

FOR IMMEDIATE RELEASE
**MOSAIC CAPITAL CORPORATION
REPORTS Q4 2020 FINANCIAL RESULTS**

Calgary, Alberta – March 17, 2021. Mosaic Capital Corporation ("**Mosaic**" or the "**Company**") (TSX–V Symbols: **M** and **M.DB**) has released its audited consolidated financial results for the year ended December 31, 2020. The Company's financial statements and management's discussion and analysis ("**MD&A**") for the year ended December 31, 2020 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 December 31,			Year ended December 31,		
	2020	2019	% Change	2020	2019	% Change
CONTINUING OPERATIONS						
Revenue	\$ 89,099	\$ 90,137	-1%	\$ 325,842	\$ 381,829	-15%
Adjusted EBITDA ⁽¹⁾	\$ 8,332	\$ 7,875	6%	\$ 42,970	\$ 34,836	23%
Net income (loss) and comprehensive income (loss)	\$ 3,960	\$ (11,227)	135%	\$ (3,055)	\$ (10,824)	72%
Free Cash Flow ⁽¹⁾	\$ 2,253	\$ 1,905	18%	\$ 16,963	\$ 11,195	52%
DISCONTINUED OPERATIONS						
Revenue	\$ —	\$ 6,450	NA	\$ 2,744	\$ 49,564	NA
Adjusted EBITDA ⁽¹⁾	\$ —	\$ 641	NA	\$ (777)	\$ 5,796	NA
Net income (loss) and comprehensive income (loss)	\$ 1,602	\$ 6,678	NA	\$ (3,546)	\$ 9,527	NA
Free Cash Flow ⁽¹⁾	\$ —	\$ 340	NA	\$ (1,161)	\$ 3,876	NA
AGGREGATE						
Revenue	\$ 89,099	\$ 96,587	-8%	\$ 328,586	\$ 431,393	-24%
Adjusted EBITDA ⁽¹⁾	\$ 8,332	\$ 8,516	-2%	\$ 42,193	\$ 40,632	4%
<i>per share</i>	\$ 0.78	\$ 0.80	-3%	\$ 3.95	\$ 3.83	3%
<i>as a % of revenue (%)</i>	9.35	8.82		12.84	9.42	
Net income (loss) and comprehensive income (loss)	\$ 5,562	\$ (4,549)	222%	\$ (6,601)	\$ (1,297)	-409%
Net income (loss) attributable to common equity holders	\$ 2,154	\$ (3,372)	164%	\$ (16,234)	\$ (8,344)	-95%
Free Cash Flow ⁽¹⁾	\$ 2,253	\$ 2,245	—%	\$ 15,802	\$ 15,071	5%
<i>per share</i>	\$ 0.21	\$ 0.21	—%	\$ 1.48	\$ 1.42	4%
Preferred securities distributions declared	\$ 1,512	\$ 1,512	—%	\$ 6,016	\$ 6,000	—%
Common share dividends declared	\$ —	\$ 1,128	-100%	\$ 1,126	\$ 4,495	-75%
<i>per share</i>	\$ —	\$ 0.105	-100%	\$ 0.105	\$ 0.420	-75%
TTM Preferred Distribution Payout Ratio (%) ⁽¹⁾				38.07	38.18	
Weighted avg. common shares outstanding	10,705,665	10,621,420	1%	10,684,661	10,617,082	1%

Note:

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

FOURTH QUARTER HIGHLIGHTS

For the three month period ended December 31, 2020, Mosaic:

- generated \$89.1 million in revenue from continuing operations which was 1% below the same period in 2019 demonstrating improved operating conditions amid lingering impacts of the COVID-19 pandemic ("**Pandemic**");
- generated Adjusted EBITDA from continuing operations of \$8.3 million which exceeded the same period last year by 6% due to solid performances at certain portfolio companies and the receipt of Canada Emergency Wage Subsidy ("**CEWS**") funds; and

- redeemed its \$20.0 million Redeemable Non-controlling interest ("NCI") partnership units that were issued as part of the 2017 acquisition of Circle 5. The redemption was financed through the issuance of \$10.0 million in new Redeemable NCI partnership units and a \$10.0 million draw on available credit facilities.

FISCAL 2020 HIGHLIGHTS

For the year ended December 31, 2020, Mosaic:

- delivered revenue from continuing operations of \$325.8 million, a decrease of 15% over fiscal 2019, as the Pandemic adversely impacted the second and third quarters of 2020;
- increased Adjusted EBITDA from continuing operations by 23% over the prior year, driven by management focus to reduce costs and support from the federal government in the form of CEWS to mitigate the impact of the Pandemic;
- continued to generate cash from non-cash working capital efficiencies with \$9.0 million achieved in 2020;
- increased Free Cash Flow from continuing operations by 52% over 2019 to \$17.0 million;
- reduced corporate overhead costs by 5% over last year;
- posted a trailing twelve-month Preferred Distribution Payout Ratio of 38%.; and
- maintained a healthy balance sheet with \$30.9 million in cash, \$45.5 million in working capital and Total Debt (defined herein) to Gross EBITDA leverage of 1.03.

SEGMENTED FINANCIAL PERFORMANCE

<i>(in \$000s, except as noted)</i>	Three months ended December 31,			Year ended December 31,		
	2020	2019	% Change	2020	2019	% Change
Revenue:						
Infrastructure	\$ 57,630	\$ 53,489	8%	\$ 220,228	\$ 254,249	-13%
Diversified	31,469	36,644	-14%	105,614	127,580	-17%
Total revenue	89,099	90,133	-1%	325,842	381,829	-15%
Adjusted EBITDA: ⁽¹⁾						
Infrastructure	5,727	3,797	51%	29,551	19,908	48%
Diversified	3,792	5,055	-25%	17,761	19,482	-9%
Corporate	(1,187)	(981)	21%	(4,342)	(4,554)	-5%
Total adjusted EBITDA	\$ 8,332	\$ 7,871	6%	\$ 42,970	\$ 34,836	23%
as a % of revenue (%)	9.35	8.73		13.19	9.12	

Note:

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

OUTLOOK

Mosaic's fourth quarter 2020 financial results illustrate a continued improvement in operating conditions over the second and third quarters of the year as Pandemic-related headwinds tapered for most underlying companies. While certain underlying portfolio companies continued to be impacted by on-going disruptions in supply chain functioning and renewed government-mandated operational restrictions, the majority of Mosaic's portfolio companies generated healthy financial results.

Supporting the delayed recovery at certain lagging portfolio companies, Mosaic benefited from the federal government's CEWS program, although at a significantly reduced level in the fourth quarter suggesting a normalization of business conditions across the portfolio.

Reflecting strong momentum evidenced in the final months of 2020, management has an increasingly positive bias for growth in 2021 with an expectation for financial results to return to pre-Pandemic levels. In addition to the broad economic recovery that is underway, Mosaic's portfolio offers positive exposure to the strengthening commodity-specific activities in western Canada. Despite the public health impacts of the third wave of the Pandemic, Mosaic's portfolio has remained resilient and management expects strong overall portfolio contributions in 2021 that will not be reliant on support from government wage subsidies.

Mark Gardhouse, President and CEO commented "We are pleased with another sequential improvement in our operating and financial results as demonstrated by our fourth quarter results. Our action plan to mitigate the negative impacts of the Pandemic have been successful and have positioned the Company to capitalize on organic growth opportunities in 2021. Our results year-to-date in 2021 have been strong and with an expectation for continued tailwinds as the economy accelerates, we look forward to delivering healthy returns for our shareholders that will hinge on growth in free cash flow."

CONFERENCE CALL

Management will hold a conference call to discuss fourth quarter 2020 results on Thursday, March 18, 2021 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., 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:

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Reader Advisory

Non-GAAP Measures

Selected financial information for the three and twelve month period ended December 31, 2020 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 and Preferred Distribution Payout Ratio. This information should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2020 and 2019 and Mosaic's MD&A for the year ended December 31, 2020 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 successfully manage the current business environment;*
- the Company's ability to manage the impact of the Pandemic and its impact on operations;*
- the Company's eligibility for government financial assistance programs; and*
- the Company's expectation to be positioned to capture attractive investment opportunities in the future.*

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, the Pandemic impact, 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.