

CEMATRIX CORPORATION
CEMATRIX Corporation Announces Year Ended Results

Calgary, Alberta – April 28, 2020: CEMATRIX Corporation (TSXV: CVX) (the “Corporation” or the “Company” or “CEMATRIX”) a North American leading manufacturer and supplier of technologically advanced cellular concrete products today announced the release of its consolidated financial results for the year ended December 31, 2019.

“I am happy to report to shareholders that 2019 was another year of record revenue growth for our Company,” stated Jeff Kendrick, President and CEO of CEMATRIX. “In October we closed the acquisition of Pacific International Grout Co. (“PIGCO”), a significant transaction that is yet another stepping stone towards our goal of sustainable and profitability growth. The growth in 2019 was broadly based with sales from Cematrix Canada increasing 22% to \$11.3 million. MixOnSite, USA Inc (“MOS”), another transformative acquisition in 2018 generated \$10.5 million in 2019, a 27% increase from the previous year. These two acquisitions further solidified our presence in the US market and allowed the Company to expand into certain niche markets of the cellular concrete industry, while at the same time diversifying us geographically, thereby reducing the seasonality of revenues,” continued Mr. Kendrick.

Other highlights, both during and subsequent to the year end include:

1. In 2019, the Corporation raised \$2.3 million to support the PIGCO acquisition and to provide growth capital;
2. The PIGCO acquisition added \$5.8 million USD in capital assets with approximately \$27 million in contracted and awarded projects, all for an initial cash cost of \$2.8 million USD;
3. Subsequent to year end, the Corporation, through MOS, by way of letter of intent, was awarded a \$12.3 million USD highway overpass project, one of the largest projects ever tendered for the use of cellular concrete. This increased the Corporation’s contracted and awarded sales backlog to \$78.5 million CDN as of this date, of which \$38.5 million CDN is currently scheduled to be completed in 2020;
4. Subsequent to year end, the Corporation completed an 8%, \$5.5 million unsecured convertible debenture financing to support growth capital and facilitate the evaluation of further M&A opportunities.

“The COVID-19 pandemic that arose subsequent to year end continues to be top of mind as does the health and safety of our families, employees, customers and partners. Fortunately, with infrastructure construction considered an essential business, the CEMATRIX Group of Companies continues to operate as expected, with very little impact on the timing of our projects. In response to COVID-19, several recent announcements state that governments will drive infrastructure spending as part of a broader plan to move the economy forward, which should have a significant positive impact on our business going forward,” concluded Mr. Kendrick.

Selected financial information for the three months and years ended December 31, 2019 and 2018 is as follows:

	Three months ended December 31			Year ended December 31		
	2019	2018	Variance	2019	2018	Variance
Revenue	\$ <u>5,294,288</u>	\$ <u>6,136,476</u>	\$ <u>(842,188)</u>	\$ <u>22,550,954</u>	\$ <u>17,560,716</u>	\$ <u>4,990,238</u>
Gross margin	\$ <u>1,054,424</u>	\$ <u>2,020,323</u>	\$ <u>(965,899)</u>	\$ <u>5,776,457</u>	\$ <u>4,346,200</u>	\$ <u>1,430,257</u>
Operating expenses	<u>(1,593,745)</u>	<u>(1,098,080)</u>	<u>(495,665)</u>	<u>(5,422,349)</u>	<u>(3,355,622)</u>	<u>(2,066,727)</u>
Operating income (loss)	(539,321)	922,243	(1,461,564)	354,108	990,578	(636,470)
Stock based compensation	(54,387)	(43,833)	(10,554)	(464,222)	(85,145)	(379,077)
Finance costs	(333,190)	(198,591)	(134,599)	(987,362)	(549,284)	(438,078)
Other income	1,404,496	(244,441)	1,648,937	1,630,468	(222,501)	1,852,969
Amortization of intangibles	(188,905)	(123,690)	(65,215)	(557,463)	(283,410)	(274,053)
Acquisition costs	(27,195)	-	(27,195)	(373,844)	(619,723)	245,879
Accretion costs	(103,911)	(55,433)	(48,478)	(492,076)	(284,859)	(207,217)
Revaluation of earn-out	(21,788)	(305,031)	283,243	443,127	(305,031)	748,158
Revaluation of derivatives	<u>331,262</u>	<u>381,690</u>	<u>(50,428)</u>	<u>138,181</u>	<u>65,257</u>	<u>72,924</u>
Income (loss) before taxes	467,061	332,914	134,147	(309,083)	(1,294,118)	985,035
Deferred taxes	260,137	(133,644)	393,781	168,634	202,143	(33,509)
Current taxes	<u>(23,184)</u>	-	(23,184)	<u>(113,236)</u>	-	<u>(113,236)</u>
Income (loss) attributable to common shareholders	704,014	199,270	504,744	(253,685)	(1,091,975)	838,290
Unrealized foreign exchange gain (loss) on translation of foreign subsidiaries	<u>(190,422)</u>	<u>373,739</u>	<u>(564,161)</u>	<u>(451,580)</u>	<u>364,162</u>	<u>(815,742)</u>
Comprehensive income (loss)	\$ <u>513,592</u>	\$ <u>573,009</u>	\$ <u>(59,417)</u>	\$ <u>(705,265)</u>	\$ <u>(727,813)</u>	\$ <u>22,548</u>
Loss per common share	\$ <u>0.012</u>	\$ <u>0.004</u>	\$ <u>0.008</u>	\$ <u>(0.005)</u>	\$ <u>(0.027)</u>	\$ <u>0.022</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, 2019, 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.

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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 27, 2020 under CEMATRIX’s profile on SEDAR at www.sedar.com and other reports filed by CEMATRIX with Canadian securities regulators.