



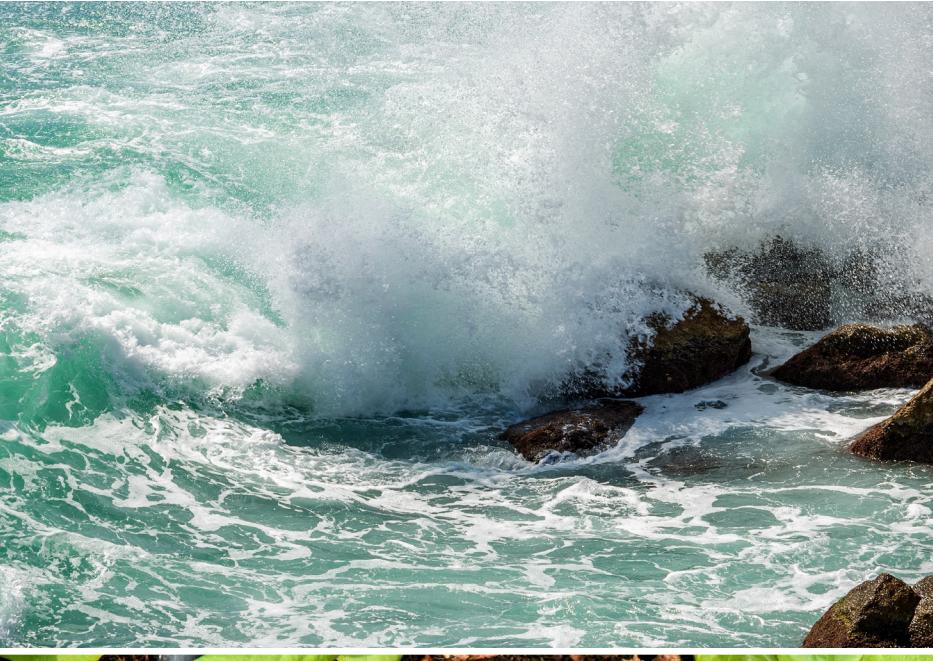
ENVIRONMENTAL, SOCIAL &
GOVERNANCE

ESG

2020 REPORT



Investing In Our Future



**"A leader in enabling safer,
more energy-efficient
communities that will help
power economic growth."**

-Russ McMeekin, CEO



A Message From Our CEO

Over the past year, the world has been challenged by one of the most significant periods of global transformations that our generation will ever experience. As a leader of a remote asset management company employing 300 people around the world, I am acutely aware of the important role technology has played in ensuring the safety of our employees during this difficult time while maintaining our commitment to solving the world's most challenging energy problems and striving for a more sustainable tomorrow.

With the COVID-19 crisis creating significant economic impact, the need to adapt to new challenges, combined with environmental and climate change concerns, has fundamentally changed the way the world conducts business. While there has been unprecedented disruption to our own operations, I am proud of the accomplishments and the determination of the mCloud team in the last year. mCloud has been active with our clients, including restaurants, retail, long-term care, and commercial facility operators to deploy our AssetCare™ platform, which uses AI to continuously maintain indoor air quality.

The drive to strengthen the sustainability of our business while upholding the highest level of ethical standards has only fortified mCloud's resilience and solidified our position as a leader in enabling safer, more energy-efficient communities that will help power economic growth.

mCloud has a responsibility to all our stakeholders to reduce our own environmental impact and carbon footprint. My focus is to ensure that we not only make an impact, but that our employees, leadership, and innovations reflect our vision of a better world. With the announcement of plans to move our global headquarters to Calgary, Canada, mCloud is well-placed to be the leaders in AI to decarbonize high-risk ESG sectors such as oil and gas.

The Environmental, Social and Governance (ESG) goals remain a priority throughout our organization and are supported by the highest levels of management so that all departments share in the responsibility and accountability of developing our employees and protecting our environment. At mCloud, we believe in also providing a workplace that not only encourages diversity, but also allows for the nurturing of all employees to create a well-rounded employment experience.

I thank our customers for their ongoing support. As a company mCloud strives to be a valuable partner in helping you meet your objectives of building a sustainable future. Together we will do more; more to drive change and more to improve lives and communities by building a sustainable foundation that will benefit future generations.

Foreword



**Russ McMeekin |
Chief Executive Officer**





Company Overview

Overview

Founded in 2017, mCloud unlocks the untapped potential of energy-intensive assets such as HVAC units, heat exchangers, wind turbines and more, through the use of AI, IoT, and the cloud, curbing energy waste, maximizing energy production, and getting the most of decarbonizing infrastructure.

Through our AssetCare platform, mCloud offers complete asset management solutions for commercial buildings, renewable energy, healthcare, heavy industry, and connected workers. IoT sensors bring data from connected assets into the cloud, where AI and analytics are applied to maximize their performance.

AssetCare's advanced technologies are also leveraged to deliver unprecedented transparency and real-time visibility into a company's progress in achieving its own ESG goals.

Headquartered in Calgary, Canada with offices worldwide, mCloud has over 100 blue-chip customers and as of March 31, 2021, more than 59,000 assets connected in thousands of locations across the globe. mCloud is dedicated to building a sustainable society that also results in new economic opportunities and a higher quality of life for everyone.

mCloud's common shares trade on the TSX Venture Exchange under the symbol MCLD and on the OTCQB under the MCLDF. mCloud's convertible debentures trade on the TSX Venture Exchange under the symbol MCLD.DB

For more information visit www.mcloudcorp.com





Understanding ESG

Environmental, Social and Governance (ESG) standards are a set of criteria, based on the framework outlined by UN Sustainable Development Goals, and is used by forward-thinking investors - often times in the form of an "ESG score" - to assess a company's operations and see how responsible, accountable and environmentally conscious its actions are. These criteria have long existed in other forms, but have more recently been packaged together as a way of evaluating potential investments.

The three pillars of an ESG program are:

- **Environment** - Includes energy efficiency, waste and water management, and resource use;
- **Social** - Includes health and safety, corporate responsibility, and community impact;
- **Governance** - Includes board governance, business ethics, and stakeholder rights.

ESG has risen to prominence through the increasing advocacy for these corporate values, spurred on by younger investors and the evolving position of investment leaders.

mCloud is proud to commit to achieving ESG standards that align with the values of our company and our investors, as well as helping our customers meet their ESG goals.

Understanding ESG





Companies with positive ESG scores have been demonstrated to outperform their peers, showing 60% in improved operating profits and 4% higher stock returns comparatively. In this way, companies with high ESG scores can provide investors the ability to align their values with their personal investments.

This ESG report is a demonstration of mCloud's commitment to transparency and accountability, with details on how sustainable practices are incorporated in our business, social, environmental, and community engagement activities. The information contained in this report covers mCloud's performance data for 2020.

Source: McKinsey & Co. (2020). How the "E" in "ESG" creates business value.





ESG-Our Story, Our Global Impact

Sitting at the intersection of AI, the cloud and IoT, mCloud's AssetCare solution promotes energy efficiencies, safety and sustainability for a multitude of industries worldwide. Insights borne from real-time monitoring and analytics minimize risk and maximize performance at oil and gas (O&G) facilities, smart buildings, wind energy and other commercial and industrial applications.

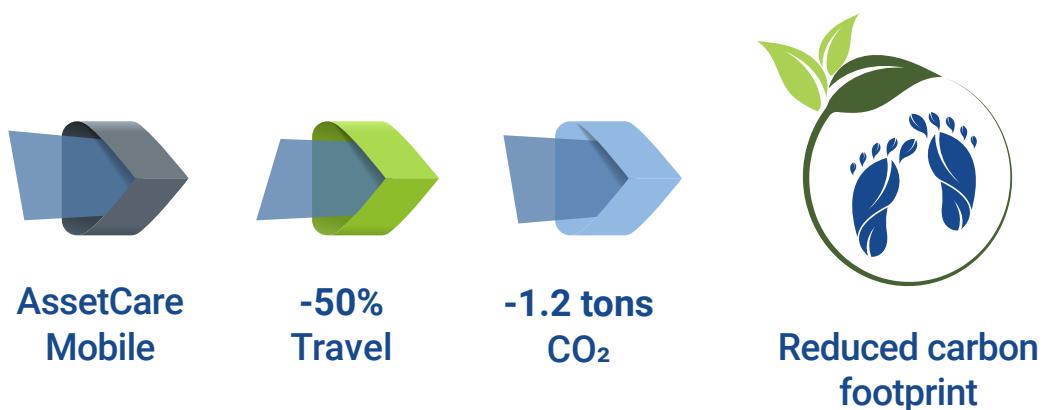
It is all made possible through a multi-pronged approach that streamlines and strengthens operations on both workflow and asset management fronts.

Improving Customer ESG Scores

Mobile and 3D Digital Twins

mCloud was able to reduce travel for some O&G customers by up to 50 percent, preventing 1.2 tons of CO₂ from being released into the atmosphere for every 10,000 kilometers of travel saved – a figure that quickly adds up given the scale of our customers. With the mCloud AssetCare Mobile solution, field workers were able to use mobile phones, tablets, and industrial smart glasses that enabled greater connectivity between on-site O&G workers and remote experts to quickly solve problems while eliminating the need for travel and reducing the plant's carbon footprint.

Figure 1: AssetCare for Mobile and 3D Digital Twin economic and environmental impact





AssetCare for Buildings

AssetCare's technology enabled our customers to reduce their HVAC energy footprints by as much as 55%. mCloud's seamless digital ecosystem maximized the energy efficiency as well as reduced the carbon footprint of office buildings, quick service restaurants, and retailers, all of which can be significant sources of energy waste and emissions, even during a pandemic lockdown. The U.S. Department of Energy reports that buildings consume more than 70 percent of all electricity in the country and contribute almost 40 percent of emissions, with 30 percent of this energy being wasted on average.

Indoor Air Quality

mCloud's Indoor Air Quality (IAQ) solution exceeded the air quality standards set by the American Society of Heating, Refrigerating, and Air Conditioning Engineers ("ASHRAE"), the Center for Disease Control and the World Health Organization, enabling safer buildings for staff and the public. Commercial property owners were also able to leverage mCloud's AI-powered AssetCare for Buildings to improve indoor air quality in a year beset by an airborne pandemic – all while being energy efficient at the same time.

Connected Wind

Connected customers in the wind space saw the annual energy production (AEP) of their turbines increase by 2 percent. For one particularly prominent mCloud customer, Longyuan Wind Power – the largest operator in China – we identified an issue that had caused an 11 percent reduction in a machine's output in a month. Through our connected approach, mCloud has been bolstering output of clean energy for the world while also sparing maintenance workers from lengthy and potentially dangerous trips to turbine sites for repairs.

In addition, in 2020 mCloud laid the groundwork to help industrial processing plants detect "fugitive" gas and pipeline leaks in less than 24 hours aided by active monitoring, contrasting with the traditional average of 60 days or more. McKinsey reports that 47 percent of emissions that the oil and gas sector must reduce to meet current ESG goals come from this type of leak. Leak detection will be a key focus in 2021.



-55%
HVAC energy



+2%
Turbine AEP



-98%
Time to detect gas leaks



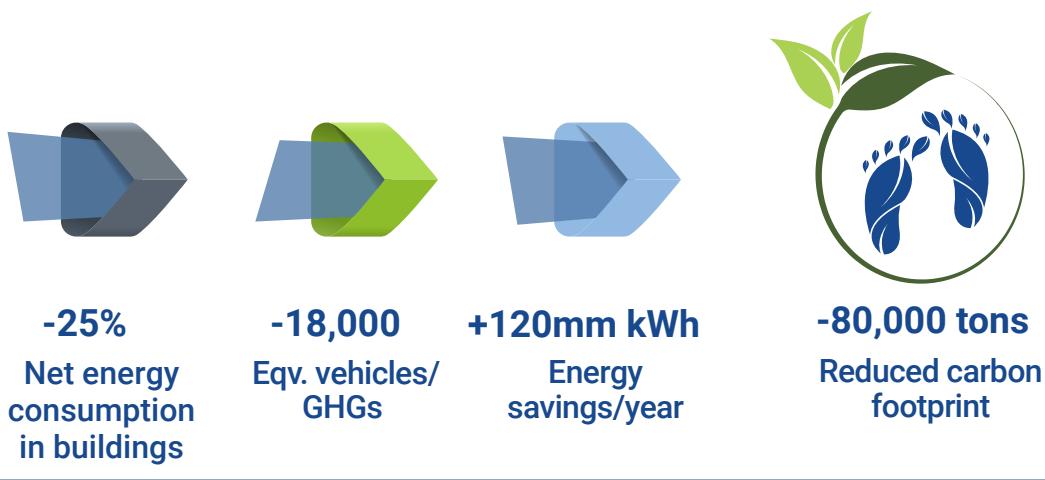
Our Global Impact

Our Global Impact

mCloud is a leader in achieving and maintaining ESG standards for the industries we serve and the global community.

With the full force of AssetCare in place for our customers, mCloud's connectivity solutions helped reduce the annual carbon footprint of commercial buildings by 80,000 tons – the equivalent of 18,000 passenger vehicles worth of greenhouse gases. mCloud customers also reduced net energy consumption by as much as 25 percent, resulting in more than 120 million kilowatt hours in energy savings across a single year.

Figure 2: Global results of AssetCare applications



The benefits of AssetCare go beyond the environment. Even pre-pandemic, mCloud advocated for indoor air quality solutions that battled “sick building syndrome” and resulted in healthier buildings for their occupants. Companies that embrace IAQ measures report reductions in sick days, improvements in the cognitive focus of staff and increased productivity – all attributed to healthier indoor air. These benefits will continue to provide a boost to the ESG strategies of our customers even after the current pandemic subsides.



ESG in the Oil and Gas Industry

Several years ago, a multi-billion-dollar North American energy company with an emphasis on providing clean, affordable energy set out to automate its natural gas facilities.

The aim was to increase overall efficiency, but once the conversion was made, the company began experiencing issues at one of its remote facilities. Slowdowns and disconnections with its human machine interfaces prevented staff from accurately monitoring pressure, temperatures and other important data, which ultimately created flaws in the control system. This presented a serious problem – control systems sit at the heart of O&G plants, and any inaccuracy or oversight in monitoring can easily create problems for operations that stretch beyond the training and expertise of on-site workers.

mCloud worked with the company's IT technicians to solve the immediate problem before going further and connecting the plant to AssetCare's cloud-based remote asset management solution, which was set up to monitor network switches, controllers, computers and other equipment in real-time. AssetCare was configured to monitor key performance indicators at the plant, with threshold alerts set to automatically sound the alarm if any part of the system began acting strangely.

"A project that would have caused hours of downtime was resolved in mere minutes."

It was not long before AssetCare caught a network card failure. mCloud received the alert and had a technician at the site before the workers had even realized there was a problem. As a result of this swift action, a project that would have caused hours of downtime was resolved in mere minutes, and a potentially costly outage was minimized.

In another case, AssetCare was able to detect abnormally low temperatures in one of the site's programmable logic controllers. The temperatures outside at the plant can reach minus 40 degrees Celsius, so a simple thing like a door being left open is enough to crash the network equipment and halt production.

These connected asset solutions are a critical component of our ESG efforts for our industrial clients. In this specific case, mCloud was able to prevent the worst-case-scenario of unplanned downtime, which brings with it significant amounts of flaring – the high-pollutant controlled burning of excess gas that ramps up significantly when a plant is pushed beyond its normal operating limits.

Besides minimizing flaring, mCloud's solutions monitor and manage other ESG metrics, including:

- Carbon impact of all connected facilities
- Energy per hour reductions from optimized compressors and heat exchangers
- Carbon emissions reductions from reduced emergency supply chain orders
- Carbon footprint of all connected equipment
- Actionable reports on fugitive emissions



Energy Management-Solana Beach Church

Located in Southern California, Solana Beach Presbyterian Church is a pillar of its community. The 70,000 square foot campus is far more than a simple chapel – it serves as a school, community center and children's facility, and also features a 5,000 square-foot auditorium that is used twice daily for community events.

To keep up with all the goings-on at Solana Beach, Facilities Manager Jose Ramirez deployed 47 thermostats throughout the campus. Manually managing all of these units proved to be a difficult task, with regular issues such as forgotten fans and open doors resulting in energy waste. This ended up impacting the church's monthly energy bill, which is difficult to absorb for a non-profit working on a tight budget.

mCloud stepped in and, seeing the campus was in need of help, offered a special no-risk trial so Ramirez could see the benefits firsthand. He agreed, and mCloud brought the facility's smart thermostats onto the AssetCare platform, tapping their full potential with the help of real-time monitoring and data analysis of the church's energy profile.

The chaos of 47 blind spots that Ramirez had to manually check was swiftly turned into a short list of action items delivered on a weekly basis, complete with performance indicators and potential problem areas for regular energy management adjustments.

During the brief trial period, the church saw a gross savings upwards of 30 percent, which after cost of services in a regular month ended up being above 17 percent. For a facility like the Solana Beach church, with a regular energy budget of \$140,000, this was a game-changer.

"The minute I saw double-digit percentage savings, it really caught my attention," said Ramirez.

Suddenly, the church's budget had money to spare. Since the installation, these funds that would have been eaten up by wasteful energy management have been opened up for important work and activities for the local community.



"The minute I saw double digit percentage savings, it really caught my eye"



Our Commitment to ESG

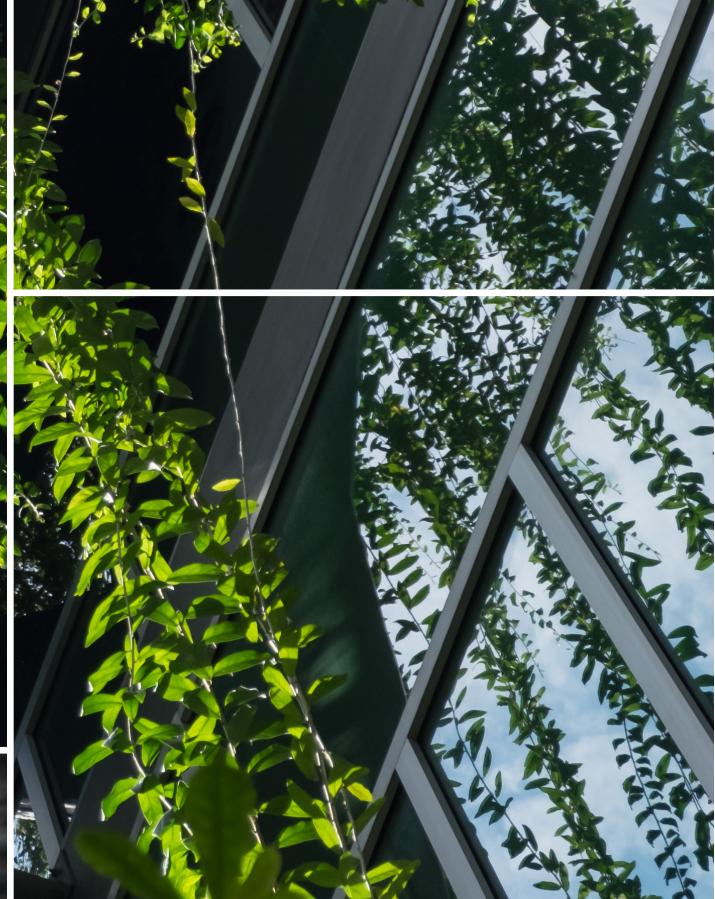
mCloud's commitment to ESG goes well beyond our work with our customers – we believe in practicing what we preach. To that end, the same technology, techniques and strategies that mCloud would recommend to our customers are applied throughout the company.

Driving this approach is an outstanding company culture dedicated to fulfilling the three pillars of ESG. mCloud strives for

- Sustainability for the environment;
- Safety, success and satisfaction for our employees; and
- Responsible, rigorous accountability for every member of our team.

These values are at the heart of our business, and are supported by best practices and policies at every level.







Environmental Pillar

Environmental Pillar

As a remote asset management company, mCloud makes full use of the same AI, IoT and cloud solutions that are offered to our customers. With a highly distributed team already in place, mCloud was able to seamlessly stay connected in response to the COVID-19 pandemic.

Prior to the pandemic, mCloud supported a hybrid working model whenever possible where staff located close to our office locations are still able to work fully or partially from home. Inclusive of mCloud's acquisitions, this initiative has reduced commuting by approximately 175,000 km over the last 10 years, resulting in significant fuel savings as well as lowering our carbon footprint by 115 tons. For those who choose to work in one of our major offices in Western Canada, mCloud encourages ridesharing and the use of public transit, which is available near all of our locations.

In the post-pandemic world, the need arose to expand these efforts even further. One immediate concern was our annual mCloud Connect event, which typically brings together industry, high-tech and finance leaders to discuss the role and importance of digital transformation and connected technologies for the future of many different industries.

Recognizing the urgency, mCloud quickly pivoted from a planned in-person event in Las Vegas to an online format that would keep our customers, investors and employees safe. mCloud successfully converted every event activity, including round table discussions, the keynote speech and icebreaker conversations, to a completely virtual format. The event was a huge success, spanning across seven time zones and bringing together panelists, employees, customers and investors from 10 different countries.

Figure 3: Results of the ESG initiatives of mCloud and employees



Telework



-175,000km

Commuting



-115 tons

Reduced carbon
footprint





Social Pillar

Supporting and investing in both mCloud employees and the surrounding communities is viewed as paramount to the company's continued success. mCloud and our employees give back to the community, effecting positive change and acting as global citizens through corporate giving, community investments and volunteering.

Scholarships established by mCloud in Western Canada



**British Columbia
Institute of
Technology**



**Northern
Alberta Institute
of Technology**



**University
of Alberta**



**Southern Alberta
Institute of
Technology**



**University of
Calgary**

mCloud strongly believes in elevating our own employees; emphasizing career mobility by investing in career certification programs based on individual professional development plans. These are supplemented by educational, cross-departmental sessions hosted on a regular basis by our Organizational Development Team.

At the heart of mCloud's human resources philosophy is the mantra "hire the best." In line with our emphasis on remote work, mCloud's hiring process is based on talent and experience, regardless of location. Wherever someone might choose to live, they can easily be integrated into our operations, ensuring their personal lives won't be upended with an unnecessary move.

None of this would mean anything if the employees of mCloud didn't feel safe doing their jobs. That is why mCloud has a comprehensive health and safety program, utilizing an integrated safety management approach with a dedicated safety officer.

mCloud's objective is to create an injury and accident-free workplace, and the system is working well. Combining our safety records and those of our acquisitions, mCloud has only had a single lost time accident of two days recorded in the last 30 years.





Ensuring Good Governance

Holding everything together at mCloud is our strong commitment to accountability and transparency. The shareholders, employees, customers and suppliers need to know that they can trust mCloud, and that trust is earned on a daily basis through a rock-solid ethical framework.

mCloud has high standards for integrity and compliance with all applicable laws and regulations. Before accepting a position with mCloud, all employees and contractors must agree to follow our Code of Business Conduct and Ethics, which contain well-established guidelines formed by our mission and core values. These guidelines capture mCloud's philosophy, equal employment policies and ethical expectations of everyone in our organization, including our Board of Directors.

mCloud takes immediate action in the case of any infractions, and nurtures a culture where anyone can feel comfortable to ask questions or raise concerns with no fear of reprisal. mCloud has zero tolerance for insider trading and all manner of corrupt activities, and employs a Whistleblower Policy allowing employees to report any concerns of an ethical or legal breach anonymously and confidentially.

mCloud's dedication to governance also extends to our customers, who rely on vendor evaluations from third party organizations to help manage supply chain risk and safety integrity. mCloud maintains current and compliant memberships with COR, Avetta, ComplyWorks and ISNetWorld and regularly provides these companies with updated documentation on our safety programs, sustainability, certifications and more, in addition to completing internal and external audits as required. This creates an all-in-one review system that lets mCloud customers know that we meet their high standards on an ongoing basis.





Our Commitment To The Future

Our Commitment

As businesses are increasingly measured in their ability to meet ESG expectations, 2021 is set to be the year that companies take action on issues ranging from corporate sustainability, workplace safety, diversity and inclusion.

To help firms meet these new expectations, mCloud is establishing a collaborative effort at our new headquarters in Calgary, Canada to work closely with the oil and gas industry, technology partners, and government agencies to ensure the region is a leading innovator in leveraging technology that improves ESG ratings for industrial facilities.

Today, it is more evident than ever before that energy efficiency, economic growth, and sustainability are inextricably linked. The mCloud team is proud to be a leader in the pursuit of a healthy, prosperous and sustainable society for all.



mCloud

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