data in a "hands-free" communication format that includes interactive voice technology. Due to the mission critical nature of these assets, owners, regulators and insurers all benefit from accurate transparent data including an extensive set of performance and maintenance records. AssetCare™ makes it easy to use and analyze the full breadth of asset information.

The AssetCare™ solution works by collecting real-time and historical data directly from an asset. This data is processed in the cloud, which then provides this data in real time via secure mobile technology. This data is delivered to a field service technician via an augmented reality headset. The information contained in this headset provides the technician with data regarding needed maintenance and best practices and allows for real-time access to industry experts. By providing asset owners with specialized and real-time information, these companies can shift from reactive to preventative maintenance, minimize potential down time of critical infrastructure and assets, reduce

energy consumption, and save costs. AssetCare™ also provides weekly and monthly reports regarding both asset maintenance and cost savings impact.

The primary customers for the AssetCare™ solutions currently are Bank of America (BAC-USA, NR), Michaels Stores (MIK-USA, NR), Apria, and numerous major quick service food retailers, which are currently using the technology to service HVAC systems. AssetCare™ root technologies run within larger industrial companies such as General Electric and Johnson Controls.

Exhibit 4 – Sample Wind Turbine and HVAC Dashboards (on desktop & mobile)

Source: Company Filings

FDSI & Bank of America

FDSI is a wholly owned subsidiary of mCloud, and are experts in HVAC diagnostics and building data energy analytics. FDSI provides testing tools, analysis outcomes, and programmatic solutions for national retail and restaurant chains. FDSI's diagnostics technology is embedded in EMS and HVAC units. FDSI operates a Field Diagnostics' EMS Support Center for HVAC care that supports customers 24/7, and dispatches service companies when needed.

In 2008, Bank of America (BAC-US, NR) made a strategic investment in FDSI to further develop and expand its cloud-based energy analytics with a focus on its needs. Data from ~3,300 Bank of America branches in the US is regularly transferred to FDSI servers for analysis. Bank of America consumes over US$250M of electricity annually, and has seen a 12% reduction in electricity consumption across its branch portfolio using the FDSI platform.

Since 2008, FDSI has received investments of over US$950K from various companies ranging from GE Digital (GE-US, NR), Scientific Conservation, and Johnson Controls (JCI-US, NR). Of note is that in 2012, FDSI signed a strategic partner agreement with Facilities Management to mass scale the FDSI technology solution.

Exhibit 5 – FDSI Solutions by Vertical

Source: FDSI

Marketing Strategy & Pricing

The marketing plan of MCLD is straightforward:

1. Vigilantly select the assets and customer segments of interest;

2. Provide a basic service to connect *many* assets;

3. Expand available services to increase value proposition and monthly recurring revenue (MRR) per asset, and provision new asset classes of stakeholders.

Once MCLD is integrated with a customer (step 2 of go-to-market approach), it becomes relatively simply to increase the value of services provided to its customer. The value proposition is clear at step 2 by allowing visibility and optionality in optimizing asset performance for reduced cost or increased revenue.

MCLD intends to develop and launch an advanced social media marketing program with targeted outreach programs. Tradeshows in the areas of renewable energy, energy efficiency, and industrial field technology will also be a focal point for the Company — these tradeshows cost ~$10K/show.

MCLD prices its solution on a monthly rate of each service provided and a fraction of the value yielded by the customer. Its value-added pricing approach is subject to a wide range based on benefits incurred by its customers. Also impacting pricing are local energy rates, regulation, and local currency. A sample pricing tier for AssetCare™ Wind is depicted below. An ideal world would place all of MCLD's customers in the Service Tier - Advance boxes, which is where the most value lies and therefore the highest pricing dynamic.

Exhibit 6 – Sample Pricing Grid for a Wind Customer

Funcationality	Information Tier		Service Tier	
	Basic	Advanced	Basic	Advanced
24/7 monitoring of wind turbine performance	✔	✔	✔	✔
Comparative performance analysis and reporting		✔		✔
24/7 Alerts on operational and performance issues	✔	✔	✔	✔
24/7 Alarms on operations and maintenance issues (notification)		✔	✔	✔
24/7 call center with escalation to wind turbine experts (X-series only)		✔		✔
24/7 Alarm handling (NOC)		✔	✔	✔
Online access to routine maintenance procedures			✔	✔
Online access to repair procedures				✔
Online access to asset specific information including repair history				✔
Real-time access to wind turbine experts				✔
Marketplace for maintenance and repair parts			✔	✔
Capture and access to maintenance actions				✔
RealWear headset support				✔
3D/AR support				✔
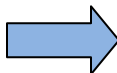
Source: Company Filings

Patent Protection

MCLD currently holds four core patents (as of before the January 2018 acquisitions) on estimating operating parameters of vapor compression cycle equipment; apparatus and method for detecting faults and providing diagnostics in vapor compression cycle equipment; estimating evaporator airflow in vapor compression cycle equipment; and method for determining evaporation airflow verification.

Acquisition of nGrain Corp.

On January 4, 2018, MCLD announced a binding agreement to purchase nGrain Corp., a leader in AI and 3D AR software. The deal is expected to close in Q118 and will strengthen MCLD's existing AssetCare™ Cloud Solution by adding AI and AR technology capabilities to the platform; expanding MCLD's Fortune 500 customer base to include a customer that uses AI interpretation for analyzing surfaces at precision in military fighter jets; and adding 10 patents in applied 3D technology to MCLD's existing patent portfolio described above.

nGrain's technology is used extensively in F-22 and F-35 fighter jet inspections (Lockheed Martin (LMT-US, NR)). This standard of high precision will undoubtedly enhance MCLD's existing AssetCare™ offering, initially for wind turbine solutions for blade inspection, and will reduce costs of inspection while enhancing accurate virtual representation of asset management. The technology at nGrain exceeds that of mainstream industrial requirements and provides MCLD with a very competitive position.

nGrain generated $1.2M of revenue and ($0.33M) of EBITDA in 2017. Total consideration paid was $300K cash at closing, $307.5K cash in the form of a Vendor Note, assumption of $142.5K in debt, 5.25M shares issued at $0.40/sh for a value of $2.1M and an additional $0.1M worth of shares as an earn-out, for a total consideration of up to $3.2M (or ~2.7x 2017 revenue). nGrain has been in business for over 17 years, and has deployed over 200 customers in over 27 countries.

Exhibit 7 — nGrain Value Prop

Estimates in minutes
Using photos or 3D imagery, damage to vehicles, property, assets can be documented and appraised on demand.

100% objective
NGRAIN's AI platform ensures that every damage assessment is conducted to the exact same level of accuracy.

Straight to claim
A digital record is available for every assessment, ready for fully automated, straight-through processing.

Deploy anywhere
Flexible deployment options enable secure access to estimates anywhere, from mobile devices to desktops.

Source: nGrain

Exhibit 8 — nGrain & Lockheed Martin

Source: Industrial Internet Consortium

CSA Acquisition

MCLD signed an LOI to acquire CSA, Inc., a global leader in intelligent 3D and laser scanning software, on January 11, 2018. CSA is based in Atlanta, Georgia, and has technological development subsidiaries in Slovakia. The acquisition is expected to enhance AssetCare's offering by adding 3D capabilities with nGrain's leading-edge AI skillset, in direct support of assets. The 3D expansion will support the use of AI for accurately detecting asset damage, tracking asset health issues, and assisting field services with remote guidance on AssetCare™ Mobile. CSA brings over 30 US-based utility customers to MCLD's pre-existing customer base. CSA generated US$1.6M and US$128K in revenue and EBITDA, respectively, in 2017, and is valued at US$2.4M in shares at $0.40 and an additional US$2.4M in cash (3x revenue purchase multiple).

Exhibit 9 – CSA
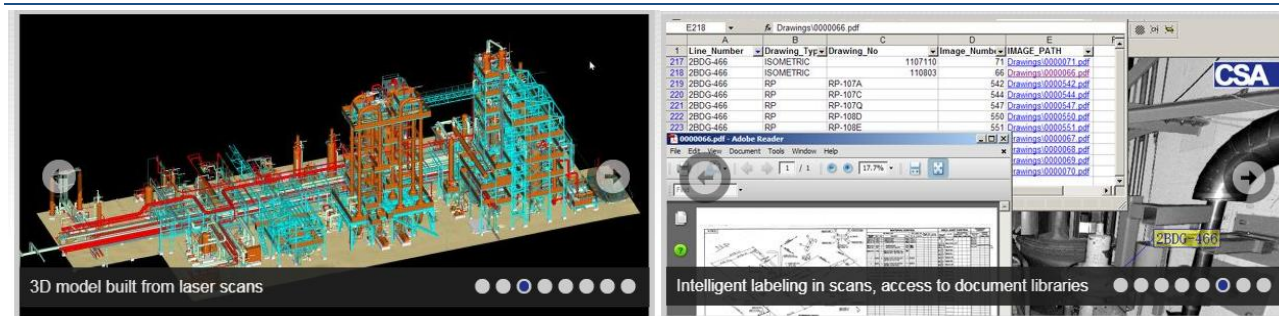
Source: CSAATL

TELUS

On October 17, 2017, MCLD announced a reseller agreement with TELUS to deliver AssetCare™ to the Canadian market, targeting commercial buildings with HVAC requirements. The reseller agreement combines the capabilities of TELUS' IoT connectivity with MCLD's connected cloud solution to optimize HVAC performance. According to 2014 data, there were 482K commercial buildings across Canada with over 800 sq. metres of floor space, consuming 911 GJs of energy. ***We estimate this total market opportunity to be $10-20M annually for MCLD.*** This partnership is on a revenue share model (we estimate ~70/30 model).

Exhibit 10 – TELUS & MCLD Partnership
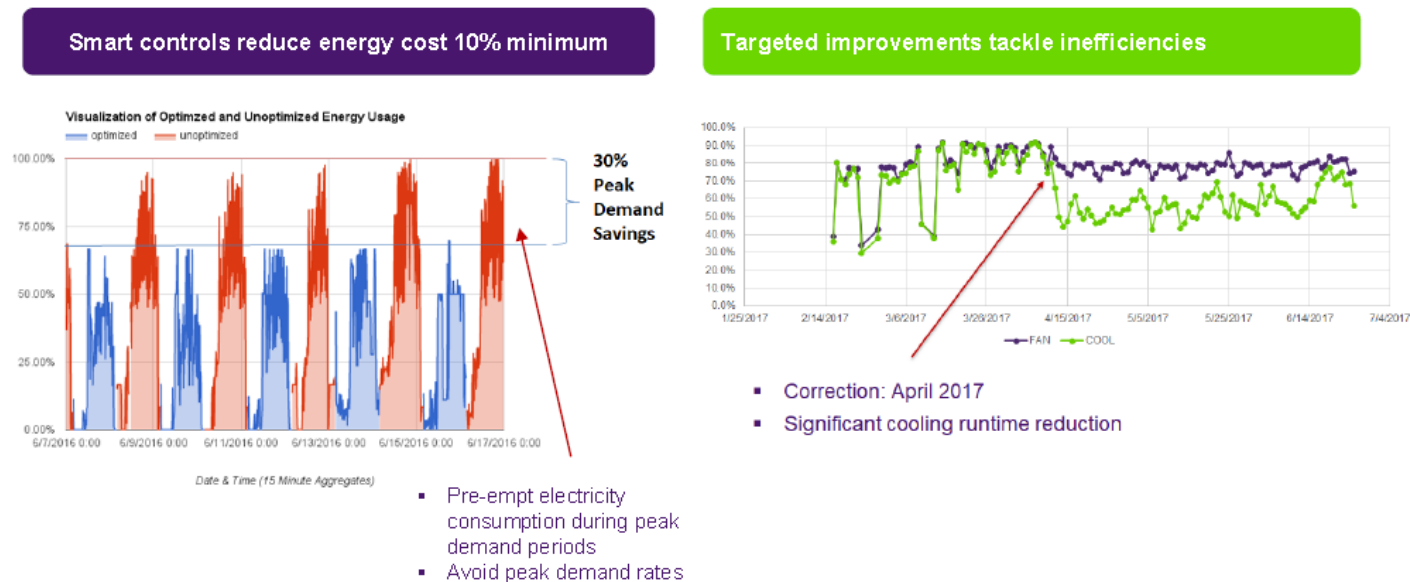
Source: mCloud

CFG $50M IoT Funding

On October 23, 2017, MCLD signed a financing agreement with CFG for up to $50M in IoT financing. Funds will be used to quickly deploy AssetCare™ solutions, initially targeting IoT assets in Canada with subsequent expansion into the US. HVAC and wind turbines will be the initial focus points – MCLD estimates that it is able to port 20K new connected customers to the AssetCare™ platform by 2019-end. There are over 1M connectable energy assets in Canada that can greatly benefit from MCLD's AssetCare™ product. This agreement with CFG allows customers to enroll in AssetCare™ with no up-front capex spend – they subscribe with MCLD (subscription fee model) and have a CFG approved services provider implement the IoT connectivity. The amount paid to MCLD is a fraction of the resulting benefits yielded by AssetCare™.

Market Drivers: Asset Management and IoT

The force behind the secular theme benefiting MCLD is asset management. Traditionally, the three segments of the asset management industry have been Enterprise Asset Management (EAM), Equipment Health Management (EHM) and Traditional Maintenance Services. EAM software is used in the corporate management of field services. EHM is focused on real-time monitoring of industrial equipment with sensors and software. Traditional Maintenance Services cover a blanket set of hands-on services, with companies who specialize in various equipment and phases of contracted care – this category of asset management is by far the largest.

Specifically, MCLD is focused on applying remote asset management to focused segments of the traditional asset management industry – specifically in wind turbines, gas compressors, and HVAC units. These energy assets are highly distributed and frequently in difficult-to-reach areas. Such assets require advanced mobile remote monitoring capacities such as AssetCare™. *MCLD estimates its targeted total available market to be approximately 130,000 wind turbines in the size class of 50kw to 800kw worldwide; approximately 770,000 reciprocating gas compressors of greater than 50HP in North America; and approximately 800,000 rooftop HVAC units worldwide of 3 to 12-ton capacity in markets where electricity rates exceed US$0.10 per KWH off-peak.*

ARC Advisory Group estimates the remote asset management marketplace to be US$27B by 2022. Major growth tailwinds are the declining costs of IoT components, increased demand for IoT solutions, cloud computing, advanced analytics, increased cost of assets, and a skilled labour shortage.

Exhibit 11 – Global Remote Asset Management
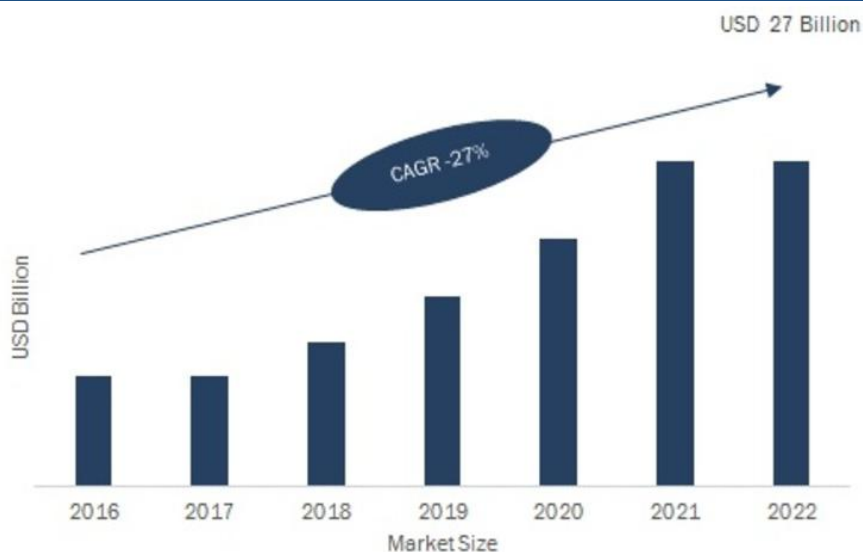
Source: Market Research Future

A Deloitte report highlighted below illustrates the strategic importance of energy efficiency as more and more devices are connected through the IoT. MCLD intends on becoming one of the first providers of an end-to-end solution combining the cloud with AR/AI devices to deliver accurate and immediate assistance to field technicians across HVAC, electrical transformers and wind turbines.

Exhibit 12 – Reducing Electricity Consumption is a Strategic Imperative
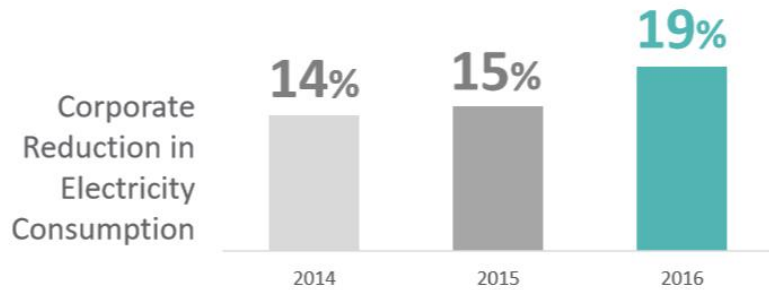
Source: Deloitte

Internet of Things (IoT)

A broader force behind the secular theme benefiting MCLD is the IoT. IHS forecasts that the IoT market will grow from an installed base of 15.4B devices in 2015 to 30.7B devices in 2020 and 75.4B devices in 2025.

Exhibit 13 – IoT Global Installed Base (Billions) and IoT Ecosystem
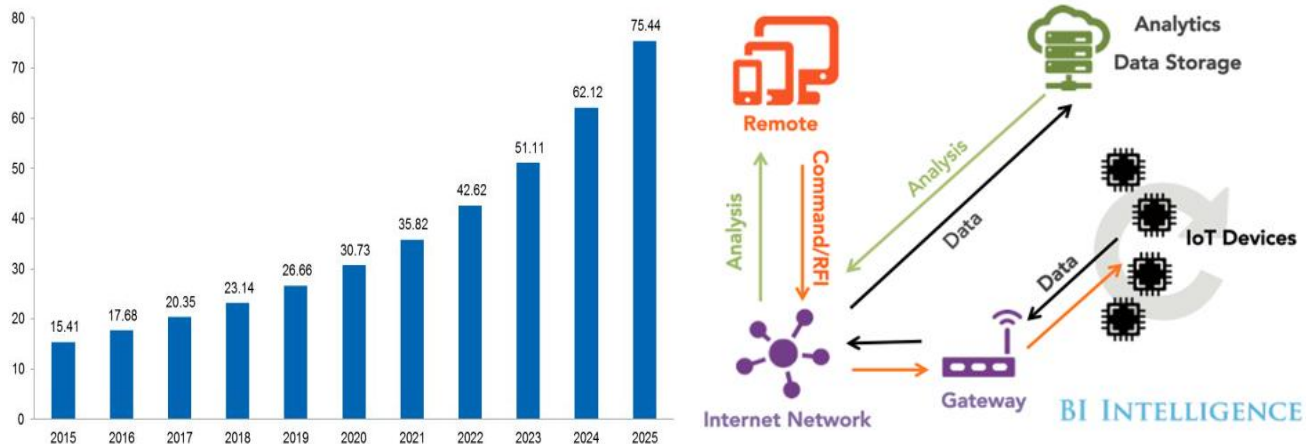
Source: IHS, BI Intelligence

Zinnov Zones predicts that global spending on IoT technology-based products and services by enterprises reached $120B in 2016, growing to $253B in 2021. IoT technology services spending alone is expected to grow at a 17% CAGR over the next five years to reach $143B in 2021. These robust data points lead us to believe that MCLD is well positioned in an industry that is just starting to take off.

Exhibit 14 – Global IoT Spend
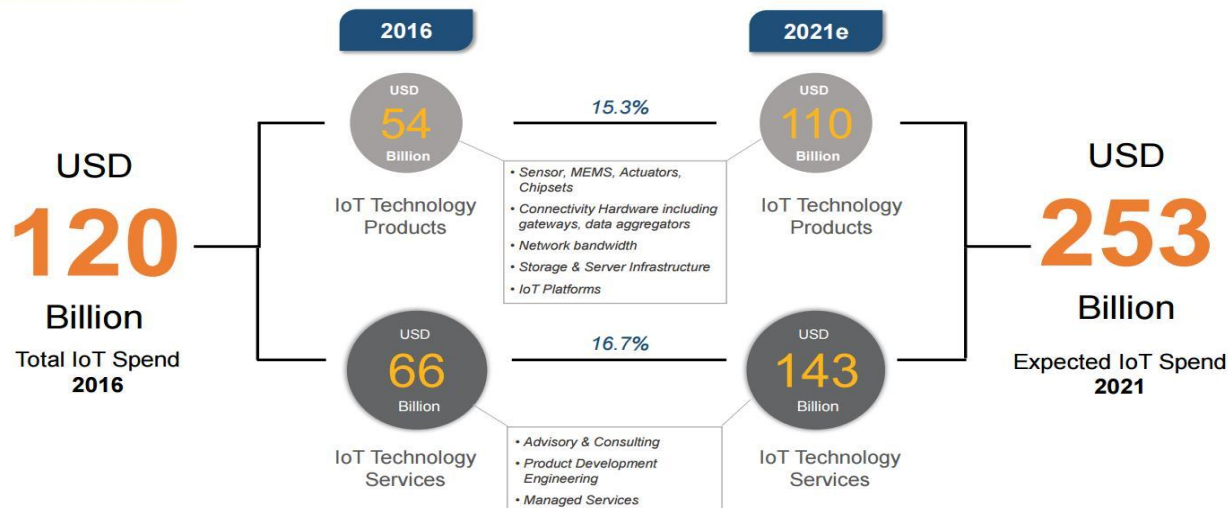
Source: Zinnov Zones

Financial Estimates

MCLD reported Q317 revenue of $0.3M. It completed the FDSI acquisition on June 15, 2017 — FDSI carried revenue of $1.2M for the first nine months of 2017 on gross margins of 76%.

Exhibit 15 – Quarterly Summary

Forecasts	Q217	Q317	Q417	Q417E	Diff.	Q118E	Q218E
Revenue ($M)	$0.0	$0.3		$1.5		$2.0	$2.8
EBITDA ($M)	($0.1)	($0.9)		($0.2)		($0.1)	($0.1)
EPS (FD)	($0.01)	($0.05)		($0.00)		($0.00)	($0.00)
EPS (Basic)	($0.01)	($0.05)		($0.00)		($0.00)	($0.00)

Source: Historicals- Company Filings, Forecasts/Estimates-Echelon Wealth Partners estimates.

Longer term, we expect EBITDA margins to trend toward 30% as services/recurring revenues grow as a percentage of the total. ***At scale, breakeven revenue would be ~$12M annually.*** For 2017, we estimate ~6K connected assets, growing to ~30K in 2018 and ~300K over the next 3-5 years.

We look for organic growth to come from the smart building (Analytics/TELUS) (~60%) and smart turbine (3D/AI) (~35%) opportunities, and the remainder (~5%) from smart transformers. The acquisitions of nGrain and CSA are likely to begin showing marginal revenue in Q218 scaling into H218 as they are fully integrated into the AssetCare™ platform.

Exhibit 16 – Revenue and EBITDA Margins; Revenue by Segment
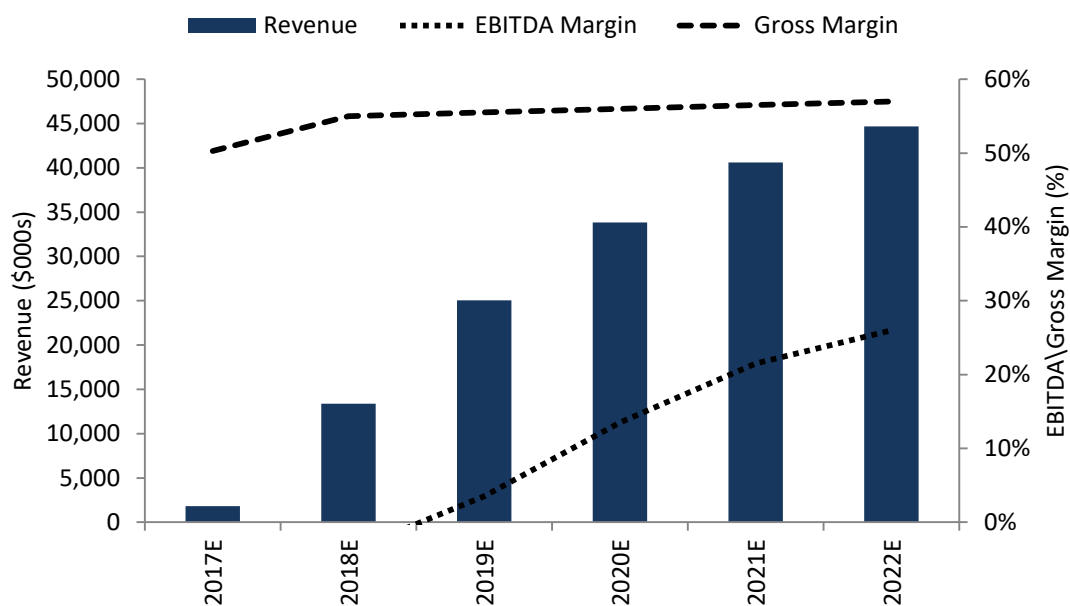
Source: Historicals- Company Filings, Forecasts/Estimates-Echelon Wealth Partners estimates.

Valuation

We are initiating coverage of MCLD with a Speculative Buy rating and $1.25 target. MCLD is currently trading, on our estimates, at a 2018E EV/Sales of 1.7x versus its SCM/SaaS comparables at 6.2x/7.4x, respectively.

Exhibit 17 – DCF Analysis

Universal mCloud Corp.

DCF Analysis (C$)	2017E	2018E	2019E	2020E	2021E	2022E
Revenue ($)	1,797,422	13,392,775	25,052,356	33,833,438	40,600,126	44,660,138
Revenue Growth		645.1%	87.1%	35.1%	20.0%	10.0%
EBITDA ($)	-1,160,550	-535,711	876,832	4,567,514	8,729,027	11,611,636
EBITDA Growth	-450.8%	53.8%	263.7%	420.9%	91.1%	33.0%
EBITDA Margin	-64.6%	-4.0%	3.5%	13.5%	21.5%	26.0%
Depreciation and Amortization	8,928	11,755	4,643	1,830	721	284
EBIT ($)	- 1,169,478	- 547,466	872,189	4,565,684	8,728,306	11,611,352
NOPAT	(1,169,478)	(497,697)	792,899	4,150,622	7,934,824	10,555,774
Plus Amortization ($)	8,928	11,755	4,643	1,830	721	284
Less Capital Expenditures ($)	-	(1,940)	(1,350)	(1,141)	(1,084)	(1,087)
Capital Intensity	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Working Capital Changes	1,065,419	71,221	(291,283)	(611,966)	(700,639)	(459,451)
EPS (Continuing)	-0.03	-0.02	0.02	0.10	0.19	0.26
Unlevered Free Cash Flow ($)	-95,131	-416,660	504,910	3,539,345	7,233,822	10,095,521
PV of Unlevered FCFs ($)	-95,992	-375,383	406,152	2,541,233	4,637,366	5,778,489

Valuation Assumptions:

Discount Rate	12%
Terminal Multiple	10.00x

Valuation Analysis:	Current	1-Yr Target	2-Yr Target
Total PV of FCFs ($)	12,915,863	13,081,702	13,261,701
Terminal Value ($)	116,116,360	116,116,360	116,116,360
PV of Terminal Value ($)	66,462,845	74,438,386	83,370,993
Net (debt) cash position	-99,969	-1,347,347	-952,274
Total Value ($)	79,278,739	86,172,741	95,680,421
DCF Value/Share	**1.15**	**1.25**	**1.39**
FD Shares O/S	69,000,000	69,000,000	69,000,000

Source: Historicals - Company Filings, Forecasts/Estimates-Echelon Wealth Partners estimates.

Exhibit 18 – DCF Sensitivity

		Terminal EV/EBITDA Multiplier						
		7.00	8.00	9.00	10.00	11.00	12.00	13.00
	8%	1.07	1.20	1.32	1.45	1.57	1.69	1.82
	10%	1.00	1.11	1.23	1.34	1.46	1.57	1.69
Discount Rate	12%	0.93	1.03	1.14	**1.25**	1.36	1.46	1.57
	14%	0.86	0.96	1.06	1.16	1.26	1.36	1.46
	16%	0.80	0.90	0.99	1.08	1.18	1.27	1.37
	18%	0.75	0.84	0.92	1.01	1.10	1.19	1.28

Source: Echelon Wealth Partners

Exhibit 19 – Global Supply Chain Management (SCM) and SaaS Comparables

SUPPLY CHAIN MANAGEMENT	Ticker	Price	Mkt Cap	LTM Rev (Local)	EV/Rev 2016	2017	2018	EV/EBITDA 2016	2017	2018	P/E 2016	2017	2018
Descartes Systems Group Inc.	**DSG-CA**	**35.34**	**2,712**	**295**	**10.0**	**9.1**	**8.0**	**29.2**	**26.7**	**22.8**	**84.3**	**76.7**	**55.9**
TECSYS Inc.	**TCS-CA**	**18.19**	**238**	**70**	**3.3**	**3.1**	**2.7**	**28.9**	**29.3**	**20.5**	**37.1**	**54.5**	**33.6**
Kinaxis, Inc.	KXS-CA	85.19	2,167	166	13.4	12.6	10.4	54.4	44.2	35.6	87.4	64.8	57.3
BSM Technologies Inc.	GPS-CA	1.32	109	67	1.7	1.5	1.5	12.0	12.4	12.2	14.7	NM	NM
Blackline Safety Corp.	BLN-CA	4.50	157	9.4	17.6	13.4	8.8	NM	NM	NM	NM	NM	NM
BeWhere Holdings, Inc.	BEW-CA	0.46	30	1.3	NM	NM	NM	NM	NM	NM	NM	NM	NM
Memex Inc.	OEE-CA	0.11	12	2.0	NM	NM	NM	NM	NM	NM	NM	NM	NM
Trakopolis IoT Corp.	**TRAK-CA**	**0.82**	**19**	**8.9**	**NM**	**1.8**	**1.5**	**NM**	**NM**	**NM**	**NM**	**NM**	**NM**
TrackX Holdings Inc.	TKX-CA	0.30	19	4.3	NM	NM	NM	NM	NM	NM	NM	NM	NM
Manhattan Associates, Inc.	MANH	53.92	3,717	598	6.0	6.0	6.4	16.4	16.9	24.7	28.8	28.8	42.0
Wisetech Global Ltd.	WTC-AU	15.41	4,487	66	43.0	28.8	20.8	NM	82.1	57.9	NM	NM	100.0
SPS Commerce, Inc.	SPSC	52.59	906	213	3.9	3.4	3.1	28.4	23.6	19.5	52.1	57.2	49.6
Echo Global Logistics, Inc	ECHO	30.15	841	1,802	0.6	0.5	0.5	14.0	17.6	13.7	28.6	41.0	26.4
Amber Road, Inc.	AMBR	7.50	204	78	3.0	2.8	2.5	NM	NM	NM	NM	NM	NM
				AVERAGES:	11.1	7.9	6.2	25.0	32.8	27.3	42.3	48.0	55.0

SOFTWARE-AS-A-SERVICE (SaaS)

	Ticker	Price	Mkt Cap	LTM Rev	EV/Rev 2016	2017	2018	EV/EBITDA 2016	2017	2018	P/E 2016	2017	2018
Descartes Systems Group Inc.	**DSG-CA**	**35.34**	**2,712**	**295**	**10.0**	**9.1**	**8.0**	**29.2**	**26.7**	**22.8**	**84.3**	**76.7**	**55.9**
TECSYS Inc.	**TCS-CA**	**18.19**	**238**	**70**	**3.3**	**3.1**	**2.7**	**28.9**	**29.3**	**20.5**	**37.1**	**54.5**	**33.6**
Universal mCloud Corp.	**MCLD-CA**	**0.37**	**6**	**NM**	**NM**	**NM**	**NM**	**NM**	**NM**	**NM**	**NM**	**NM**	**NM**
Shopify, Inc. Class A	SHOP-CA	156.83	15,591	762	23.1	13.9	9.6	NM	NM	NM	NM	NM	NM
Kinaxis, Inc.	KXS-CA	85.19	2,167	166	13.4	12.6	10.4	54.4	44.2	35.6	87.4	64.8	57.3
salesforce.com, inc.	CRM	113.68	82,111	9,923	9.8	7.9	6.6	47.3	36.1	29.1	112.6	85.1	65.8
Veeva Systems Inc Class A	VEEV	60.41	8,599	781	15.7	12.6	10.6	49.2	37.6	32.6	82.8	66.1	59.3
Workday, Inc. Class A	WDAY	117.11	24,593	1,996	14.7	10.8	8.6	NM	NM	NM	NM	NM	NM
ServiceNow, Inc.	NOW	147.08	25,401	1,772	17.8	12.9	9.8	NM	NM	NM	NM	NM	NM
Splunk Inc.	SPLK	91.88	12,997	1,158	12.6	9.6	7.7	NM	NM	NM	NM	NM	NM
Tableau Software, Inc. Class A	DATA	77.67	6,078	878	6.3	6.0	5.6	NM	NM	NM	NM	NM	NM
Ultimate Software Group, Inc.	ULTI	230.31	6,881	781	8.9	7.4	6.3	37.9	32.4	25.4	72.9	63.7	50.3
Cornerstone Ondemand, Inc.	CSOD	41.71	2,415	459	5.5	4.8	4.7	NM	NM	NM	NM	NM	NM
Callidus Software Inc.	CALD	33.18	2,260	240	9.7	8.0	6.7	84.6	63.4	43.1	118.5	96.6	64.5
Upland Software, Inc.	UPLD	23.32	485	65	6.7	5.1	4.1	NM	16.7	11.6	NM	NM	NM
Aspen Technology, Inc.	AZPN	80.41	5,785	781	12.6	12.4	12.1	25.5	24.8	25.3	43.0	35.0	36.3
Channeladvisor Corporation	ECOM	9.05	240	120	1.6	1.5	1.4	NM	NM	NM	NM	NM	NM
				AVERAGES:	11.3	9.0	7.4	49.8	36.5	29.0	86.2	68.6	55.6

Source: Consensus Data - FactSet, note that TCS is covered by Amr Ezzat.

Competition

MCLD's main competition in the global remote asset management market focuses on large industrial assets and primarily for large Fortune 500 companies. MCLD's major/main competitors include GE Digital, Honeywell (HON-US, NR), AT&T (T-US, NR), Cisco (CSCO-US, NR), Hitachi (6501-JP, NR), Infosys (500209-IN, NR), IBM (IBM-US, NR), PTC (PTC-US, NR), Aspen Tech (AZPN-US, NR), Emerson (EMR-US, NR), Rockwell Automation (ROK-US, NR), SAP (SAP-US, NR), and Schneider Electric (SU-FR, NR). It is worthwhile to note that while these remote asset management competitors focus on the general market, MCLD's targeted market is assets and customers that are presently ill-served by existing remote asset management systems, who can gain immediate value-add from AssetCare™, in particular HVAC, electrical transformers and wind turbines. In this niche market, MCLD mainly competes against start-ups which include Greenbyte and Encycle.

A contemporary form of competition has been emerging from OEM suppliers that are beginning to bundle remote asset maintenance with the original maintenance package offered at the time of purchase from the OEM suppliers. This form of competition comes in customers with multiple assets from numerous OEM's being required to deal with a number of different technologies when tracking their assets.

Risks

Technology. Asset optimization technologies will continue to improve and become more affordable to end users. The software industry is paying more attention to cloud computing, mobility, SaaS, and social media. mCloud must be able to integrate software licensed from other, third parties, to be able to improve its products. Integration risk along with technological obsolescence risk does exist in the industry in which MCLD participates. Also, MCLD's software is proprietary. It relies on copyright, patent, trademark, and trade secret laws to protect its brand. Any infringement could adversely impact results.

Financing. In order to execute its anticipated growth strategy, MCLD may require additional equity and/or debt financing to support ongoing operations, to undertake capital expenditures, or undertake business combination transactions or other initiatives. As at Q317, MCLD had ~$3.0M in cash, with ~$0.6M in debt outstanding, and is breakeven on a cash flow basis at ~$3.0M/qtr revenue run-rate.

Capital Spend. Economic conditions that impact the desire of customers to make capital investments could alter MCLD's performance. Global economic and political uncertainties could dampen the ability of MCLD to assess the marketplace in an appropriate manner. A slowdown in the demand for wind energy or smart buildings could hinder the Company's performance.

Cyber Security. MCLD allocates resources to update its software and develop new additions. Its customers use its software to monitor assets and they rely on MCLD to manage the maintenance and support of its software. Security of its software is therefore important to protect its customers' asset data. A security breach could adversely impact results and future ability to retain customers.

Management

Russel McMeekin – Chief Executive Officer

Mr. Russel H. McMeekin is Chief Executive Officer at mCloud Corp. He is on the Board of Directors at Universal mCloud Corp. and Agnity Global. Mr. McMeekin was previously employed as President, Chief Executive Officer & Director at Progressive Gaming International Corp., President & Chief Executive Officer at ViaFone, Inc., President-eBusiness Unit at Honeywell International, Director-International Business Operations at SACDA, Inc., and President, Chief Executive Officer & Director at SCIenergy. He also served on the board at Endurance Wind Power. He received his undergraduate degree from The Sault College of Applied Arts & Technology.

Michael Sicuro – Chief Financial Officer

Mr. Michael A. Sicuro is on the Board of Directors at Universal mCloud Corp. Mr. Sicuro was previously employed as Executive VP, Chief Executive & Financial Officer at CCS Medical Holdings, Chief Financial Officer & Executive Vice President at US Oncology, Chief Financial Officer & Senior Vice President at Asyst Technologies, Chief Financial Officer at Blue Cross of California, Audit Manager at Deloitte & Touche, a Principal at First Interstate Bancorp (California), Chief Financial Officer at Imperial Capital Bancorp, Chief Financial Officer & Vice President at Lightspan, Treasurer & Director at MP TotalCare, Chief Financial Officer, and Secretary & Treasurer at Progressive Gaming International Corp. He received his undergraduate degree from Kent State University (Ohio).

Constantino Lanza – Chief Growth Officer

Mr. Constantino (Tino) Lanza serves as Chief Growth Officer and is on the Board of Directors at Universal mCloud Corp. Mr. Lanza served as the Chief Executive Officer at INOVX Solutions from 2006 to 2015. He is versed in applying advanced technologies to traditional asset intensive industries with many years of direct experience. He worked with Yokogawa Venture Group, and has worked in leadership roles at Honeywell and ExxonMobil. He received his BS and MS degrees from Columbia University.

Board of Directors

Michael Allman – Executive Chairman

Mr. Michael W. Allman is Executive Chairman at Universal mCloud Corp., Chairman & Chief Executive Officer at H2scan Corp., Chairman at OneRoof Energy Group, Inc., Chairman, President & Chief Executive Officer at Pacific Enterprises, Inc., Chairman at Linde Energy Services, Inc., and Member-Audit Committee at Zoological Society of San Diego. He is on the Board of Directors at Delta Energy & Communications, Inc., NarrativeWave, Inc., VIA Motors, Inc., American Gas Association, California Chamber of Commerce, Los Angeles World Affairs Council, The Southern California Leadership Council, and YMCA of Metropolitan Los Angeles. Mr. Allman was previously employed as an Independent Director by Blue Earth, Inc., Chairman, President & Chief Executive Officer by Southern California Gas Co., Vice President-Internal Audit by Sempra Energy, President by Sempra Energy Partners LLC, President & Chief Executive Officer by Sempra Generation LLC, VP, Chief Financial & Accounting Officer by Sempra Global, Inc., Partner by The Alcar Group, Inc., Chief Operating & Financial Officer by Bit Stew Systems, Inc., and a Member by Zoological Society of San Diego. He also served on the board at Alion Energy, Inc., Endurance Wind Power, Inc., and San Diego Opera. He received his undergraduate degree from Michigan State University and an MBA from The University of Chicago Booth School of Business.

Campbell Deacon – Director

Mr. Cam Deacon is Independent Non-Executive Director at APIC Petroleum Corp., Chief Executive Officer & Executive Director at PetroMaroc Corp., Independent Director at Pounder Venture Capital Corp., Chairman at Deacon & Co., Inc., and Chairman at Echelon Wealth Partners, Inc. Mr. Deacon was previously employed as Executive Chairman by Azure Dynamics Corp., Chairman & Chief Executive Officer by Deacon Barclays De Zoete Wedd Ltd., Chairman by Investment Dealers Association of Canada, and Governor by Canadian Investor Protection Fund. He also served on the board at CPI Plastics, Inc., CPI Plastics Group Ltd., UTS Energy Corp., and Scandinavian Minerals Ltd. He received his undergraduate degree from the University of Guelph.
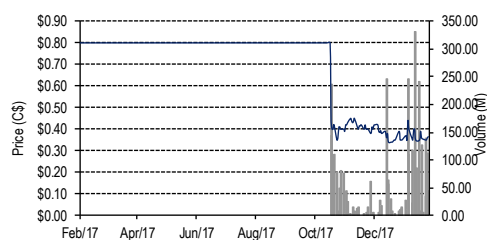
Russel McMeekin – Director

See bio above.

Michael Sicuro – Director

See bio above.

Constantino Lanza – Director

See bio above.

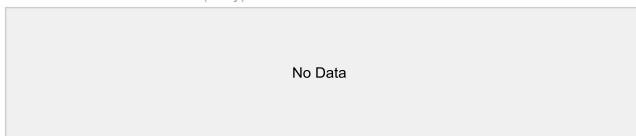# Universal mCloud Corp. – Tear Sheet

Company Description

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 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.

Consensus	Current	Return
Rating:	Spec Buy	
Target:	$ 1.25	242%
Median:	#N/A	#N/A
High:	#N/A	#N/A
Low:	#N/A	#N/A

Consensus Distribution	
Buy	#N/A
Hold	#N/A
Sell	#N/A
# of Ratings	#N/A

Enterprise Value to EBITDA
26-Jan-2016 to 26-Jan-2018 (Daily)

No Data

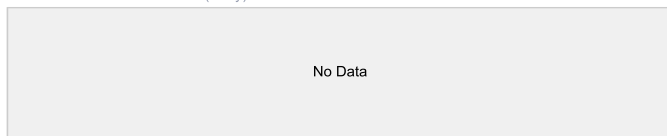— Universal mCloud Corp.

Enterprise Value to Sales
26-Jan-2016 to 26-Jan-2018 (Daily)

No Data

— Universal mCloud Corp.

Source:

Source:

Financial Summary/Key Metrics	2016	Q117	Q217	Q317	Q417E	2017E	2018E	2019E	2020E
Total Revenue	-	-	-	0.3	1.5	1.8	13.4	25.1	33.8
Growth y/y							645%	87%	35%
Consensus									
Gross Margin	#DIV/0!	#DIV/0!	#DIV/0!	51.8%	50.0%	50.3%	55.0%	55.5%	56.0%
Adj. EBITDA	(0.2)	(0.0)	(0.1)	(0.9)	(0.1)	(1.1)	(0.1)	1.8	5.8
Growth y/y						420.4%	-94.6%	-3105.8%	226.3%
Consensus									
Diluted EPS	(0.03)	(0.00)	(0.01)	(0.05)	(0.00)	(0.03)	(0.02)	0.02	0.10
Growth y/y						16.0%	-49.0%	-209.3%	495.9%
Consensus									
Net Debt	0.1	0.1	0.1	0.6	(2.3)	(2.3)	1.4	0.1	(4.5)
Capex	-	-	-	-	-	-	0.0	0.0	0.0

Top Inst. Ownership	% Held
#N/A	#N/A

Balance Sheet	2016	Q117	Q217	Q317	Q417E	2017E	2018E	2019E	2020E
Cash	0.0	0.0	0.0	0.0	2.9	2.9 -	0.8	0.4	5.0
Trade & Other Receivables	0.0	0.0	0.0	0.2	0.4	0.4	1.4	2.2	2.7
Total Current Assets	0.0	0.0	0.0	1.5	4.1	4.1	2.8	6.0	11.1
Total Assets	0.0	0.0	0.0	4.0	6.6	6.6	8.9	12.1	17.2
Deferred Revenue	-	-	-	-	0.0	0.0	0.0	0.1	0.1
Trade & Other Payables	0.1	0.1	0.2	2.4	1.1	1.1	3.6	5.2	5.2
Total Current Liabilities	0.2	0.2	0.3	4.5	3.2	3.2	5.7	7.3	7.2
Total Liabilities	0.2	0.2	0.3	5.3	4.0	4.0	6.5	8.1	8.0
Total Liabilities & Shareholders Equity	0.0	0.0	0.0	4.0	6.6	6.6	8.9	12.1	17.2

Key Statistics	Value
52 Wk High	0.8
52 Wk Low	0.33
YTD Chg.	4%
1 Yr. Chg.	-54%
Beta	(0.82)
Market Cap	6
EV	23
Shares Outstanding (M)	-
LTM Dividend	-
Dividend Yield	0.0%

Valuation	2017E	2018E
EV/Rev	12.7	1.7
EV/EBITDA	(20.9)	(389.0)
P/E	(12.1)	(23.8)

Comparables Multiples Analysis	Price	Target	Div Yield	Return					Rev (US$M)		EBITDA (US$M)		EPS (US$)	
				1 Week	1 Month	3 Month	YTD	1 Year	2017	2018	2017	2018	2017	2018
MCLD-CA	0.37	1.25	0.0%	1%	4%	-11%	4%	-54%	1	11	(1)	(0)	(0.02)	(0.01)
TRAK-CA	0.80		0.0%	-5%	-6%	-10%	0%	7%	8	9	(2)	(2)	(0.15)	(0.13)
TKX-CA	0.29		0.0%	0%	12%	-3%	0%	-34%	NA	NA	NA	NA	NA	NA
OEE-CA	0.11		0.0%	-16%	-16%	-40%	-16%	-65%	1	4	(3)	(4)	(0.15)	(0.07)
GE	16.13		3.0%	-1%	-7%	-24%	-8%	-47%	122,092	3	13,807	(3)	1.05	(0.02)
CVX	131.19		3.3%	0%	4%	11%	5%	13%	139,821	155,399	30,640	38,262	4.20	6.09

Comparables Multiples Analysis	EV (US$M)	FCF Yield		EV/Rev		EV/EBITDA		P/E	
		2017	2018	2017	2018	2017	2018	2017	2018
MCLD-CA	18	NM	NM	12.7	1.7	NM	NM	NM	NM
TRAK-CA	14	NM	NM	1.8	1.6	NM	NM	NM	NM
TKX-CA	13	NM	NM	NM	NM	NM	NM	NM	NM
OEE-CA	7	NM	NM	5.1	1.7	NM	NM	NM	NM
GE	215,588	0.8%	5.3%	1.8	NM	15.6	NM	15.6	16.4
CVX	281,729	3.8%	5.3%	2.0	1.8	9.2	7.4	30.8	21.2

Source: Consensus Data - FactSet, Historicals- Company Filings, Forecasts/Estimates-Echelon Wealth Partners estimates.

Appendix – Financial Statements

Exhibit 20 – Income Statement

Universal mCloud Corp.

Income Statement (FYE Dec, C$)	2016	2017E	2018E	2019E	2020E	2021E	2022E
Total Revenue	-	1,797,422	13,392,775	25,052,356	33,833,438	40,600,126	44,660,138
Total Cost of Sales	-	893,427	6,026,749	11,148,299	14,886,713	17,661,055	19,203,859
Sales and Marketing	1,864	1,014,302	4,017,833	6,263,089	5,920,852	4,872,015	4,466,014
General and Administrative	208,832	835,107	1,339,278	2,254,712	2,706,675	2,842,009	2,679,608
Research and Development	-	216,330	2,544,627	4,509,424	5,751,684	6,496,020	6,699,021
Amortization	-	-	-	-	-	-	-
Total Operating Expenses	210,696	2,073,473	7,913,493	13,031,869	14,381,041	14,210,765	13,844,927
Operating Income	(210,696)	(1,169,478)	(547,466)	872,189	4,565,684	8,728,306	11,611,352
Total Other Income	-	(35,750)	(135,992)	(125,434)	(115,697)	(106,715)	(98,430)
EBT	(210,696)	(1,205,228)	(683,458)	746,755	4,449,988	8,621,591	11,512,921
Income Taxes	-	-	68,346	(74,675)	(444,999)	(862,159)	(1,151,292)
Net Income (Loss)	(210,696)	(1,205,228)	(615,112)	672,079	4,004,989	7,759,432	10,361,629
EPS							
Basic EPS	(0.03)	(0.03)	(0.02)	0.02	0.10	0.19	0.26
Diluted EPS	(0.03)	(0.03)	(0.02)	0.02	0.10	0.19	0.26
Shares Outstanding							
Shares Outstanding, Basic	8,118,443	40,046,375	40,046,375	40,046,375	40,046,375	40,046,375	40,046,375
Shares Outstanding, Diluted	8,118,443	40,046,375	40,046,375	40,046,375	40,046,375	40,046,375	40,046,375
Operating Metrics							
Gross Profit	-	903,995	7,366,026	13,904,058	18,946,725	22,939,071	25,456,279
EBITDA	(210,696)	(1,160,550)	(535,711)	876,832	4,567,514	8,729,027	11,611,636
EBT	(210,696)	(1,205,228)	(683,458)	746,755	4,449,988	8,621,591	11,512,921
Net Income	(210,696)	(1,205,228)	(615,112)	672,079	4,004,989	7,759,432	10,361,629
Adj. EBITDA	(210,696)	(1,096,551)	(58,848)	1,768,846	5,772,187	10,174,634	13,201,804

Source: Historicals- Company Filings, Forecasts/Estimates-Echelon Wealth Partners estimates.

Exhibit 21 − Balance Sheet

Universal mCloud Corp.

Balance Sheet (As at Dec 31, C$)	2016	2017E	2018E	2019E	2020E	2021E	2022E
Current Assets							
Cash	2,386	2,928,861	-785,303	445,188	5,001,501	13,466,733	24,922,484
Restricted Cash & Short-Term Investments	0	0	0	0	0	0	0
Trade & Other Receivables	2,420	417,316	1,356,277	2,210,732	2,652,879	3,183,454	3,501,800
Investment Tax Credits Receivable	0	0	0	0	0	0	0
Prepaid Expenses & Other Assets	4,172	521,718	1,655,600	2,394,380	2,381,459	2,392,219	2,358,395
Inventory	0	193,698	566,566	913,242	1,083,577	1,285,516	1,397,814
Total Current Assets	8,978	4,061,592	2,793,141	5,963,542	11,119,415	20,327,923	32,180,493
Non-Current Assets							
Property and Equipment	0	17,711	6,990	2,755	1,085	428	169
Intangible Assets	0	22,297	23,202	24,144	25,125	26,145	27,207
Goodwill	0	2,475,559	6,083,059	6,083,059	6,083,059	6,083,059	6,083,059
Other	0	18,413	18,413	18,413	18,413	18,413	18,413
Total Assets	8,978	6,595,572	8,924,805	12,091,913	17,247,097	26,455,967	38,309,340
Current Liabilities							
Trade & Other Payables	88,723	1,142,552	3,625,736	5,243,651	5,215,352	5,238,918	5,164,845
Deferred Revenue	0	15,000	48,750	79,463	95,355	114,426	125,869
Operating Line	0	0	0	0	0	0	0
Short-Term Debt	80,000	637,000	587,549	541,936	499,865	461,059	425,266
Provisions	0	1,398,252	1,398,252	1,398,252	1,398,252	1,398,252	1,398,252
Total Current Liabilities	168,723	3,192,804	5,660,286	7,263,302	7,208,824	7,212,655	7,114,231
Non-Current Liabilities							
Term Loan	0	0	0	0	0	0	0
Provision/Loan Payable/Benefits Payable	0	817,374	817,374	817,374	817,374	817,374	817,374
Total Liabilities	168,723	4,010,178	6,477,660	8,080,676	8,026,198	8,030,029	7,931,605
Shareholders Equity							
Capital Stock	1,141,548	4,510,715	4,510,715	4,510,715	4,510,715	4,510,715	4,510,715
Warrants & Options	0	0	0	0	0	0	0
Contributed Surplus	198,274	53,409	530,272	1,422,285	2,626,958	4,072,565	5,662,733
Deficit	(1,499,567)	(1,978,730)	(2,593,842)	(1,921,763)	2,083,226	9,842,658	20,204,287
Total Shareholders Equity	-159,745	2,585,394	2,447,145	4,011,238	9,220,899	18,425,938	30,377,735
Total Liabilities & Shareholders Equity	8,978	6,595,572	8,924,805	12,091,913	17,247,097	26,455,967	38,309,340

Source: Historicals- Company Filings, Forecasts/Estimates-Echelon Wealth Partners estimates.

Exhibit 22 – Cash Flow Statement

Universal mCloud Corp.

Cash Flow Statement (FYE Dec, C$)	2016	2017E	2018E	2019E	2020E	2021E	2022E
Cash Provided By Operating Activities							
Net Income (Loss)	(210,696)	(1,205,228)	(615,112)	672,079	4,004,989	7,759,432	10,361,629
Amortization of Intangibles	-	-	-	-	-	-	-
Depreciation of Property & Equipment	-	8,928	11,755	4,643	1,830	721	284
Stock Based Compensation Expense	-	63,999	476,863	892,014	1,204,673	1,445,607	1,590,168
Changes in Non-Cash Working Capital							
Trade & Other Receivables	452	(8,259)	(938,961)	(854,455)	(442,146)	(530,576)	(318,345)
Investment/Income Tax Credits	-	-	-	-	-	-	-
Prepaid Expenses & Other Assets	8,440	647,538	(1,133,883)	(738,780)	12,922	(10,761)	33,824
Trade & Other Payables	81,639	544,752	2,483,183	1,617,915	(28,299)	23,566	(74,074)
Deferred (Unbilled) Revenue	-	15,000	33,750	30,713	15,893	19,071	11,443
Total Cash Provided By Operating Activities	**(120,165)**	**156,118**	**(55,273)**	**1,277,454**	**4,599,526**	**8,505,121**	**11,492,631**
Investing Activities							
Purchase of Property & Equipment	-	-	(1,034)	(408)	(161)	(63)	(25)
Purchase of Intangibles	-	-	(905)	(942)	(980)	(1,020)	(1,062)
Business Acquisition	-	-	(3,607,500)	-	-	-	-
Redemption of Short-Term Investments & Restricted Cash	-	-	-	-	-	-	-
Total Cash From Investing Activities	**-**	**-**	**(3,609,440)**	**(1,350)**	**(1,141)**	**(1,084)**	**(1,087)**
Financing Activities							
Proceeds from Loan	85,000	650,000	-	-	-	-	-
Operating Line (Repayment)	-	-	-	-	-	-	-
Repayment of Loan	-	(13,000)	(49,451)	(45,612)	(42,071)	(38,805)	(35,793)
Issue/Repurchase of Equity	-	4,000,000	-	-	-	-	-
Proceeds from exercise of Stock Options and Warrants	-	38,374	-	-	-	-	-
Total Cash From Financing Activities	**85,000**	**4,675,374**	**(49,451)**	**(45,612)**	**(42,071)**	**(38,805)**	**(35,793)**
Effect of Exchange Rates on Cash	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net Increase in Cash	**(35,165)**	**4,831,492**	**(3,714,164)**	**1,230,491**	**4,556,313**	**8,465,232**	**11,455,751**
Beginning Cash	**37,551**	**2,386**	**2,928,861**	**(785,303)**	**445,188**	**5,001,501**	**13,466,733**
Ending Cash	**2,386**	**2,928,861**	**(785,303)**	**445,188**	**5,001,501**	**13,466,733**	**24,922,484**

Source: Historicals- Company Filings, Forecasts/Estimates-Echelon Wealth Partners estimates.

Important Information and Legal Disclaimers

ANALYST CERTIFICATION

Company: Universal mCloud Corp. | MCLD:TSXV

I, Ralph Garcea, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities or issuers. I also certify that I have not, am not, and will not receive, directly or indirectly, compensation in exchange for expressing the specific recommendations or views in this report.

IMPORTANT DISCLOSURES

Is this an issuer related or industry related publication?	Issuer
Does the Analyst or any member of the Analyst's household have a financial interest in the securities of the subject issuer? If Yes: 1) Is it a long or short position? No Position; and, 2) What type of security is it? None.	No
Does the Analyst or household member serve as a Director or Officer or Advisory Board Member of the issuer?	No
Does Echelon Wealth Partners Inc. or the Analyst have any actual material conflicts of interest with the issuer?	No
Does Echelon Wealth Partners Inc. and/or one or more entities affiliated with Echelon Wealth Partners Inc. beneficially own common shares (or any other class of common equity securities) of this issuer which constitutes more than 1% of the presently issued and outstanding shares of the issuer?	No
During the last 12 months, has Echelon Wealth Partners Inc. provided financial advice to and/or, either on its own or as a syndicate member, participated in a public offering, or private placement of securities of this issuer?	No
During the last 12 months, has Echelon Wealth Partners Inc. received compensation for having provided investment banking or related services to this Issuer?	No
Has the Analyst had an onsite visit with the Issuer within the last 12 months?	No
Has the Analyst, Partner, Director or Officer been compensated for travel expenses incurred as a result of an onsite visit with the Issuer within the last 12 months?	No
Has the Analyst received any compensation from the subject company in the past 12 months?	No
Is Echelon Wealth Partners Inc. a market maker in the issuer's securities at the date of this report?	No

RATING DEFINITIONS

|	
Buy	The security represents attractive relative value and is expected to appreciate significantly from the current price over the next 12 month time horizon.
Speculative Buy	The security is considered a BUY but in the analyst's opinion possesses certain operational and/or financial risks that are higher than average.
Hold	The security represents fair value and no material appreciation is expected over the next 12-18 month time horizon.
Sell	The security represents poor value and is expected to depreciate over the next 12 month time horizon.
Under Review	While not a rating, this designates the existing rating and/or forecasts are subject to specific review usually due to a material event or share price move.
Tender	Echelon Wealth Partners recommends that investors tender to an existing public offer for the securities in the absence of a superior competing offer.
Dropped Coverage	Applies to former coverage names where a current analyst has dropped coverage. Echelon Wealth Partners will provide notice to investors whenever coverage of an issuer is dropped.

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Recommendation Hierarchy	Buy	Speculative Buy	Hold	Sell	Under Review	Restricted	Tender
Number of recommendations	50	51	15	1	1	4	1
% of Total (excluding Restricted)	42%	43%	13%	1%	1%		
Number of investment banking relationships	8	22	1	1	0	3	0
% of Total (excluding Restricted)	25%	69%	3%	3%	0%		

PRICE CHART, RATING & PRICE TARGET HISTORY

Date	Target (C$)	Rating
29-Jan-18	$ 1.25	SPEC BUY

Universal mCloud Corp. (TSXV:MCLD)

■ Price ● Target (C$)
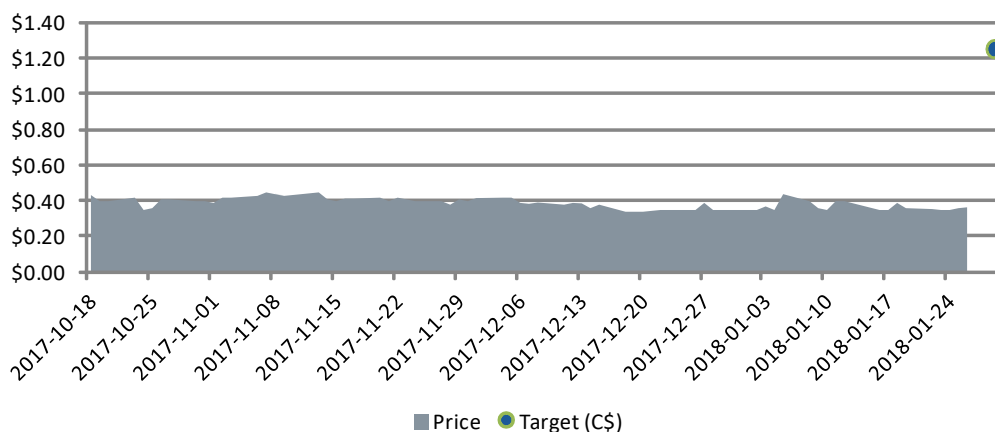
Coverage initiated: 01/29/2018   *Data sourced from FactSet*