

January 2021

TSX.V: CVX | OTCQB: CTXXF



**CEMATRIX™**

*Cellular Concrete Solutions*

# Forward Looking Statements

This presentation contains certain statements that may be deemed "forward-looking statements". All statements in this document, other than statements of historical fact, that address events or developments that CEMATRIX ("the Company") expects to occur, are forward looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward- looking statements. Factors that could cause the actual results to differ materially from those in forward looking statements include, failure to successfully negotiate or subsequently close such transactions, inability to obtain required shareholder or regulatory approvals, uncertainty with respect to findings under exploration programs and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.



# Who We Are

CEMATRIX is the world leader in cellular concrete technology and the leading North American supplier and installer of this material.

**Cellular concrete** is a technologically **advanced specialized premium** construction material that is greener and more environmentally friendly.

It is primarily used in the backfill of overpasses, bridges and MSE panels and/or in below-ground applications such as **tunnels, roads, runways, facilities, etc.** that involve weak and **unstable soils and/or the insulation of them.**





# Key Investor Considerations



## North American Industry Leader

- Growing organically and strategic M&A.
- Q32020 record revenues of \$10.8M
- As of Dec 31, 2020 backlog exceeds \$108.1M (includes 2020 contracts in completed)
- Awarded largest project ever; \$23.5 million USD in December



## Infrastructure focused business in a fast-growing lucrative market

- Current bid pipeline exceeds \$379M
- Strong operating margins (approx. 25-30%)
- Current capacity could support \$175M in business annually
- Well capitalized for growth



## State-of-the-art proprietary technologies **create a greener footprint**

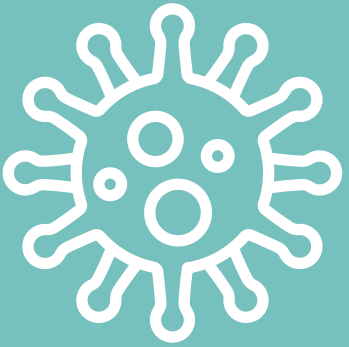
- Saves customers significant time and money
- Lighter, stronger - **more environmentally friendly than products replaced**



## Strategic relationship with Lafarge – largest global provider of diversified construction materials

- Significant material cost savings and new customer sales opportunities benefits

# (COVID-19) Impact



- CEMATRIX - **Classified as an Essential Business**
- **No loss of sales expected**, but several projects have been delayed
- **Continued risk** of additional project delays
- **Most of the delays occurred in Canada** due to more stringent government regulations
- Current business fundamentals including **long term growth potential remain strong**
- **Recessions are a catalyst** for future projects as Governments prioritize infrastructure spending to stimulate the economy
- CEMATRIX has taken numerous steps to **ensure the health and safety of employees, clients and partners**

# Strategic Partnership



## Joint Marketing and Regional Expansion Agreement

Lafarge is part of LafargeHolcim, the leading global building materials and solutions company

- CEMATRIX - a **leading North American** customer
- Raw material **cost reduction** to CEMATRIX
  - Creates most competitive pricing in the industry
- Lafarge to help **identify new projects**
  - Customer acquisition costs reduced through joint marketing with expanded sales opportunities





# Greener and More Sustainable

CEMATRIX cellular concrete is much more sustainable and environmentally friendly vs. the products it replaces

- **Saves energy** as an insulator by reducing heat loss
- **Reduces construction traffic** with shorter construction schedules (**significant energy savings**) by greater than a factor of 10
- **More positive environmental impact** - replacing materials like EPS Blocks and rigid insulations that don't last and don't breakdown in landfills when replaced
- **Longer Life** - supports infrastructure better and longer - **saving significant time, energy and reducing greenhouse gas emissions** on maintenance and replacement
- Utilization of by-products previously landfilled – fly ash and slag improve the characteristics of cellular concrete while **reducing negative environmental impact**



# What Is Cellular Concrete - It is not Concrete

- A construction material consisting of Portland cement, water, specialized pre-formed foaming agent and compressed air
- It is highly flowable and can be pumped into place over large distances (up to 1,000 m) through flexible hoses
- Most below-ground applications are placed at wet densities of 400 to 600 kg/m<sup>3</sup>. PIGCO's expertise is at 1,000+ kg/m<sup>3</sup>.



**Portland cement based  
“No Aggregates”**

**Aggregates replaced with  
“Air Bubbles”**

## Benefits of cellular concrete include:

- Lightweight and insulating are its greatest benefits (can contain up to 80% air)
- High strength compared to other lightweight fills or insulations
- Self-leveling
- Highly flowable
- Energy absorbing
- Excellent freeze-thaw resistance
- Closed-cell structure with low permeability





# Cellular Concrete Replaces Other Products

CEMATRIX is a clear **North American leader** because it can produce CC **lighter, stronger and at a lower cost** than any competitor in the industry

- Weak and unstable soils, gravel, etc
- EPS Blocks
- Steel or Concrete Pile Construction below a Concrete Slab
- Expanded Clay (LECA)
- Cement Grout
- Rigid Insulations
- Tank Bases

## Use of substitute typically driven by:

- Cost
- Specification requirements
- Time of construction
- Experience with alternative
- Structural requirements
- Better solution required
- Long term solution required
- Risk tolerance



**EPS BLOCKS**



**GRAVEL**



**LECA**

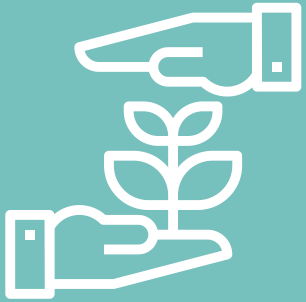
# Competitive Advantages

CEMATRIX **saves time, money, green house gas emissions while reducing pollution** and provides a better overall long-term solution to the legacy products that cellular concrete replaces in all of its construction applications

- CEMATRIX cellular concrete is considered best in class within the industry
- Unit mobility allows for rapid response and geographical movement
- Offer customers premium quality solutions in lightweight construction



# Example of Environmental and Cost Savings



## Summary of Savings on Dixie Road Project Versus Traditional Construction

Parameters	Reduction
Cost	40% less
Schedule	60% less
Emissions	25% less
Excavation Volume	70% less
Construction Traffic	75% less trucks

### Eliminated:

Sheet piling  
Deep excavation  
Granular backfill and compaction



# Three Business Verticals



## Infrastructure Including Tunnels

- Road and Runways
- MSE Panel Backfill
- Overpass/Bridge Backfill
- Tunnel Grouting
- Pipeline Bedding
- Engineered Fills
- Buried Utilities



## Industrial & Mining

- Service Roads
- MSE/Retaining Walls
- Facility Under-slab
- Pipe-racks & Modules
- Fire lines & Other Utilities
- Tank Bases
- Mine works, grout & Backfill



## Commercial & Seismic

- Buildings
- Parking structures
- Roof Decks
- Shallow Utilities
- Nuclear Infrastructure
- Support under all seismic prone infrastructure

# Who are our Customers

## Customers include

Engineering Companies,  
Commercial Contractors,  
Public-Private Partnerships (P3)

## Who design materials into projects

*Kiewit, Stantec, Jacobs Engineering,  
Chicago Bridge and Iron, SAK, McNally,  
Barnard, KBR, Turner Construction,  
Whiting-Turner Contracting, Lafarge,  
Dufferin, Walsh, Shea, Skanska, Michaels,  
SK Engineering and Construction;*



# How Is It Made?

## CEMATRIX cellular concrete is made using Mobile Batch Plants

- 10 dry plants used for high volume projects – replacement cost \$15 million – 30+ year life if maintained regularly;
- 8 wet plants used for small to mid sized volume municipal type – replacement cost - \$4 million – 20+ year life if maintained regularly

Can **satisfy small or large project** requirements and will produce from 20 to 200 m<sup>3</sup> CCC per hour

Unit mobility allows for **rapid response** to the changing demands and schedules of the construction industry



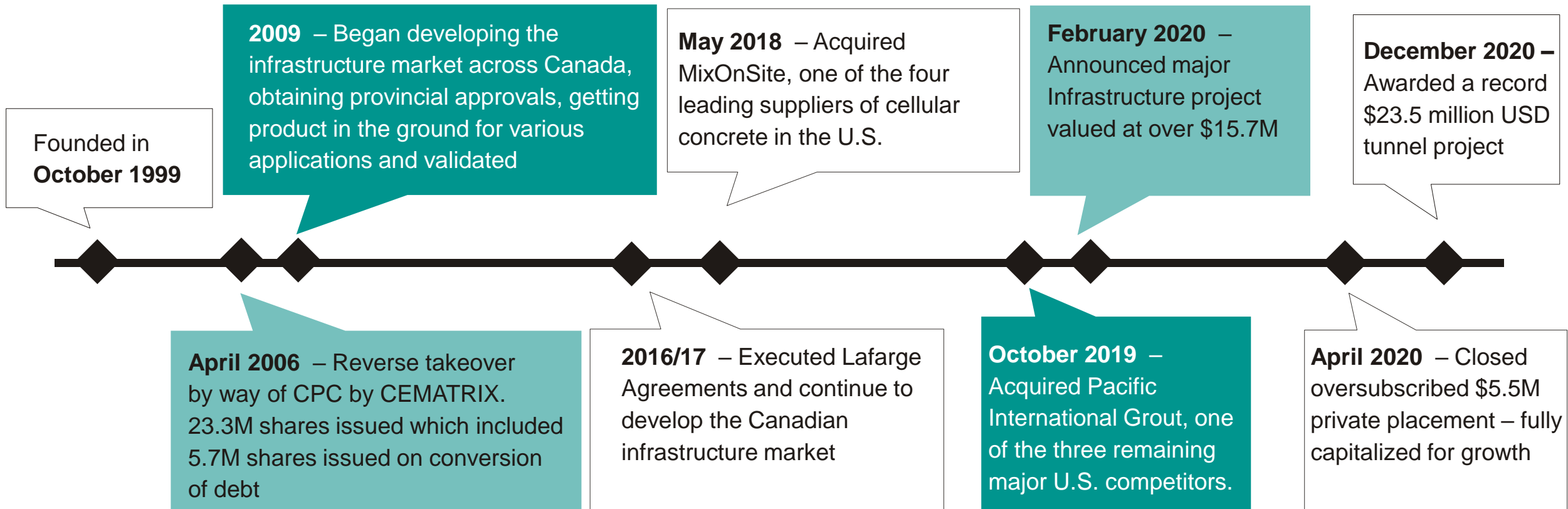


# Proprietary Technology



- **Advanced material mix design** - optimizes strengths, densities and other characteristics
- Advanced foaming agents - **higher strengths at lower densities** than the competition
- Only CC tunnel grout supplier in North America that has 3 Dry mix units and support equipment, including tunnel trains specifically designed for **heavy CC grout in long and problematic tunnels**
- Only CC provider of **underwater cellular concrete placement technology** in North America
- Only full-service CC supplier engaged in ongoing R&D with MSE Panel companies and Canadian highway construction through a **collaboration** with the University of Waterloo, City of Waterloo and the NRC
- Only full-service CC provider engaged in **ongoing R&D** of material mixes, foaming agents, additives and processes
- One of only two CC suppliers that **can produce up to 250 cu. m. per hour** with one dry mix unit

# Major Milestones



# Current Operating Structure

## CEMATRIX Corporation

### Pacific International Grout Bellingham (PIGCO)

Strong presence in North America  
Proven profitability  
Heavy Density Technology/Capability  
Experienced Team

### MixOnSite Chicago (MOS)

Strong presence in NE & Central US  
Proven profitability  
Lightweight Technology/Capability  
Experienced Team

### CEMATRIX Canada Calgary H.O. (CEM)

Serving Canada coast to coast  
Profitable and growing  
Leaders in Lightweight Technology &  
Capability with Experienced Team



Seasonally adjusted production capacity (one 8 hr shift part of yr), now exceeds 2,500,000 cu. Yds which equates to an estimated \$175M in annual sales



Completely mobile and well positioned to serve all of North America with offices in Calgary, Toronto, Chicago and Bellingham. The group also stores regional equipment in New York, St Louis, Winnipeg and Vancouver



# Growth Strategy



1

Lobbying/educating the Engineering & Construction Industry about benefits & advantages of cellular concrete

2

Successful execution of projects – referrals & reputation

3

M&A of other CC suppliers & complementary companies

4

Strategic alliances

5

Expansion into international markets focused in large tunnel and geotechnical applications

6

Licensing / franchise opportunities



# Financials

# Revenue Model

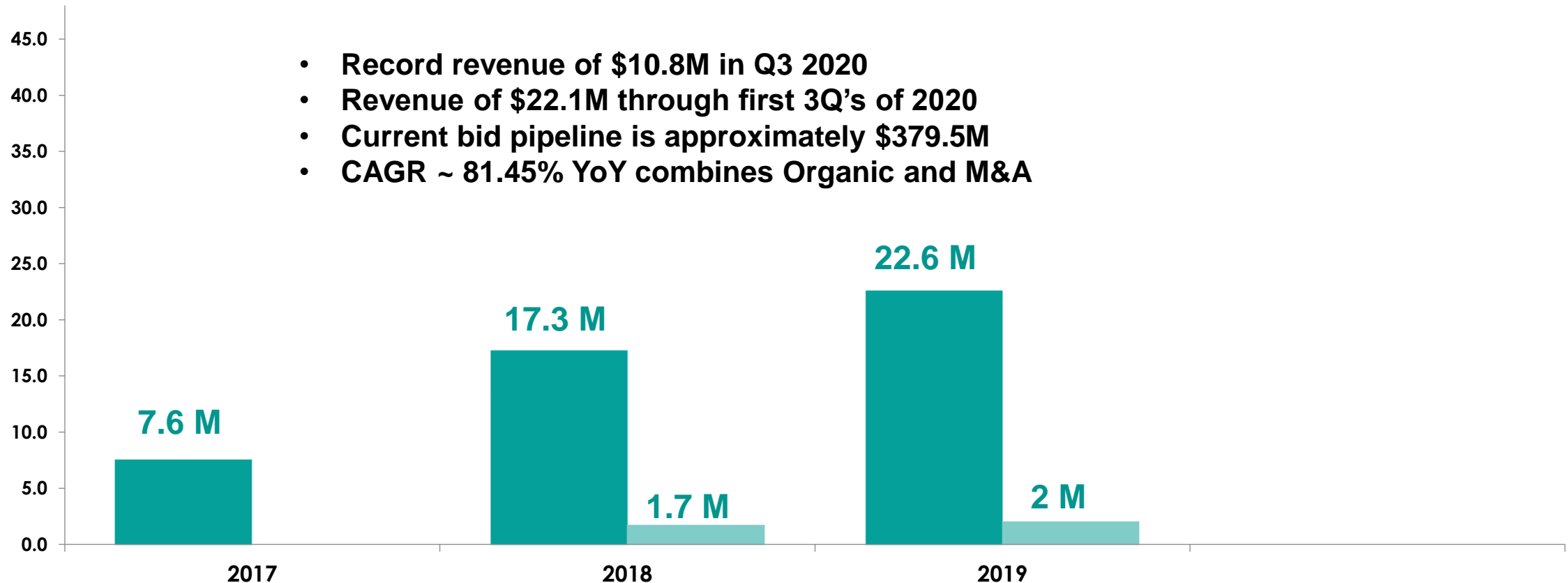
Typical larger contracts will range between \$1M to \$6M. **More recently, some projects have increased in sales value from \$15M to \$30M per project.**

	\$5,000 - \$500,000	\$500,000 - \$30,000,000
Project Type	State, Provincial and Municipal	Large Highway, Airport, Industrial and Tunnels Including P3 Type projects
Typical Sales Cycle	1 week - 6 months	3 Months to 5 Years or More
Length of Projects	½ day to a month	1 Month to 2 years
Paid By	Cubic Metre or Cubic Yards Placed, which could include Daily Rates	Cubic Metre or Cubic Yards Placed, which could include Daily Rates and Mob/Demob Rates
Payment Cycle	45 days Before Cement Bills Due	45 - 60 days Before Cement Bills Due
Margin Profile	Averages ~ 30%-75% depending on size and location	Averages ~ 15-30% depending on size and location



# Combined Sales Growth (CDN \$'s)

■ Revenue ■ EBITDA



# Capital Market Profile

- **Exchange and Ticker Info:** TSX-V: CVX | OTC: CVXXF
- **Corporate Headquarters:** Calgary, Canada
- **Shares Fully Diluted:** 115.9M – 64.6M Issued & O/S as of Jan 5<sup>th</sup>
- **52 Week High / Low:** \$0.84/\$0.265
- **Market Capitalization:** 5 January 2020 ~ \$45M
- **Inside Ownership:** < 10%
- **Cash & Equivalents:** ~\$3.8M\*
- **Long Term Debt:** ~\$14.1M (includes \$4.1M in Convertible Debt)\*
- **Working Capital:** ~5.3M (before \$5.8M in Convertible Debt and Earnout)\*

\* (As of Sept 30, 2020)

# Management



**Jeff Kendrick** the CEO and one of the founders of CEMATRIX is a Chartered Accountant with 20 years experience in Cellular Concrete including project management, operating equipment, quality control and general labour

**Pat Stephens** the founder of Pacific International Grout has over 40 years experience in cellular concrete, developed all his equipment and technology, patented numerous CC technologies over time and is still leading the team at PIGCO, as President of that subsidiary

**Jordan Weiner** founded MixOnSite with his dad, the former owner who had over 20 years experience in CC. After university Jordan started from the ground up as a labourer, then operator, then sales and estimating, eventually taking over the reins from his father approximately five years ago. Jordan still leads the team at MixOnSite, as President of that subsidiary

**Randy Boomhour** Cematrix CFO is a Canadian and US CPA with over 25 years of financial and back office management experience, including working in small public companies. Randy has successfully been apart of teams that grew shareholder value through business execution, completed acquisitions valued in total at over \$0.5B, and raised capital in both the debt and equity markets.

# Investment Summary

**World technology leader and North American Leading Supplier in Cellular Concrete market, tunnel grouting, technologies, quality control and safety**

**State of the art equipment, foaming agent and other proprietary technologies that are cleaner for the environment**

**Significant growth in the lucrative infrastructure markets that exceed billions**

**Current bid pipeline over \$379.5M with contracted or soon to be contracted backlog of as of Dec 31, 2020 of approx. \$108.1M (includes 2020 contracts completed)**

**Strategic partnership with the largest cement company in the world, Lafarge**

**Record Q3 2020 Revenue of \$10.8M**

**Total of \$22.1M in revenue through first 3 Q's of 2020**





# Project Examples



**CEMATRIX™**  
*Cellular Concrete Solutions*

# Airport Runways – Reagan International - Washington DC

- Floating slab over weak and unstable base to expand runway aprons. Airport is built along a river. All soils along or near waterways, marshes, wetlands or over glacial silts etc. are extremely weak. You can either remove all the bad soils and replace them before building your required infrastructure over top at significant cost over significant time, or you can use cellular concrete to provide a floating base over the weak soils
- Cellular concrete was selected because of the better overall solution it provided, in a significantly reduced time period, at a significantly reduced cost.
- CEMATRIX was selected because it was the better solution at the right price



Owner **Reagan National**  
General Contractor **Archer Western**  
**\$1.3M USD**



# Industrial – Diesel Refinery – Fort Saskatchewan

- Insulating subbase for significant portion of the NWR Diesel Refinery protecting all manner of water lines, sewer lines, conduits, etc. underneath, while providing a subbase for the concrete slabs and facility infrastructure
- Cellular concrete was selected to replace rigid insulation because of the better overall solution it provided, in a significantly reduced time period, at a significantly reduced cost
- CEMATRIX was selected because it was the better solution at the right price and the only high volume cellular concrete supplier in Canada



Timing **2014/15**

Owner **NWR Partnership**

General Contractor **Fluor Constructors**

Sales Value **\$7.55M CAD**

# Tunnel Grouting Brightwater - Seattle

- Tunnel Backfill with multiple carrier pipes inside tunnel
- Cellular concrete was selected over heavy grouts because it was the only viable solution, in that it was an extremely risky grout project, due to the number of pipes in the tunnel
- CEMATRIX (MixOnSite) was selected because it was the better solution at the right price



Timing  
Owner **Seattle**  
General Contractor  
Sales Value **\$7.8 USD**



# Road Base & IADOT Bridge 8 - IOWA

- Lightweight road base over weak and unstable soils
- Cellular concrete was selected over EPS Block and other lightweight aggregates because of cost and time savings
- CEMATRIX (MixOnSite) was selected because it was the better solution at the right price and one of the few high volume producers in the U.S. with a capacity of up to 250 cu. m. per hour



Timing **2018/19**  
Owner **IADOT #8 New Bridge**  
General Contractor  
**Hawkins/United/Creamer JV**  
Sales Value **\$4.8 USD**

# MSE Backfill Expo Light Rail - California

- Cellular concrete was selected to reduce the vertical and horizontal loads on the underlying soils and MSE walls to mitigate future movement and/or subsidence. The alternatives would have been granular fill which would create issues noted above, EPS Block which can't be used behind MSE Panels and other lightweight aggregates which also don't work well with MSE Panels tie-backs
- CEMATRIX (MixOnSite) was selected because it was the better solution at the right price



Timing **2013/14**

Owner **Los Angeles County**

General Contractor **Skanska, Rados JV**

Sales Value **\$1.6 million USD**

# Tunnel Heavy Grout - California

- Tunnel Backfill – Arrowhead Tunnels, San Bernardino CA
- Cellular concrete was selected over heavy grouts by the project team for its superior qualities and cost savings
- CEMATRIX (Pacific International Grout) was selected because PIGCO are the premier suppliers of cellular grouts for long problematic tunnels in North America



Timing **2008-9**

Owner **Metropolitan Water District  
of Southern California**

General Contractor **Shea-Kenny JV**

Sales Value **\$12.9 million USD**



# Cellular Concrete vs EPS Blocks Geotechnical - Wisconsin

- Marquette Interchange, Milwaukee
- Cellular concrete was selected over EPS Block, and/or other lightweight aggregates or gravel because of its superior qualities and cost savings
- CEMATRIX (Pacific International Grout) was selected because Cellular Concrete was the better solution at the right price and the GC was comfortable with working with the Company



Timing **2006-8**

Owner - **Wisconsin Department of Transportation**

General Contractor **Marquette Constructors**

Sales Value **\$4.7 million USD**



# Industrial – Sag D Process Facility - Lloydminster

- Insulating subbase for all of the Paradise Hills Sag D facility
- Cellular concrete was selected because of the better overall solution it provided, in a significantly reduced time period, at a significantly reduced cost. In the past for all oilsands green field construction, the process would be to remove the overburden, level it out, hire a piling company to place steel piles every 20 metres, then tie all of the slabs and equipment to these piles, then insulate with rigid insulation before pouring concrete slabs – a very time consuming and costly process
- CEMATRIX was selected because it was the better solution at the right price
- Of note this project was completed and producing before an identical sister project started a year earlier, using the old construction method



Timing **2012**

Owner **Husky Energy**

General Contractor **Propak**

**\$1.2M CAD**

# Commercial – Montreign Casino - New York

- Load Reducing Fill
- Cellular concrete was selected to replace heavy soil backfill to reduce the load on the underground perimeter wall because of the better overall solution it provided, in a significantly reduced time period, at a significantly reduced cost
- CEMATRIX (MixOnSite) was selected because it was the better solution at the right price



Timing **2016**

Owner **Montreign**

General Contractor **Perillo Construction**

Sales Value **\$2.1 million USD**



# MSE Backfill Kenaston Overpass - Winnipeg

- Backfill for Bridge Abutments and MSE Panels
- Cellular concrete was selected over granular fills and dirt because of the better overall solution it provided over weak and unstable soils, in a significantly reduced time period. The alternatives would have been EPS Block which can't be used behind MSE Panels and other lightweight aggregates, which don't work well with MSE Panels Tiebacks
- CEMATRIX was selected because it was the better solution at the right price and the only high volume cellular concrete supplier in Canada



Timing **2014**

Owner **City of Winnipeg**

**Kenaston Blvd Overpass**

General Contractor **MD Steele**

Sales value **\$1.25M CAD**

# Road Base Holland Marsh - Ontario

- Holland Marsh – provided a floating base over weak and unstable soils (peat moss) to support highway structure
- Cellular concrete was selected over all other materials because the CC solution eliminated the need to dig out over 7 metres of weak and unstable soils and replace it before constructing the highway on top. EPS Block could have been used, but difficult to place and hold together over time for a long term solution
- CEMATRIX was selected because it was the better solution because it enabled the highway to be back in service much quicker, at the right price and the only high volume cellular concrete supplier in Canada



Timing **2014**

Owner **Ministry of Transportation of Ontario**

General Contractor **Graham Brothers**

Sales Value **\$0.2M CAD**



# Tunnel Grouting

## North Saskatchewan River - Edmonton

- Tunnel Grout
- Cellular concrete was selected over traditional heavy grouts because the air bubbles within the CC act as frictionless ball bearings enabling the CC to be pumped long distances under low pressure. A traditional grout was scheduled to take 3 months to complete at a higher material cost than the in-place cellular concrete
- CEMATRIX placed the base and grout in less than a week
- CEMATRIX was selected because it was the better solution at the right price and the only high volume cellular concrete supplier in Canada



Timing **2007**

Owner **City of Edmonton;**  
General Contractor **City of Edmonton;**  
Sales Value **\$0.35M CAD**



# Tunnel Heavy Grout - Washington

- Tunnel Backfill – Brightwater Conveyance Tunnel
- Cellular concrete was selected over traditional heavy grouts because cellular can be pumped long distances under low pressure in significantly less time at a lower material cost
- CEMATRIX (Pacific International Grout) was selected because PIGCO are the premier suppliers of cellular grouts for long problematic tunnels in North America



Timing **2010-12**  
Owner **King County**  
General Contractor  
**Vinci Parsons Frontier Kemper JV**  
Sales Value **\$3.1 million USD**

***CEMATRIX***<sup>TM</sup>

*Cellular Concrete Solutions*

**Thank you**

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