



Mosaic



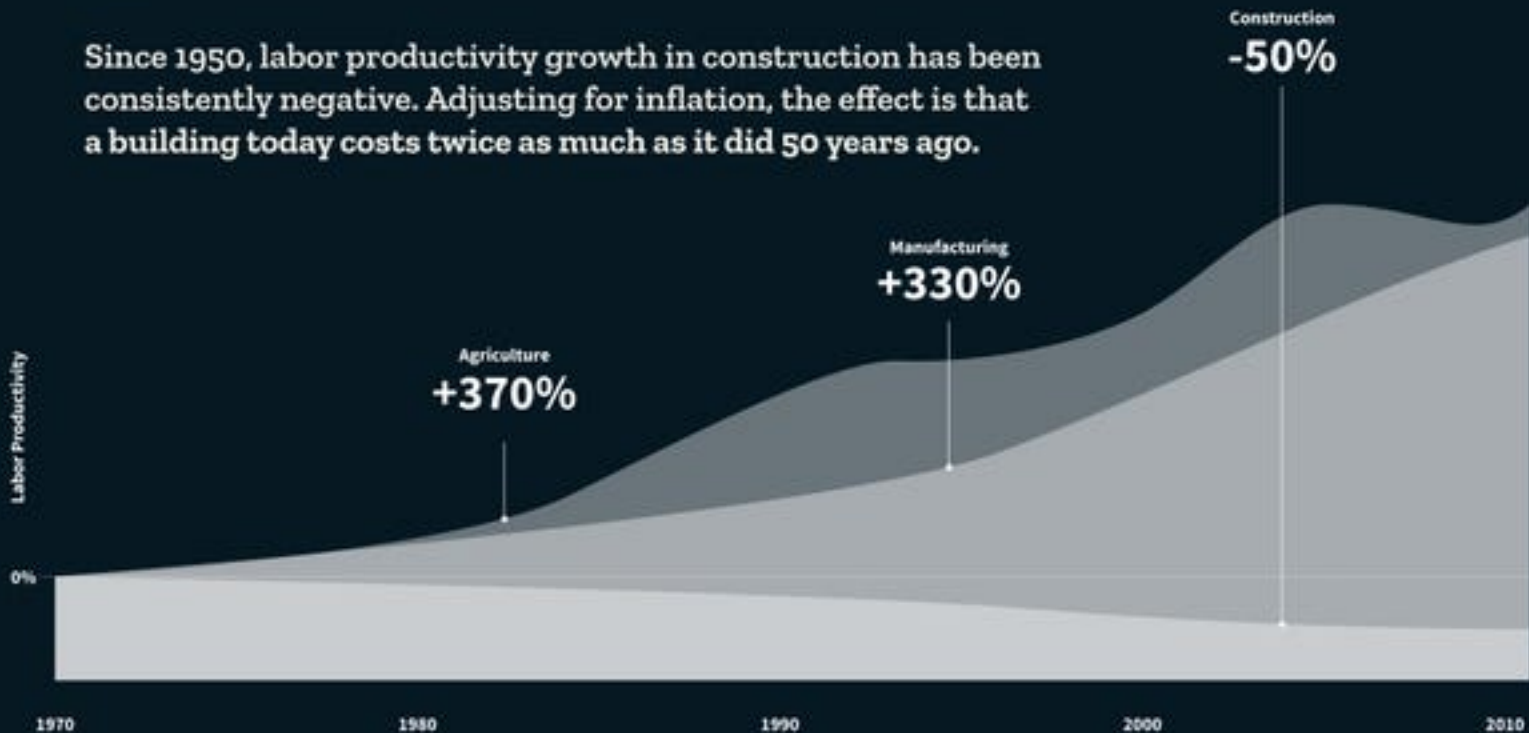
Company

Mosaic is a full-stack construction technology company. We develop technologies that make construction more efficient, and we use those technologies to deliver best-in-class construction services at scale.

Our mission is to make places people love, and make them widely available.

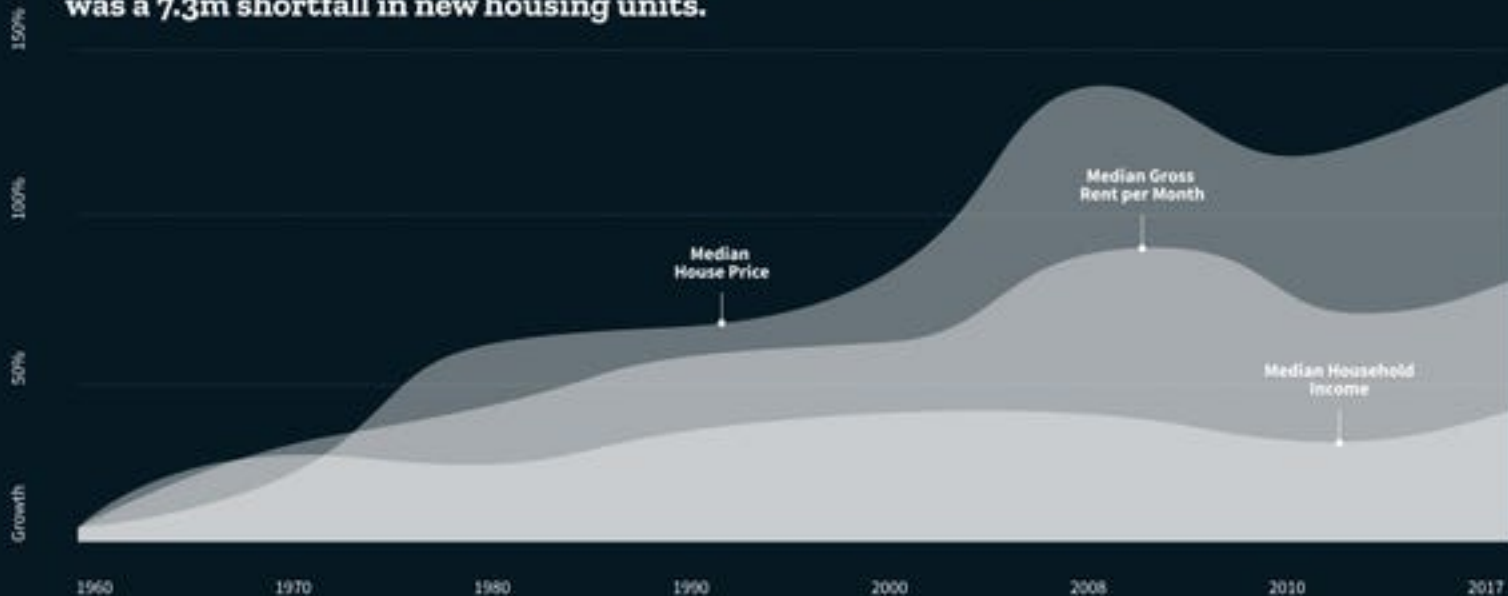
Problem

Since 1950, labor productivity growth in construction has been consistently negative. Adjusting for inflation, the effect is that a building today costs twice as much as it did 50 years ago.



Problem

As a consequence, house prices are increasing faster than household income, leading to underbuilding. **This year alone there was a 7.3m shortfall in new housing units.**





Problem

As a further consequence, homebuilders try to reduce costs by building stripped down, standardized units, leading to homogeneous suburbs.

Solution

To address the problem of construction productivity, we have developed a programming language that can program the construction of buildings.

The programming language, called Dog, divides work into computational steps (performed by computers), and physical steps (performed by humans).



Solution

We use Dog to automate and monitor every part of the construction process.

From planning to purchasing, to supply chain management, to quality control, to the building itself.



Solution

**Dog generates specific instructions
for homebuilding crews across different trades.**

By doing so, we simplify work in the field and enable the
existing workforce to build faster.



Solution

As a result, we can provide high-quality construction services at a faster speed.



Solution

With less waste.



Solution

And with greater flexibility.

Dog standardizes process rather than product, allowing us to build diverse communities rather than homogenous suburbs.

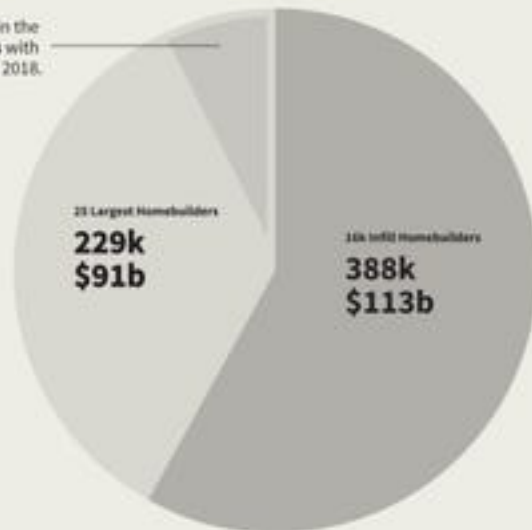


Our designs for Timber Sky, a 35-home community we are building in Flagstaff, AZ

The market is large and fragmented.

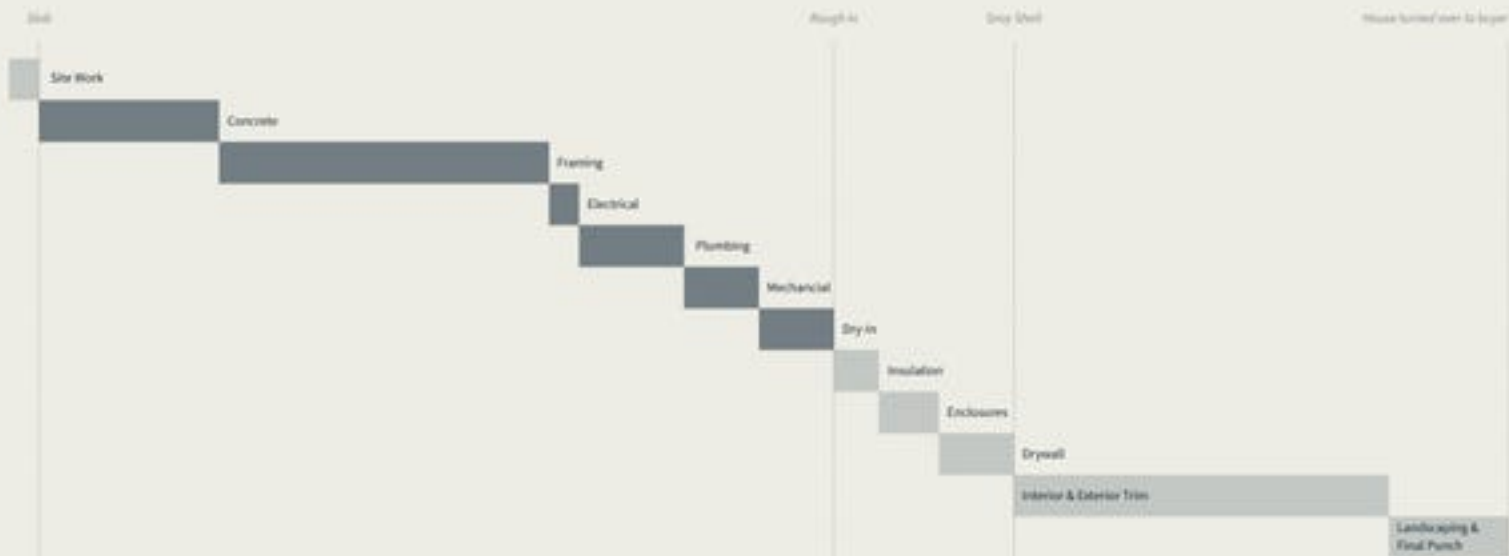
- **The market is large:** in 2018, US residential homebuilders sold 617k units and earned more than \$203b in revenue.
- **The market is fragmented:** outside of the top 25 builders, 58% of homes sold are built by more than 16k builders.
- **The market is primarily serviced by local players:** there are thousands of regional contractors and subcontractors who perform the majority of the construction work for homebuilders, regardless of the homebuilder's size.

The largest public homebuilder in the country closed **48,856 units** with **\$18.8b in revenue** in 2018.



Homebuilding Value Chain

Mosaic operates as a general or subcontractor for homebuilders. We are not selling software. We are focused entirely on delivering a technology-enabled B2B service.

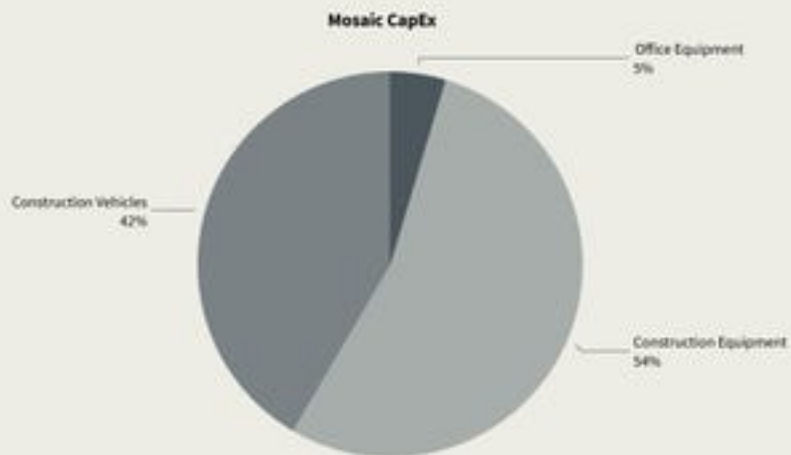


CapEx & Capital Risk

Low Capital Risk

Low CapEx

High Liquidity



Bookings & Pipeline

Mosaic operates as a general or subcontractor for homebuilders. We are not selling software. We are focused entirely on delivering a technology-enabled B2B service.

Bookings: expected revenues arising from signed construction contracts.

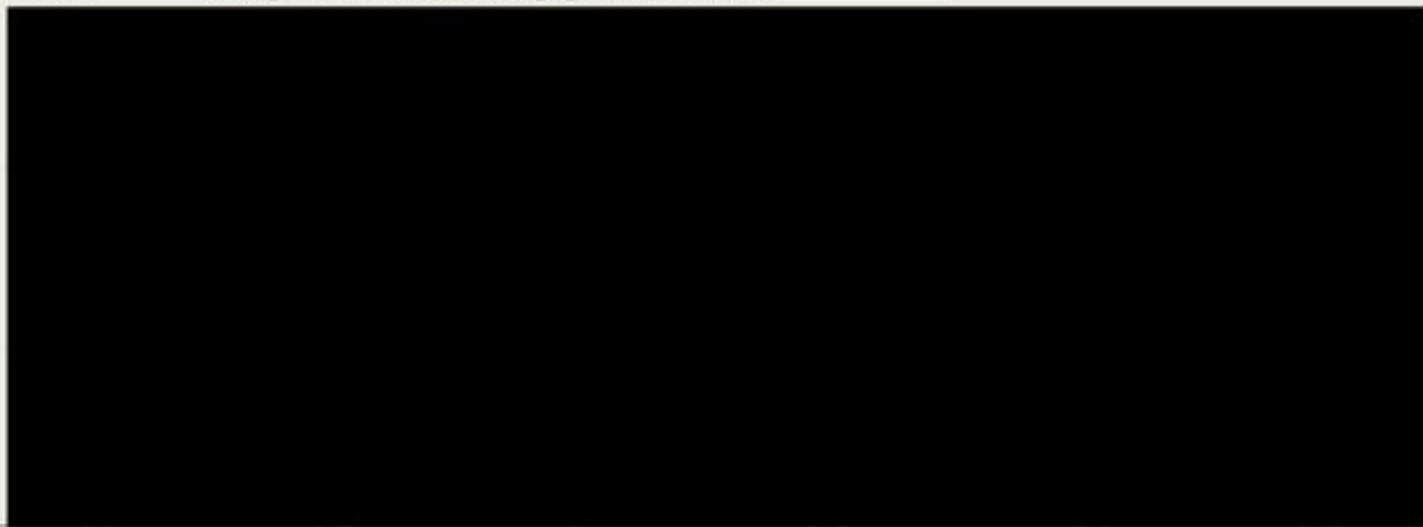
Pipeline: expected revenues arising from all qualified opportunities that are in process.

Note: Bookings and Pipeline are recognized as revenue over 1-3 years. Booking and Pipeline represent the value of construction contracts for Mosaic, not the value of the underlying home or final sales price. Mosaic gets paid upon completion of work, not upon sale of the home.

Growth

As a result of all of this, we are already seeing significant traction.

Our cumulative contracted revenue has grown from [REDACTED] to over [REDACTED] this year. With a total pipeline of over [REDACTED]



2019

2020

2021

2022

2023

2024

■ Annual Contracted Revenue

■ Annual Pipeline Revenue

Growth

**And we anticipate doubling our
contracted revenue year over year.**

2019

2020

2021

2022

2023

2024

Mosaic has a unique business model and technology platform.

General contractors, who self-perform work, are our closest competition; however there are very few who do self-perform work because of operational challenges, licensing requirements, and they lack skilled workers in the labor pool. It is difficult to scale this model and as a result these companies tend to be small, fragmented, and not set up to operate across multiple markets.

Subcontractors are generally regional mechanical, electrical, plumbing, framing, and concrete companies that perform one trade.

Homebuilders are a client; they're not competition. Their financial stack is set up to acquire, entitle, and develop land, finance subcontractors and compensate their operations, sales, and marketing platforms. Mosaic fits into their process as a subcontractor who consolidates the majority of their construction spend under one invoice.

Pre-fab and modular construction companies are typically high cap ex, and constrained in terms of building design. They also tend to be geographically focused due to logistical challenges of shipping over long distances.

	Mosaic	Public Homebuilder	Infill Developer	Pre-fab	Subcontractor	General Contractor
Efficient	◆	◆		◆		
Scalable	◆	◆		◆		
Customizable	◆		◆		◆	◆
Capital Light	◆				◆	◆
Design Focus	◆		◆			

Geographic Reach

Arizona is our 2020 focus due to its strong homebuilding environment and its positive underlying economics. The Phoenix area single-family residential market is one of the strongest in the country.

- 14th Largest State in the US - 7.2MM People
- 1.2% of US population yet captures 6% of the US population growth.
- Phoenix added 69k jobs in the period ending Oct. 2019, 4th in the country behind NYC, LA, and Dallas.
- Not only was the Phoenix MSA the 2nd fastest growing MSA in the US from 2017 - 2018, but Maricopa County specifically has been the fastest growing county in the US for the last three years running.
- Even with the industry building at a rate of roughly 25,000 houses per year right now, the supply of available new homes remains very tight.
- Additional positive market factors: relative attainability and affordability, low regulatory hurdles to construction, and increasing wage growth.
- Weather, low taxes, availability of jobs, strong infrastructure, low cost of living, business friendly environment are all expected to continue to facilitate material net in-migration, thereby sustaining strong demand for new housing.
- Simultaneously, material structural constraints on the supply of construction labor make it unlikely that the market will overshoot current and projected demand.



Flagstaff +

Prescott +

Phoenix, Mesa, Scottsdale +

2021 and beyond will entail expansion based on the following factors:

Single-family permit volumes: demonstrating where new home construction activity is taking place.

Favorable demographic trends: indicating that permit volumes will be maintained or increasing over time.

Proximity to current operations: reducing potential growing pains derived by remote operational oversight.

Las Vegas
Los Angeles

- ◆ Flagstaff
- ◆ Prescott
- ◆ Phoenix

Charlotte
Atlanta
Dallas
Houston

Austin
Jacksonville
Orlando
Miami

Tier 1: Our first potential expansion markets outside of Arizona include **Texas (Dallas & Houston)** and **Georgia (Atlanta)**. These four markets account for 47% of the new home permits pulled in the top 15 homebuilding markets across the country.

Tier 2: Outside of NYC and the Washington DC MSA, all of the markets in the country which permitted more than 10k homes in 2018 are in the "Sun Belt" which runs along the coast and southern border from California to North Carolina. These markets permitted 30% of all new homes in 2018 and, after Texas and Georgia, are the primary growth targets for the company after Arizona.



www.mosaic.us