



FOR IMMEDIATE RELEASE

**MOSAIC CAPITAL CORPORATION**  
**Reports Annual 2018 Financial Results**

Calgary, Alberta – March 20, 2019. Mosaic Capital Corporation ("Mosaic" or the "Company") (TSX–V Symbols: **M** and **M.DB**) has released its audited financial results for the year ended December 31, 2018. The Company's financial statements and management's discussion and analysis ("MD&A") can be accessed under Mosaic's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.mosaiccapitalcorp.com](http://www.mosaiccapitalcorp.com).

**Selected Financial Highlights**

<i>(in \$000s, except as noted)</i>	Three months ended December 31,			Year ended December 31,		
	2018	2017	% Change	2018	2017	% Change
Revenue	\$ 116,623	\$ 88,650	32%	\$ 397,118	\$ 312,141	27%
Adjusted EBITDA <sup>(1)</sup>	\$ 8,872	\$ 5,196	71%	\$ 30,240	\$ 28,028	8%
<i>per share</i>	\$ 0.84	\$ 0.49	71%	\$ 2.85	\$ 2.74	4%
<i>as a % of revenue</i>	7.61%	5.86%		7.61%	8.98%	
Net income (loss) and comprehensive income (loss)	\$ 3,537	(9,509)	137%	\$ 17,053	\$ 7,117	140%
Net income (loss) attributable to equity holders	\$ 189	\$ (11,788)	102%	\$ 6,316	\$ (5,208)	221%
<i>per share</i>	\$ 0.02	\$ (1.12)	102%	\$ 0.60	\$ (0.51)	217%
Free Cash Flow <sup>(1)</sup>	\$ 3,623	\$ 1,236	193%	\$ 10,579	\$ 11,090	-5%
<i>per share</i>	\$ 0.34	\$ 0.12	183%	\$ 1.00	\$ 1.08	-8%
Preferred securities distributions declared <sup>(2)</sup>	\$ 1,512	\$ 1,512	-	\$ 5,999	\$ 7,006	-14%
Common share dividends declared	\$ 1,115	\$ 1,114	-	\$ 4,458	\$ 4,432	1%
<i>per share</i>	\$ 0.105	\$ 0.105	-	\$ 0.420	\$ 0.420	-
TTM Preferred Distribution Payout Ratio <sup>(1)</sup>				57%	63%	-10%
TTM Combined Payout Ratio <sup>(1)</sup>				99%	103%	-4%
Weighted avg. common shares outstanding	10,608,058	10,571,188	0%	10,599,111	10,224,621	4%

**Note:**

(1) Adjusted EBITDA, Free Cash Flow, Trailing twelve-month ("TTM") Preferred Distribution Payout Ratio and TTM Combined Payout Ratio are not recognized measures under IFRS. Refer to "Non-GAAP Measures".

For the three-month period ended and as at December 31, 2018, Mosaic:

- increased revenue by 32% over the same period in 2017 to a record fourth quarter level of \$116.6 million. This achievement was driven by improved operating conditions and market share gains for certain portfolio companies in the Infrastructure segment, growth at Mackow's new facility in North Dakota and the acquisition of Circle 5 that occurred in late 2017;
- increased Adjusted EBITDA by 71% over the prior year period to a record fourth quarter level of \$8.9 million. This gain was supported by revenue growth and improved profitability levels in a majority of the underlying portfolio companies and the acquisition of Circle 5;
- provided dividends of \$1.1 million to our shareholders;
- delivered a trailing-twelve month Combined Payout Ratio of 99%, which represents a 4% improvement over 2017;
- divested a property that was classified as held for sale within the Real Estate segment for net proceeds of \$3.6 million;
- maintained a healthy balance sheet with \$14.8 million in cash, \$68.8 million in working capital and Total Debt to Gross EBITDA leverage of 1.58; and

- on March 14, 2019 Mosaic divested a second property that was classified as held for sale within the Real Estate segment for net proceeds of \$2.7 million.

## Segmented Financial Performance

(in \$000s, except as noted)	Three months ended December 31,			Year ended December 31,		
	2018	2017	% Change	2018	2017	% Change
Revenue:						
Infrastructure	\$ 83,284	\$ 58,013	44%	\$ 276,920	\$ 205,255	35%
Diversified	27,627	26,475	4%	104,947	92,434	14%
Energy	5,601	4,103	37%	14,855	13,979	6%
Real Estate	111	59	88%	397	473	-16%
Corporate	-	-	-	-	-	-
<b>Total revenue</b>	<b>116,623</b>	<b>88,650</b>	<b>32%</b>	<b>397,119</b>	<b>312,141</b>	<b>27%</b>
Adjusted EBITDA <sup>(1)</sup>						
Infrastructure	5,108	4,043	26%	19,244	18,296	5%
Diversified	3,860	2,137	81%	14,820	14,229	4%
Energy	1,222	120	918%	1,884	2,164	-13%
Real Estate	(48)	(55)	13%	(172)	(299)	42%
Corporate	(1,270)	(1,049)	-21%	(5,536)	(6,363)	13%
<b>Total adjusted EBITDA</b>	<b>\$ 8,872</b>	<b>\$ 5,196</b>	<b>71%</b>	<b>\$ 30,240</b>	<b>\$ 28,028</b>	<b>8%</b>
<i>as a % of revenue</i>	<b>7.61%</b>	<b>5.86%</b>		<b>7.61%</b>	<b>8.98%</b>	

### Note:

(1) Adjusted EBITDA is not a recognized measure under IFRS. Refer to "Non-GAAP Measures".

## Outlook

Mosaic's fourth quarter 2018 results represent record achievements in revenue and Adjusted EBITDA generation and were supported by solid year-over-year gains in all business segments. In combination with the record third quarter 2018 results for the Company, these achievements illustrate the successful efforts by Mosaic and its subsidiary operating partners to drive improvements in a number of underlying portfolio companies after experiencing a difficult first half of 2018.

Underpinned by these strong fourth quarter results, Mosaic achieved several milestones in fiscal 2018, including the delivery of record annual Adjusted EBITDA and a Combined Payout Ratio below 100%. Additionally, the successful divestment of certain assets held for sale within the Real Estate Segment has served to reduce outstanding net debt and, importantly, free up management time to pursue incremental growth initiatives.

As we progress through the first quarter of 2019, we look forward to demonstrating continued year-over-year gains in financial performance which should position the Company to deliver further improvement in our payout ratio and overall leverage metrics. With this positive outlook, we remain committed to the current dividend policy.

Mark Gardhouse, President and CEO commented "We are pleased with Mosaic's fourth quarter results that capped a sometimes challenging, yet transformative year for the Company. Our delivery of record annual Adjusted EBITDA in 2018 validates the operational strategies we employed during the year to assist our portfolio companies to drive revenue, optimize cash flow and manage through their underlying business cycles. We will continue to progress a number of operating initiatives to improve the results of certain portfolio companies which we believe will, result in continued growth in profitability levels and free cash flow generation in 2019."

Mosaic's growth strategy is centered on the acquisition of controlling equity interests in new portfolio companies with a specific focus on growing Free Cash Flow per share while maintaining a strong balance sheet. Supplementing this, Mosaic's management team adds value with operational and strategic focus by actively engaging with its portfolio companies to build long-term value.

Mosaic's pipeline of high quality, Canada-wide 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 2018 results on Thursday, March 21, 2019 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](http://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.

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## Reader Advisory

### *Non-GAAP Measures*

*Selected financial information for the three and twelve-month periods ended December 31, 2018 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 audited consolidated financial statements for the years ended December 31, 2018 and 2017 and the annual information form for the year ended December 31, 2018 available under Mosaic's profile on SEDAR at [www.sedar.com](http://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 Company's expectation to improve profitability, cash flow and secure long-term growth opportunities; and*
- the Company's expectation to maintain its current dividend policy.*

*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.***