



## CEMATRIX Announces 2021 Second Quarter Results

**Calgary, Alberta – August 11, 2021 – CEMATRIX Corporation** (TSXV: CVX) (OTCQB: CXXXF) ("CEMATRIX" or the "Company") a North American leading manufacturer and supplier of technologically advanced cellular concrete products announced the release of its consolidated financial results for the quarter ended June 30, 2021.

“Despite the lower sales for the quarter and year to date, we remain very positive and optimistic for the year and the future of our business, as we move forward from this COVID environment” stated Jeff Kendrick, President and CEO of CEMATRIX. “The demand for cellular concrete remains strong, as evidenced by increased bidding activity, particularly in Canada and with our growing backlog that continues to exceed \$94 million. Our forecast for 2021 continues to be strong and even though we don’t expect to lose any sales and to continue to grow our backlog, there is still the potential for further delays in projects, especially given the resurgence of the virus in North America.”

“Of note, even though the second quarter and year to date sales and margins were lower than the previous year, most of the reduction in sales was mainly due to the timing of projects. For 2021, more of the larger US projects are scheduled to be completed in the latter half of the year, which was not the case in 2020. Additionally, our customers rescheduled a couple of larger Canadian projects into the latter half of the year as well.”

“Furthermore, we continue to pursue organic growth opportunities throughout North America, and we are moving forward with regional expansion plans, in an effort to accelerate our strategic plan. In conclusion, and as I do every quarter, I want to thank all of our employees at CEMATRIX, particularly our field staff, for staying safe and making our success possible through hard work and dedication.”

“A key part of our strategic plan is the focus on strengthening our balance sheet and reducing overall leverage,” stated Randy Boomhour, CFO of Cematrix. “As a result of the conversion of the \$2.5M USD and MOS convertible note, we have continued to successfully reduce overall leverage and improve the Company’s working capital position. With our strong cash position of \$21 million and improved overall balance sheet, Cematrix continues to be well positioned to execute on our strategic plan.”

The following are the business and financial highlights for the first quarter:

### **Business highlights for the quarter:**

- Announced the addition of Anna Cuglietta to the Board of Directors (April 27, 2021)
- Announced new project awards of \$3.6 million and a backlog of \$96.2 million (May 5, 2021)
- Announced new project awards of \$8.1 million and a backlog of \$94.0 million (June 10, 2021)

### **Financial highlights for the second quarter:**

- Revenue decreased to \$4.0 million in Q2 2021 versus \$7.4 million in Q2 2020.
- Operating loss in Q2 2021 was \$1.5 million versus breakeven in Q2 2020.
- Adjusted EBITDA was negative \$0.9 million in Q2 2021 versus positive \$0.7 million in Q2 2020.
- Cashflow from operations was negative, with cash used in operating activities of \$1.2 million in Q2 2021 versus \$0.5 million used in 2020.
- Working capital as at the end of the quarter was \$21.5 million with \$21.3 million in cash.

- Continue to execute on the strategic objective to de-lever the balance sheet with the conversion of \$2.5M USD in convertible debt from the MOS acquisition.
- The balance sheet was further strengthened having received \$0.5 million from warrant & stock option exercises.

**Derivative non-cash accounting item in the quarter:**

- In the second quarter, the Corporation recorded a \$1.1 million non-cash fair value adjustment recovery and a corresponding decrease in current liabilities under the current portion of convertible debt – non-cash derivative liability due to the IFRS accounting treatment for embedded derivatives related to the MOS convertible note. The adjustment is due to the decrease in the price of the Company's shares compared to the previous measurement date of March 31, 2021. The convertible note was converted in the quarter and the amounts previously in current liabilities were moved to shareholders equity upon conversion.

**Financial highlights for the six months ended June 30<sup>th</sup> (year to date results):**

- Revenue decreased to \$8.5 million in YTD 2021 versus \$11.3 million in YTD 2020.
- Operating loss in YTD 2021 was \$2.7 million versus a loss of \$0.8 million YTD 2020.
- Adjusted EBITDA was negative \$1.4 million in YTD 2021 versus positive \$0.2 million in YTD 2020.
- Cashflow from operations was negative, with cash used in operating activities of \$0.8 million in YTD 2021 versus \$0.1 million used in 2020.
- Working capital as at the end of the June 30 was \$21.5 million with \$21.3 million in cash.
- Continue to execute on the strategic objective to de-lever the balance sheet with the conversion of \$2.5M USD in convertible debt from the MOS acquisition and the repayment of \$3.0 million in long term debt and earnout liabilities during the year.
- The balance sheet was further strengthened over the first six months of the year having received \$2.6 million from warrant & stock option exercises.

**ABOUT CEMATRIX**

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. For more information please visit our website at [www.cematrix.com](http://www.cematrix.com).

**CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS**

*This news release contains forward-looking statements and forward-looking information (together, "forward-looking statements") within the meaning of applicable securities laws. All statements, other than statements of historical facts, are forward-looking statements. Generally, forward-looking statements can be identified by the use of terminology such as "plans", "expects", "estimates", "intends", "anticipates", "believes" or variations of such words, or statements that certain actions, events or results "may", "could", "would", "might", "will be taken", "occur" or "be achieved". The forward-looking statements contained in this news release are based on certain key expectations and assumptions made by the Company, including satisfaction of regulatory requirements in various jurisdictions and the Company's anticipated use of the net proceeds of the Offering. Forward looking statements involve risks, uncertainties and other factors disclosed under the heading "Risk Factors" and elsewhere in the Company's filings with Canadian securities regulators, which could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements.*

*Although the Company believes that the assumptions and factors used in preparing these forward-looking statements are reasonable based upon the information currently available to management as of the date hereof, actual results and developments may differ materially from those contemplated by these statements. Readers are therefore cautioned not to place undue reliance on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed times frames or at all. Except where required by applicable law, the Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.*

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