

## CEMATRIX CORPORATION

### CEMATRIX Corporation Provides an Update on the Proposed Acquisition of Pacific International Grout Company

**Calgary, Alberta – June 26, 2019:** CEMATRIX Corporation (TSXV: CVX) (the “Company” or “CEMATRIX”) is pleased to provide an update on the proposed acquisition of Pacific International Grout Company (“Pacific”) which was previously announced on January 18, 2019.

The letter of intent which was entered into on January 14, 2019 (the “Letter of Intent”) has been extended. The effective date of the definitive agreement is anticipated to be June 30, 2019 with an anticipated closing date of July 31, 2019 or such other date as may be agreed upon by the parties. All of the other terms of the Letter of Intent remain unchanged. The acquisition remains subject to certain conditions set out in the Letter of Intent including financing and the receipt of all necessary regulatory, corporate and third party approvals. “After the proposed acquisition was announced, the Company proceeded with the process of validating our original assumptions which included obtaining a third party valuation of the assets and due diligence. Both have been completed and did not reveal any significant issues or deficiencies. On that basis, we presented the economic case to the Board of Directors and I am pleased to say that, like management, the Board of Directors, sees the incredible value and potential that the proposed acquisition of Pacific International Grout Company has to our business.” says Jeff Kendrick, President and CEO of the Company.

Management anticipates that following the closing of the acquisition of Pacific that:

- Revenue contracts worth approximately USD\$27 million, under various states of negotiation, will be assumed and performed by the Cematrix Group of companies;
- Revenue is expected to increase by USD\$6.5M in the next 6 months, which could increase gross margin by USD\$1.5M;
- EBITDA is expected to increase on a net basis by USD\$0.7M in the next 6 months, without adding any additional sales;
- The transaction will be structured in a manner consistent with our press release on January 18, 2019 with cash of USD\$3.25M, common shares of USD\$0.5M and an earn-out being exchanged for all the issued and outstanding shares of Pacific; and
- From a revenue perspective, a substantial portion of the revenues that we are anticipating are already contracted (USD\$3.1M) under letter of intent (USD\$6.4M) or verbally awarded (USD\$17.5M).

“Should CEMATRIX be successful in raising the appropriate types and levels of financing required for the completion of the transaction, the economics of the acquisition could be compelling. From a valuation perspective, the net cost of the acquisition is approximately USD\$3.75M and is approximately 4x net EBITDA. In addition, a third-party appraisal of the assets exceeded the net cost of the acquisition. We remain committed to and excited about the proposed acquisition. The economics are even better than what we have stated because we haven’t incorporated some of the synergies that we are anticipating. Notwithstanding the proposed acquisition of Pacific International Grout Company, we are expecting a strong fiscal 2019” states Jeff Kendrick, President and CEO of the Company.

CEMATRIX is an Alberta corporation with its head offices in Calgary, Alberta. The Corporation, through its wholly owned subsidiary, will continue to be a rapidly growing company that manufactures and supplies technologically advanced cellular concrete products developed from proprietary formulations. This unique cement-based material with superior thermal protection, delivers a cost-effective, innovative solution to a broad range of problems facing the infrastructure, industrial (including oil and gas) and commercial markets.

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