

CEMATRIX CORPORATION

CEMATRIX Corporation Second Quarter And First Half Results See Large Gains Over 2019

Calgary, Alberta – August 8, 2019: CEMATRIX Corporation (TSXV: CVX) (the “**Corporation**” or the “**Company**” or “**CEMATRIX**”) announces the release of its consolidated financial results for the three and six months ended June 30, 2019.

-Record second quarter 2019 revenues of \$6,448,543 an increase of \$3,540,610 or 122% compared to \$2,907,933 in the second quarter of 2018.

-EBITDA in the second quarter of 2019 was \$975,017 an increase of \$906,668 or 1327% compared to \$68,349 in the second quarter of 2018.

-Cash flow in the second quarter of 2019 was \$653,286 an increase of \$1,307,769 compared to the negative \$654,483 in the second quarter of 2018.

-Income attributed to common shareholders in the second quarter of 2019 was \$172,512 an increase of \$1,139,779 compared to a loss of \$967,267 in the second quarter of 2019.

“The second quarter of 2019 was strong and is indicative of the direction that we are headed as a company,” stated Jeff Kendrick President and CEO of CEMATRIX. “Revenues of \$6.4 million represents the best second quarter in the history of the company. The Cematrix Group of companies is performing well on all fronts, which can be attested to by the fact that even if you excluded the \$3.2 million in revenue generated by MixOnSite in the second quarter of 2019, the revenue generated by CEMATRIX on a stand-alone basis would still be the best second quarter in the history of the company.”

He further noted that, “not only did this represent a significant improvement from Q1 2018 and Q2 2019, but the results in Q2 2019 were inline with the results for Q3 2018 and Q4 2018 from a revenue, EBITDA and cash flow perspective. The increase in revenue also resulted in a significant improvement in the gross margin percentage to 28.5% in Q2 2019 compared to 22.0% in Q2 2018 and 16.3% in Q1 2019. This trend of improving gross margin percentages will continue so long as revenues continue to improve due to the pre-existing high fixed cost structure. The balance of the year is very promising and we are still forecasting full year revenues of approximately \$25 million and EBITDA of \$4 million on the strength of the results realized in the first half of 2019 and the \$32.8 million in total contracts and verbally awarded projects, of which \$6.8 million is scheduled to carry over into 2020. On another note, we are squarely focused on the proposed acquisition of Pacific International Grout with the recently announced private placement.”

Selected financial information for the three months and six months ended June 30, 2019 and 2018 is as follows:

	Three months ended June 30			Six months ended June 30		
	2019	2018	Change	2019	2018	Change
Revenue	\$ <u>6,448,543</u>	\$ <u>2,907,933</u>	\$ <u>3,540,610</u>	\$ <u>9,634,269</u>	\$ <u>4,384,401</u>	\$ <u>5,249,868</u>
Gross margin	\$ <u>1,839,555</u>	\$ <u>638,804</u>	\$ <u>1,200,751</u>	\$ <u>2,359,763</u>	\$ <u>810,939</u>	\$ <u>1,548,824</u>
Operating expenses	<u>(1,102,554)</u>	<u>(721,218)</u>	<u>(381,336)</u>	<u>(2,149,664)</u>	<u>(1,234,037)</u>	<u>(915,627)</u>
Operating income (loss)	<u>737,001</u>	<u>(82,414)</u>	<u>819,415</u>	<u>210,099</u>	<u>(423,098)</u>	<u>633,197</u>
Non-cash stock based compensation	<u>(143,960)</u>	<u>(11,163)</u>	<u>(132,797)</u>	<u>(178,077)</u>	<u>(16,529)</u>	<u>(161,548)</u>
Finance costs	<u>(215,480)</u>	<u>(103,109)</u>	<u>(112,371)</u>	<u>(432,324)</u>	<u>(157,059)</u>	<u>(275,265)</u>
Other income	<u>77,906</u>	<u>(88,986)</u>	<u>166,892</u>	<u>259,489</u>	<u>(91,470)</u>	<u>350,959</u>
Amortization of intangibles	<u>(123,632)</u>	<u>(39,930)</u>	<u>(83,702)</u>	<u>(246,497)</u>	<u>(39,930)</u>	<u>(206,567)</u>
Business acquisition costs	<u>(16,957)</u>	<u>(619,723)</u>	<u>602,766</u>	<u>(65,825)</u>	<u>(619,723)</u>	<u>553,898</u>
Non-cash accretion costs	<u>(157,620)</u>	<u>(23,128)</u>	<u>(134,492)</u>	<u>(289,645)</u>	<u>(22,234)</u>	<u>(267,411)</u>
Non-cash revaluation of earn-out liability	<u>146,181</u>	<u>-</u>	<u>146,181</u>	<u>146,181</u>	<u>-</u>	<u>146,181</u>
Non-cash fair value of derivatives	<u>128,669</u>	<u>(175,605)</u>	<u>304,274</u>	<u>9,122</u>	<u>(175,605)</u>	<u>184,727</u>
Income (loss) before income taxes	<u>432,108</u>	<u>(1,144,058)</u>	<u>1,576,166</u>	<u>(587,477)</u>	<u>(1,545,648)</u>	<u>958,171</u>
Provision of taxes	<u>(259,596)</u>	<u>176,791</u>	<u>(436,387)</u>	<u>(76,712)</u>	<u>261,603</u>	<u>(338,315)</u>
Income (loss) attributable to common shareholders	<u>172,512</u>	<u>(967,267)</u>	<u>1,139,779</u>	<u>(664,189)</u>	<u>(1,284,045)</u>	<u>619,856</u>
Unrealized foreign exchange loss on translation of foreign subsidiaries	<u>(165,566)</u>	<u>36,916</u>	<u>(202,482)</u>	<u>(328,477)</u>	<u>39,319</u>	<u>(367,796)</u>
Comprehensive Income (loss)	\$ <u>6,946</u>	\$ <u>(930,351)</u>	\$ <u>937,297</u>	\$ <u>(992,666)</u>	\$ <u>(1,244,726)</u>	\$ <u>252,060</u>
Income (loss) per common share	\$ <u>0.004</u>	\$ <u>(0.025)</u>	\$ <u>0.029</u>	\$ <u>(0.015)</u>	\$ <u>(0.034)</u>	\$ <u>0.019</u>

This press release should be read in conjunction with the Corporation's Audited Consolidated Financial Statements and Management Discussion and Analysis for the year ended December 31, 2018, both of which can be found on SEDAR.

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.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For further information, please contact:

Jeff Kendrick - President and Chief Executive Officer
Phone: (403) 219-0484

Jeff Walker, the Howard Group – Investor Relations
Phone: (888) 221-0915 or (403) 221-0915
jeff@howardgroupinc.com

Forward-looking information: This news release contains certain information that is forward looking and is subject to important risks and uncertainties (such statements are usually accompanied by words such as “anticipate”, “expect”, “would” or other similar words). Forward-looking statements in this document are intended to provide CEMATRIX security holders and potential investors with information regarding CEMATRIX and its subsidiaries’ future financial and operations plans and outlook. All forward looking statements reflect CEMATRIX’s beliefs and assumptions based on information available at the time the statements were made. Readers are cautioned not to place undue reliance on this forward looking information. CEMATRIX undertakes no obligation to update or revise forward looking information except as required by law. For additional information on the assumptions made and the risks and uncertainties which may cause actual results to differ from the anticipated results, refer the CEMATRIX’s Management Discussion and Analysis dated April 1, 2019 under CEMATRIX’s profile on SEDAR at www.sedar.com and other reports filed by CEMATRIX with Canadian securities regulators.