

# CEMATRIX CORPORATION

## NEWS RELEASE

### CEMATRIX Corporation Announces Second Quarter Financial Results

**Calgary, Alberta – August 16, 2018:** 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, 2018.

#### Mid-Year Review

The results for the six months ended June 30, 2018 before considering acquisition related costs are what management expected and typical of the seasonal nature of its construction-related business. Sales are off a little from the same period last year, but both the margin dollars and margin percentages are up for the first six month period. Non-cash and one time costs relating to the acquisition amounted to \$918,118, in the second quarter of 2018.

The highlight of the period was the acquisition of MixOnSite USA, Inc (“MOS”), which was completed on May 31, 2018, so the consolidated results only include one month of MOS’s operations. With the acquisition MOS and the growth in the Company’s Canadian infrastructure business, the Company now has signed contracts on hand for \$23.5 million and verbally awarded projects of \$7.6 million for a total of \$31.1 million, \$7 to \$8 million of which will be backlog for 2018.

“The completion of these 2018 contracted and scheduled projects will mean a return to profits and positive cash flow in the third quarter of 2018, together with a return to a positive working capital position by the year ended December 31, 2018,” stated Jeff Kendrick, President and CEO of CEMATRIX Corporation.

#### Financial Results

Selected financial information for the three and six months ended June 30, 2018 and 2017 is as follows:

	Three months ended June 30			Six months ended June 30		
	2018	2017	Change	2018	2017	Change
Revenue	\$ <u>2,907,933</u>	\$ <u>2,208,230</u>	\$ <u>699,703</u>	\$ <u>4,384,401</u>	\$ <u>4,735,701</u>	\$ <u>(351,300)</u>
Gross margin	\$ <u>638,804</u>	\$ <u>147,169</u>	\$ <u>491,635</u>	\$ <u>810,939</u>	\$ <u>681,854</u>	\$ <u>129,085</u>
Operating expenses	<u>(761,148)</u>	<u>(508,474)</u>	<u>(252,674)</u>	<u>(1,273,967)</u>	<u>(1,032,150)</u>	<u>(241,817)</u>
Operating income (loss)	<u>(122,344)</u>	<u>(361,305)</u>	<u>238,961</u>	<u>(463,028)</u>	<u>(350,296)</u>	<u>(112,732)</u>
Non-cash stock based compensation	<u>(11,163)</u>	<u>49,502</u>	<u>(60,665)</u>	<u>(16,529)</u>	<u>21,093</u>	<u>(37,622)</u>
Business acquisition costs	<u>(619,723)</u>	<u>-</u>	<u>(619,723)</u>	<u>(619,723)</u>	<u>-</u>	<u>(619,723)</u>
Finance costs, interest	<u>(102,875)</u>	<u>(55,196)</u>	<u>(47,679)</u>	<u>(156,825)</u>	<u>(107,007)</u>	<u>(49,818)</u>
Finance costs, accretion and fair market value	<u>(198,867)</u>	<u>1,290</u>	<u>(200,157)</u>	<u>(198,073)</u>	<u>2,580</u>	<u>(200,653)</u>
Other income (expense)	<u>(88,986)</u>	<u>16,929</u>	<u>(105,915)</u>	<u>(91,470)</u>	<u>18,816</u>	<u>(110,286)</u>
Loss before income taxes	<u>(1,144,058)</u>	<u>(348,780)</u>	<u>(795,278)</u>	<u>(1,545,648)</u>	<u>(414,814)</u>	<u>(1,130,834)</u>
Provision of deferred taxes	<u>176,791</u>	<u>99,118</u>	<u>77,673</u>	<u>261,603</u>	<u>112,757</u>	<u>148,846</u>
Loss attributable to common shareholders	<u>(967,267)</u>	<u>(249,662)</u>	<u>(717,605)</u>	<u>(1,284,045)</u>	<u>(302,057)</u>	<u>(981,988)</u>
Unrealized foreign exchange loss on translation of foreign subsidiary	<u>36,916</u>	<u>(5,773)</u>	<u>42,689</u>	<u>39,319</u>	<u>(5,237)</u>	<u>44,556</u>
Comprehensive Loss	\$ <u>(930,351)</u>	\$ <u>(255,435)</u>	\$ <u>(674,916)</u>	\$ <u>(1,244,726)</u>	\$ <u>(307,294)</u>	\$ <u>(937,432)</u>
Loss per common share	\$ <u>(0.025)</u>	\$ <u>(0.007)</u>	\$ <u>(0.018)</u>	\$ <u>(0.034)</u>	\$ <u>(0.009)</u>	\$ <u>(0.025)</u>

This press release should be read in conjunction with the Corporation’s unaudited Condensed Consolidated Financial Statements and Management Discussion and Analysis for the three and six months ended June 30, 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 subsidiaries, 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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