

CEMATRIX CORPORATION

CEMATRIX Corporation Third Quarter Results:

Sustaining Momentum and Building for the Future Including CEMATRIX's Post Third Quarter Acquisition of Pacific International Grout Company

Calgary, Alberta – November 7, 2019: CEMATRIX Corporation (TSXV: CVX) (the “Corporation” or the “Company” or “CEMATRIX”) announces the release of its consolidated financial results for the three and nine months ended September 30, 2019.

Financial and Business Highlights:

- Record third quarter 2019 revenues of \$7,622,397 an increase of \$582,558 or 8% compared to \$7,039,839 in the third quarter of 2018.
- EBITDA in the third quarter of 2019 was \$973,842 an increase of \$271,845 or 39% compared to \$701,997 in the third quarter or 2018.
- Cash flow in the third quarter of 2019 was \$469,967 a decrease of \$38,036 or 7% compared to \$508,003 in the third quarter of 2018.
- Loss attributed to common shareholders in the third quarter of 2019 was \$293,510 an increase of \$286,310 compared to a loss of \$7,200 in the third quarter of 2018.
- Subsequent to the quarter end, on October 1st, CEMATRIX acquired U.S. based Pacific International Grout Company (“PIGCO”). PIGCO is one of the leading suppliers of cellular concrete in the United States with sales into Canada as well. At the time of acquisition, PIGCO had \$5.8 million USD in appraised capital equipment and contracted and verbally awarded projects of \$24.1 million USD.

“Operationally, the third quarter of 2019 was strong and builds on the momentum that we have established over the past year and half”, stated Jeff Kendrick President and CEO of CEMATRIX. “Revenues of \$7.6 million represents another historical high making it the best quarter in our history. More importantly, gross margin was \$2,362,270 in the third quarter of 2019, an increase of \$847,332 or 56% compared to \$1,514,938 in the third quarter of 2018. Unfortunately, due to an unusual and unexpected bad debt realized in the third quarter, these results did not carry to the bottom line. Bad debt in the amount of \$455,334 CDN is related to a project completed for Hollister Construction Services in the US who recently filed for Chapter 11 bankruptcy. This credit loss was mitigated because 70% of the amount resulted in a reduction of earnout for the year, but the reduction of earnout was below the line. In addition to this one-time cost, the Company incurred \$231,758 in non-cash stock-based compensation relating to the extension of employee stock options. CEMATRIX also incurred non-recurring costs of \$280,824 relating to the acquisition of Pacific International Grout Co “PIGCO”.

Mr. Kendrick further noted that, “the liquidity and the balance sheet of the Company continues to improve. A \$2.3 million private placement was fully subscribed to and closed on August 26, 2019. The proceeds were used primarily to improve the balance sheet and to a lesser extent, finance extraneous costs relating to the acquisition. The cash component of the acquisition received by the vendor was financed entirely with a \$2.8 million USD loan with the Business Development Bank of Canada, secured by the assets acquired upon completion of the acquisition. These capital assets were appraised at \$5.8 million USD. The company also renegotiated the terms of its \$1 million secured debenture that was originally due on July 11, 2020. The new terms involve a payout of equal payments over five years commencing on January 1, 2021 and ending on January 1, 2025.

For the balance of 2019, management will continue to realize on its sales backlog in place and add to that backlog for 2020 and beyond. As of this date, CEMATRIX has \$76.9 million of projects contracted and verbally awarded, of which \$48.8 million are scheduled to be completed after 2019. This includes the \$27.5 million in sales forecasted for the current year.

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

	Three months ended September 30			Nine months ended September 30		
	2019	2018	Change	2019	2018	Change
Revenue	\$ 7,622,397	\$ 7,039,839	\$ 582,558	\$ 17,256,666	\$ 11,424,240	\$ 5,832,426
Gross margin	\$ 2,362,270	\$ 1,514,938	\$ 847,332	\$ 4,722,033	\$ 2,325,877	\$ 2,396,156
Operating expenses	(1,678,940)	(1,023,505)	(655,435)	(3,828,604)	(2,257,542)	(1,571,062)
Operating income (loss)	683,330	491,433	191,897	893,429	68,335	825,094
Finance costs	(221,848)	(193,868)	(27,980)	(654,172)	(350,693)	(303,479)
Non-cash stock-based compensation	(231,758)	(24,783)	(206,975)	(409,835)	(41,312)	(368,523)
Other income (expense)	(33,517)	113,410	(146,927)	225,972	21,940	204,032
Income before other non-cash expenses and acquisition related costs	196,207	386,192	(189,985)	55,934	(301,730)	357,124
Amortization of intangibles	(122,061)	(119,790)	(2,271)	(368,558)	(159,720)	(208,838)
Business acquisition costs	(280,824)	-	(280,824)	(346,649)	(619,723)	273,074
Non-cash accretion costs	(98,520)	(206,958)	108,438	(388,165)	(229,426)	(158,739)
Non-cash revaluation of earn-out	318,734	-	318,734	464,915	-	464,915
Non-cash fair value of derivatives	(202,203)	(140,828)	(61,375)	(193,081)	(316,433)	123,352
Income (loss) before income taxes	(188,667)	(81,384)	(107,283)	(776,144)	(1,627,032)	850,888
Provision of taxes	(104,843)	74,184	(179,027)	(181,555)	335,787	(517,342)
Income (loss) attributable to common shareholders	(293,510)	(7,200)	(286,310)	(957,699)	(1,291,245)	333,546
Unrealized foreign exchange loss on translation of foreign subsidiaries	67,319	(48,896)	116,215	(261,158)	(9,577)	(251,581)
Comprehensive Income (loss)	\$ (226,191)	\$ (56,096)	\$ (170,095)	\$ (1,218,857)	\$ (1,300,822)	\$ 81,965
Income (loss) per common share	\$ (0.001)	\$ (0.000)	\$ (0.001)	\$ (0.021)	\$ (0.034)	\$ 0.013

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 a rapidly growing, cash flow positive company that manufactures and supplies technologically advanced cellular concrete products developed from proprietary formulations across North America. This unique cement-based material with superior thermal protection delivers cost-effective, innovative solutions to a broad range of problems facing the infrastructure, industrial (including oil and gas) and commercial markets. Through recent acquisitions of Chicago based MixOnSite and Bellingham based Pacific International Grout, CEMATRIX is now North America's largest Cellular Concrete company.

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 of CEMATRIX
Phone: (403) 219-0484

Glen Akselrod, President of Bristol Capital – Investor Relations
Phone: (905) 326 1888 ext 1
glen@bristolir.com

Jeff Walker, Vice President of 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 to the CEMATRIX’s Management Discussion and Analysis dated August 7, 2019 under CEMATRIX’s profile on SEDAR at www.sedar.com and other reports filed by CEMATRIX with Canadian securities regulators.