



FOR IMMEDIATE RELEASE

MOSAIC CAPITAL CORPORATION
Reports Third Quarter 2017 Financial Results

Calgary, Alberta – November 14, 2017. Mosaic Capital Corporation ("Mosaic" or the "Company") (TSX–V Symbols: **M** and **M.DB**) has released its financial results for the three and nine months ended September 30, 2017. The Company's financial statements and management's discussion and analysis ("MD&A") for the three and nine months ended September 30, 2017 can be accessed under Mosaic's profile on SEDAR at www.sedar.com and on the Company's website at www.mosaiccapitalcorp.com.

Selected Financial Highlights

<i>(in \$000s, except as noted)</i>	Three months ended Sep 30,			Nine months ended Sep 30,		
	2017	2016	% Change	2017	2016	% Change
Revenue	\$ 95,656	\$ 57,811	65%	\$ 223,491	\$ 146,325	53%
Adjusted EBITDA ⁽¹⁾	\$ 12,220	\$ 7,051	73%	\$ 22,832	\$ 17,178	33%
<i>per share</i>	\$ 1.19	\$ 0.84	41%	\$ 2.38	\$ 2.06	16%
<i>as a % of revenue</i>	12.8%	12.2%		10.2%	11.7%	
Net income	\$ 8,014	\$ 3,179	152%	\$ 16,626	\$ 9,610	73%
Net income attributable to shareholders	\$ 5,499	\$ 1,782	209%	\$ 12,073	\$ 5,987	102%
<i>per share</i>	\$ 0.39	\$ (0.18)	317%	\$ 0.84	\$ (0.46)	283%
Free Cash Flow ⁽²⁾	\$ 6,166	\$ 4,168	48%	\$ 10,149	\$ 10,657	-5%
<i>per share</i>	\$ 0.60	\$ 0.50	20%	\$ 1.06	\$ 1.28	-17%
Preferred securities distributions declared	\$ 1,512	\$ 3,255	-54%	\$ 5,493	\$ 9,794	-44%
Common share dividends declared	\$ 1,114	\$ 864	29%	\$ 3,318	\$ 2,590	28%
<i>per share</i>	\$ 0.105	\$ 0.100	5%	\$ 0.310	\$ 0.300	3%
Preferred Distribution Payout Ratio ⁽³⁾	25%	63%		51%	58%	
Combined Payout Ratio ⁽⁴⁾	43%	84%		84%	82%	
Weighted avg. common shares outstanding	10,252,000	8,347,000		9,591,000	8,347,000	

Note:

- (1) Adjusted EBITDA is defined as earnings before finance costs, taxes, depreciation and amortization, and other non-cash items. Adjusted EBITDA is not a recognized measure under IFRS. Refer to "Non-GAAP Measures".
- (2) Free Cash Flow is defined as Adjusted EBITDA less (i) non-controlling interests' share of Adjusted EBITDA, and (ii) Mosaic's share of: net cash interest; current income taxes; and sustaining capital expenditures. Free Cash Flow is not a recognized measure under IFRS. Refer to "Non-GAAP Measures".
- (3) Preferred Distribution Payout Ratio is defined as preferred securities distributions divided by Free Cash Flow. Preferred Distribution Payout Ratio is not a recognized measure under IFRS. Refer to "Non-GAAP Measures".
- (4) Combined Payout Ratio is defined as preferred securities distributions and common share dividends divided by Free Cash Flow. Combined Payout Ratio is not a recognized measure under IFRS. Refer to "Non-GAAP Measures".

For the three months ended and as at September 30, 2017, Mosaic:

- increased revenue by 65% over the same period in 2016, driven by the acquisition of new portfolio companies and improved business conditions for certain portfolio companies exposed to the energy sector;
- increased Adjusted EBITDA by 73% over the prior year period with strong contributions from recent acquisitions and improved profitability levels within certain western Canadian based businesses;
- increased Free Cash Flow by 48% over the same period in 2016;
- delivered a Combined Payout Ratio of 43%, which represents a material improvement over the 84% realized in the prior year period;

- maintained a healthy balance sheet with \$15.7 million in cash, \$60.5 million in Working Capital and total debt to EBITDA leverage of 1.80; and
- subsequent to quarter end, Mosaic closed the \$27.0 million acquisition of Circle 5 Tool & Mold Inc., a Windsor based automotive related mold manufacturer.

Segmented Financial Performance

(in \$000s, except as noted)	Three months ended Sep 30,			Nine months ended Sep 30,		
	2017	2016	% Change	2017	2016	% Change
Revenue:						
Infrastructure	\$ 64,047	\$ 39,037	64%	\$ 147,242	\$ 104,056	42%
Energy	4,690	1,406	234%	9,876	4,746	108%
Diversified	26,796	17,138	56%	65,959	36,708	80%
Real Estate	123	230	-47%	414	815	-49%
Corporate	-	-	N/A	-	-	N/A
Total revenue	\$ 95,656	\$ 57,811	65%	\$ 223,491	\$ 146,325	53%
Adjusted EBITDA: ⁽¹⁾						
Infrastructure	\$ 8,420	\$ 3,672	129%	\$ 14,253	\$ 12,046	18%
Energy	1,210	385	214%	2,044	868	135%
Diversified	4,083	4,184	-2%	12,092	7,438	63%
Real Estate	(38)	42	-190%	(244)	372	-166%
Corporate	(1,455)	(1,232)	18%	(5,313)	(3,546)	50%
Total Adjusted EBITDA	\$ 12,220	\$ 7,051	73%	\$ 22,832	\$ 17,178	33%
<i>As a % of revenue</i>	12.8%	12.2%		10.2%	11.7%	

Note:

- (1) Adjusted EBITDA is defined as earnings before finance costs, taxes, depreciation and amortization, and other non-cash items. Adjusted EBITDA is not a recognized measure under IFRS. Refer to "Non-GAAP Measures".

Outlook

Management is pleased with the Company's third quarter financial and operating results which reflect an on-going focus on growing Free Cash Flow per share and the maintenance of a healthy balance sheet. Mosaic's overall strategy is to grow and add cash flow diversification through the accretive acquisition of controlling equity interests in new portfolio companies. Complementing this, Mosaic's management team actively engages with its portfolio companies to add value with operational focus and strategic assistance throughout the economic cycle.

We continue to see a slow recovery in western Canadian economic activity, with the associated positive impacts on our portfolio companies that have operations in this market. While results in certain western Canadian portfolio companies remain below historical levels, these improvements are a welcome development and it would appear the low point in profit contribution from these entities is now behind us. Additionally, the third quarter of 2017 offered a significant improvement in weather-impacted operating conditions in eastern Canada which positively influenced our construction related businesses.

Looking into the fourth quarter, we expect to see continued benefits from our acquisition activity over the past year, as well as year-over-year gains in contribution from several of our legacy portfolio companies.

Mark Gardhouse, CEO commented "after managing through difficult, weather-impacted operating conditions in the second quarter, we are beginning to see the full cash flow capability of our portfolio in our third quarter results. As we approach 2018, we have an increasingly positive outlook for continued improvement in financial results. This outlook is bolstered by our most recent acquisition of Circle 5 Tool & Mold, which further diversifies overall corporate cash flows and offers a new investment platform in the Ontario market."

Mosaic's pipeline of high quality acquisition opportunities remains robust and the Company will continue to pursue its strategy to grow through acquisitions with a focus on building an increasingly diversified portfolio of private, mid-market companies that offer strong free cash flow while maintaining a healthy balance sheet.

Conference Call

Management will hold a conference call to discuss the Q3 2017 results on Wednesday, November 15th, 2017 at 10:00 AM ET. All interested parties are invited to join the conference call by dialing 1-855-353-9183 from within Canada or the U.S. or 403-532-5601 from Calgary or internationally, then entering the participant Code 63121#. A recording of the conference call will be made available on Mosaic's website at www.mosaiccapitalcorp.com.

ABOUT MOSAIC CAPITAL CORPORATION

Mosaic is a Canadian investment company that owns a portfolio of established businesses which span a diverse range of industries and geographies. Mosaic's strategy is to create long-term value for its shareholders through accretive acquisitions, long-term portfolio ownership, sustained cash flows and organic portfolio growth. Mosaic achieves its objectives by maintaining financial discipline, acquiring businesses at attractive valuations, performing extensive acquisition due diligence, utilizing optimal transaction structuring and working closely with subsidiary businesses after acquisition.

FOR FURTHER INFORMATION PLEASE CONTACT:

Cam Deller
Vice President, Corporate Development
Mosaic Capital Corporation
400, 2424 - 4th Street SW
Calgary, AB T2S 2T4

T: (403) 930-6576
E: cdeller@mosaiccapitalcorp.com

Reader Advisory

Non-GAAP Measures

Selected financial information for the three and nine month periods ended September 30, 2017 are set out above and includes the following measures that are not recognized under International Financial Reporting Standards ("IFRS") and are non-generally accepted accounting principles ("Non-GAAP") measures: Adjusted EBITDA, Free Cash Flow, Preferred Distribution Payout Ratio and Combined Payout Ratio. This information should be read in conjunction with the unaudited condensed interim consolidated financial statements for the periods ended September 30, 2017 and 2016 and Mosaic's MD&A for the period ended September 30, 2017 available under Mosaic's profile on SEDAR at www.sedar.com. Further information regarding these Non-GAAP measures is contained in Mosaic's MD&A.

Forward-Looking Statements

*This news release contains forward-looking information and statements within the meaning of applicable Canadian securities laws (herein referred to as "**forward-looking statements**") that involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. All information and statements in this press release which are not statements of historical fact may be forward-looking statements. The words "believe", "expect", "intend", "estimate", "anticipate", "project", "scheduled", and similar expressions, as well as future or conditional verbs such as "will", "should", "would", and "could" often identify forward-looking statements. Forward-looking statements included in this news release include, but are not limited to:*

- *the overall business strategy and objectives of Mosaic;*
- *the Company's expectation to grow and diversify cash flow;*
- *the recovery of economic activity in western Canada;*
- *improvement in western Canadian portfolio and legacy portfolio profit contribution; and*
- *management's expectation that its recent acquisitions will result in future benefits to the Company.*

Such statements or information, if any, are only predictions and reflect the current beliefs of management with respect to future events and are based on information currently available to management. Actual results and events may differ materially from those contemplated by these forward-looking statements due to these statements being subject to a number of risks and uncertainties. Undue reliance should not be placed on these forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur.

By their nature forward-looking statements involve assumptions and known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other things contemplated by the forward-looking statements will not occur. A number of factors could cause actual results to differ materially from the results stated in the forward-looking statements, including, but not limited to, risks related to: general economic and business conditions; the failure to realize the anticipated benefits of Mosaic's recent and future acquisitions; adverse fluctuations in commodity prices; competition for, among other things, capital, equipment and skilled personnel; the inability to generate sufficient cash flow from operations to meet current and future obligations; the inability to obtain required debt and/or equity capital on suitable terms; competition for acquisition targets; adverse weather conditions; seasonality and fluctuations in results; and limited diversification of Mosaic's subsidiaries. Should any of the risks or uncertainties facing Mosaic and its subsidiaries materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance, activities or achievements could vary materially from those expressed or implied by any forward-looking statements contained in this news release.

Although Mosaic believes that the expectations represented by any forward-looking-statements contained herein are reasonable based on the information available to them on the date of this news release, management cannot assure investors that actual results, performance or achievements will be consistent with these forward-looking statements. Any forward-looking statements herein contained are made as of the date of this press release and Mosaic does not assume any obligation to update or revise them to reflect new information, events or circumstances, except as required by law.

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