



FOR IMMEDIATE RELEASE

**MOSAIC CAPITAL CORPORATION
PROVIDES OPERATIONAL AND LIQUIDITY UPDATE AND
ANNOUNCES SUSPENSION OF COMMON SHARE DIVIDENDS**

Calgary, Alberta – April 8, 2020. Mosaic Capital Corporation (“**Mosaic**” or the “**Company**”) (TSX-V Symbols: **M** and **M.DB**) today provided an operational update on the impact of the novel coronavirus (“COVID-19”) pandemic on its businesses and initiatives the Company has taken to preserve liquidity.

Operations

Following the delivery of record financial performance in 2019, Mosaic benefited from strong operational momentum carrying into the first quarter of 2020 with portfolio results continuing to track ahead of budget. Additionally, Mosaic entered the second quarter of 2020 with a strong balance sheet characterized by approximately \$25 million in cash, approximately \$30 million available on its ATB credit facility and approximately \$15 million available on its subsidiary-level operating credit facilities.

However, the current business environment is unstable and our outlook for the remainder of the year is opaque given the broad economic fallout that is expected from COVID-19 related disruptions. Mosaic senior management has been actively responding to potential operating challenges resulting from COVID-19 with the following:

- Working with management of our subsidiaries to continuously assess what could be the ultimate impact on each underlying portfolio company;
- Actively engaging with key customers and suppliers to meet their needs and orders;
- Adjusting cost structures to prioritize necessary, fixed expenditures over variable and discretionary items;
- Examining working capital and liquidity needs and preparing a plan to address any areas of concern;
- Reviewing customer credit metrics and trends using internal and externally available credit tools; and
- Building contingency plans for our operations as events unfold.

Liquidity and Suspension of Common Share Dividends

While Mosaic has not yet seen a significant degradation in financial results, management believes that maintaining prudent levels of liquidity will be important through this period of considerable uncertainty. In this regard, the Company has initiated the following two-pronged approach to manage liquidity, preserve underlying value and position Mosaic for success in the post-COVID-19 environment:

- 1) Mosaic’s board of directors has suspended the common share cash dividend effective immediately and will be exploring various alternatives including possible future stock dividends. This initiative will preserve approximately \$1.1 million in cash liquidity per quarter.

- 2) Mosaic is engaging in discussions with its key financial partners regarding potential options to enhance near term liquidity.

“While precise modeling of potential financial outcomes is difficult in the current environment, we believe it is prudent to be as prepared as possible as we enter what could potentially be a challenging period. With Mosaic’s strong 2019 financial results, positive momentum into 2020, active operating approach and an appropriate level of support from our shareholders and financial partners, we are confident that Mosaic will manage the COVID-19 challenge successfully,” commented Mark Gardhouse, President and Chief Executive Officer of Mosaic.

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 VISIT OUR WEBSITE OR CONTACT:

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Reader Advisory

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 news 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 ability to adjust cost structures;*
- *the exploring of various alternative strategies to common share cash dividends including possible future stock dividends;*
- *the broad economic fallout that is expected from COVID-19 related disruptions; and*
- *the Company’s ability to successfully manage the impacts on its businesses of the COVID-19 pandemic.*

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: the impacts of the COVID-19 on the economy generally and the Company's businesses specifically; the pace of recovery following the COVID-19 outbreak cannot be accurately predicted and may be slow; there is no guarantee that monthly dividends on the Company's dividends will be reinstated, and if reinstated, as to the timing thereof or what the amount of the monthly dividend will be; the suspension of monthly dividends may impact the market price of Mosaic's publicly-traded securities; the exploring of various alternative strategies to common share cash dividends may not result in any success; 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 for both near term and longer term liquidity; 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.

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