

FOR IMMEDIATE RELEASE
**MOSAIC CAPITAL CORPORATION
REPORTS Q1 2021 FINANCIAL RESULTS**

Calgary, Alberta – May 5, 2021. Mosaic Capital Corporation ("Mosaic" or the "Company") (TSX–V Symbols: **M** and **M.DB**) has released its consolidated financial results for the period ended March 31, 2021. The Company's financial statements and management's discussion and analysis ("MD&A") for the period ended March 31, 2021 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,		
	2021	2020	% Change
CONTINUING OPERATIONS			
Revenue	\$ 82,578	\$ 76,036	9%
Adjusted EBITDA ⁽¹⁾	\$ 7,939	\$ 5,435	46%
Net income and comprehensive income	\$ 1,657	\$ 3,977	-58%
Free Cash Flow ⁽¹⁾	\$ 2,373	\$ 538	341%
DISCONTINUED OPERATIONS			
Revenue	\$ —	\$ 2,480	NA
Adjusted EBITDA ⁽¹⁾	\$ —	\$ 242	NA
Net loss and comprehensive loss	\$ —	\$ (328)	NA
Free Cash Flow ⁽¹⁾	\$ —	\$ (35)	NA
AGGREGATE			
Revenue	\$ 82,578	\$ 78,516	5%
Adjusted EBITDA ⁽¹⁾	\$ 7,939	\$ 5,677	40%
<i>per share</i>	\$ 0.74	\$ 0.53	39%
<i>as a % of revenue (%)</i>	9.61	7.23	
Net income and comprehensive income	\$ 1,657	\$ 3,649	-55%
Net income (loss) attributable to common equity holders	\$ (1,134)	\$ 1,257	-190%
Free Cash Flow ⁽¹⁾	\$ 2,373	\$ 503	372%
<i>per share</i>	\$ 0.22	\$ 0.05	368%
Preferred securities distributions declared	\$ 1,479	\$ 1,496	-1%
Common share dividends declared	\$ —	\$ 1,116	-100%
<i>per share</i>	\$ —	\$ 0.105	-100%
TTM Preferred Distribution Payout Ratio (%) ⁽¹⁾	33.96	41.53	
Weighted avg. common shares outstanding	10,705,665	10,621,420	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".

FIRST QUARTER HIGHLIGHTS

For the three month period ended March 31, 2021, Mosaic:

- generated \$82.6 million in revenue from continuing operations which was a 9% improvement over the same period in 2020 demonstrating a return to revenue growth since the onset of the COVID-19 pandemic ("Pandemic");
- generated Adjusted EBITDA from continuing operations of \$7.9 million which exceeded the same period last year by 46% due to solid performances at certain portfolio companies and the receipt of Canada Emergency Wage Subsidy ("CEWS") funds;

- delivered a 14% improvement in Adjusted EBITDA over the same period last year when measured before the receipt of CEWS funding, illustrating a return to pre-pandemic profitability levels;
- increased Free Cash Flow from continuing operations by 341% over the same period last year, supported by profitability gains, disciplined cost management, and lower cash interest expense;
- posted a trailing twelve month Preferred Distribution Payout Ratio of 34%; and
- maintained a healthy balance sheet with \$20.7 million in cash, \$43.3 million in working capital and Total Debt to Gross EBITDA leverage of 0.98.

SEGMENTED FINANCIAL PERFORMANCE

<i>(in \$000s, except as noted)</i>	Three months ended March 31,		
	2021	2020	% Change
Revenue:			
Infrastructure	\$ 49,812	\$ 47,968	4%
Diversified	32,766	28,068	17%
Total revenue	82,578	76,036	9%
Adjusted EBITDA: ⁽¹⁾			
Infrastructure	4,165	3,340	25%
Diversified	5,040	3,300	53%
Corporate	(1,266)	(1,205)	-5%
Total adjusted EBITDA	\$ 7,939	\$ 5,435	46%
<i>as a % of revenue (%)</i>	9.61	7.15	
Government subsidies	1,743	—	NA
Adjusted EBITDA, net of government subsidies	6,196	5,435	14%
<i>as a % of revenue (%)</i>	7.50	7.15	

Note:

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

OUTLOOK

Mosaic's first quarter 2021 financial results exhibit an acceleration of the strong operational momentum that surfaced in the second half of 2020 as Pandemic-related influences began to ease for the underlying portfolio companies. Mosaic demonstrated a reduced reliance from government wage subsidies in the first quarter of 2021 with growth in both revenue and profitability levels over the same period last year when removing the benefit of CEWS funding in the current quarter.

Reflecting on the strong first quarter results and the increasing levels of customer demand across the portfolio, management has an expectation for solid overall growth in 2021 after normalizing for the CEWS funding received in 2020. Notwithstanding the current health impacts of the third wave of the Pandemic, Mosaic's portfolio has illustrated its resiliency and the benefits of its underlying diversification.

Mark Gardhouse, President and CEO commented "We are pleased to deliver a third consecutive quarter of improved operational and financial results since bottoming in the second quarter of 2020 with the beginning of the Pandemic. With the momentum we have exhibited year-to-date in 2021 coupled to continued improvements in the overall economy and further tailwinds expected from commodity prices, we believe Mosaic is well positioned to deliver healthy returns for our shareholders in 2021 and beyond."

CONFERENCE CALL

Management will hold a conference call to discuss first quarter 2021 results on Thursday, May 6, 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 month period ended March 31, 2021 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 unaudited condensed interim consolidated financial statements for the periods ended March 31, 2021 and 2020 and Mosaic's MD&A for the period ended March 31, 2021 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.