



FOR IMMEDIATE RELEASE

MOSAIC CAPITAL CORPORATION
Reports Record Q1 2019 Financial Results

Calgary, Alberta – May 14, 2019. Mosaic Capital Corporation ("**Mosaic**" or the "**Company**") (TSX–V Symbols: **M** and **M.DB**) has released its unaudited consolidated financial results for the three months ended March 31, 2019. The Company's financial statements and management's discussion and analysis ("**MD&A**") for the period ended March 31, 2019 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 March 31,		
	2019	2018	% Change
		<i>(restated)</i> ⁽²⁾	
Revenue	\$ 96,137	\$ 67,962	41%
Adjusted EBITDA ⁽¹⁾	\$ 7,219	\$ 2,973	143%
<i>per share</i>	\$ 0.68	\$ 0.28	143%
<i>as a % of revenue</i>	7.51%	4.37%	72%
Net (loss) income and comprehensive (loss) income	\$ (3,064)	\$ 5,652	-154%
Net (loss) income attributable to equity holders	\$ (4,891)	\$ 6,574	-174%
<i>per share</i>	\$ (0.46)	\$ 0.62	-174%
Free Cash Flow ⁽¹⁾	\$ 1,770	\$ (854)	307%
<i>per share</i>	\$ 0.17	\$ (0.08)	307%
Preferred securities distributions declared	\$ 1,479	\$ 1,479	-
Common share dividends declared	\$ 1,115	\$ 1,113	-
<i>per share</i>	\$ 0.105	\$ 0.105	-
TTM Preferred Distribution Payout Ratio ⁽¹⁾	46%	77%	-40%
TTM Combined Payout Ratio ⁽¹⁾	81%	135%	-40%
Weighted avg. common shares outstanding	10,608,058	10,573,667	-

Notes:

- (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*".
- (2) Mosaic adopted IFRS 16 on January 1, 2019 and applied the full retrospective approach whereby the prior period financial information has been restated.

For the three-month period ended and as at March 31, 2019, Mosaic:

- increased revenue by 41% over the same period in 2018 to a record first quarter level of \$96.1 million, largely driven by improved activity levels and market share gains in its underlying portfolio companies;
- generated record first quarter Adjusted EBITDA of \$7.2 million which was an increase of 143% over the prior year period, largely driven by improved profitability levels at certain portfolio companies within the Infrastructure segment;
- provided dividends of \$1.1 million to our shareholders;
- posted a trailing twelve-month Combined Payout Ratio of 81%;
- divested a property that was classified as held for sale within the Real Estate segment on March 14, 2019 for net proceeds of \$2.7 million; and
- maintained a healthy balance sheet with \$16.3 million in cash, \$65.6 million in working capital and Total Debt to Gross EBITDA leverage of 1.39.

Subsequent to March 31, 2019, Mosaic:

- divested a property that was classified as held for sale within the Real Estate segment on May 1, 2019 for net proceeds of \$0.5 million.

Segmented Financial Performance

<i>(in \$000s, except as noted)</i>	Three months ended March 31,		
	2019	2018	% Change
		<i>(restated)</i> ⁽²⁾	
Revenue:			
Infrastructure	\$ 66,515	\$ 42,706	56%
Diversified	25,895	22,532	15%
Energy	3,702	2,655	39%
Real Estate	25	69	-64%
Corporate	-	-	-
Total revenue	\$ 96,137	\$ 67,962	41%
Adjusted EBITDA ⁽¹⁾			
Infrastructure	\$ 4,291	\$ 1,345	219%
Diversified	3,691	3,226	14%
Energy	598	109	449%
Real Estate	(64)	(114)	45%
Corporate	(1,297)	(1,593)	19%
Total adjusted EBITDA	\$ 7,219	\$ 2,973	143%
<i>as a % of revenue</i>	7.51%	4.37%	

Notes:

- 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".
- Mosaic adopted IFRS 16 on January 1, 2019 and applied the full retrospective approach whereby the prior period financial information has been restated.

Outlook

Management is pleased with the Company's Q1 2019 financial and operating results as continued efforts to drive sustainable improvements at the portfolio company level illustrate positive impacts. All segments delivered strong quarter-over-quarter gains in Adjusted EBITDA and this, coupled with continued overhead cost discipline, enabled record first quarter results.

Moving through the second quarter of 2019, we continue to see favourable operating conditions for many of our portfolio companies which include supportive weather to date, strong customer demand and the commencement of a number of projects previously held in our backlog. Reflecting on this positive operating environment, we expect to deliver EBITDA growth in the second quarter of 2019 which positions Mosaic to deliver annual growth in 2019.

Mark Gardhouse, President and CEO commented "Mosaic's first quarter results illustrate a significant improvement in overall financial performance and a noteworthy improvement in the results of certain portfolio companies in our Infrastructure segment that were a focus for management and our operating partners over the past year. Resulting from these improvements, we are pleased to deliver a meaningful reduction in our Combined Payout Ratio, exiting the first quarter of 2019 at an improved level of 81%. We look forward to the remainder of 2019 as we focus on delivering a number of strategic goals we have for our underlying portfolio companies and the continued creation of long-term value for our shareholders."

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 strong operational and strategic focus by actively engaging with its portfolio companies to improve results and capture growth opportunities.

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 first quarter 2019 results on Wednesday, May 15th, 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.

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-month period ended March 31, 2019 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 three months ended March 31, 2019 and 2018 and Mosaic's MD&A for the period ended March 31, 2019 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 Company's expectation to grow EBITDA; and*
- the Company's expectation to deliver long-term value for shareholders.*

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.